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EATON HOLDING II S.A.R.L.

(Incorporated in Luxembourg with limited liability)

senyuan

**SENYUAN INTERNATIONAL
HOLDINGS LIMITED**

森源國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

**DESPATCH OF COMPOSITE OFFER AND RESPONSE DOCUMENT
RELATING TO**

**THE VOLUNTARY CONDITIONAL CASH OFFER BY
DBS ASIA CAPITAL LIMITED, ON BEHALF OF
EATON HOLDING II S.A.R.L.,**

**A WHOLLY-OWNED INDIRECT SUBSIDIARY OF
EATON CORPORATION,
FOR ALL OF THE ISSUED SHARES IN THE CAPITAL OF
SENYUAN INTERNATIONAL HOLDINGS LIMITED**

Financial adviser to Eaton Holding II S.a.r.l.



**Financial adviser to
Senyuan International Holdings Limited**



Quam Capital Limited

**Independent financial adviser to the independent board committee of
Senyuan International Holdings Limited**

CIMB

CIMB-GK Securities (HK) Limited

The Composite Document containing, among other things, the details of the Offer, the letter from DBS Asia Capital, the letter from the SIH Board, the letter from the independent committee of the SIH Board (“**SIH Independent Board Committee**”) and the letter from CIMB-GK Securities (Hong Kong) Limited, the independent financial adviser to the SIH Independent Board Committee, together with the form of acceptance and transfer in respect of the Offer will be despatched to the SIH Shareholders on 1 September 2006.

SIH Shareholders are encouraged to read the Composite Document carefully, including the recommendations of the SIH Independent Board Committee and the advice from CIMB-GK Securities (Hong Kong) Limited, before deciding whether or not to accept the Offer.

Reference is made to the joint announcement dated 22 August 2006 by the Offeror and SIH in relation to the Offer (the “**Joint Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, the details of the Offer, the letter from DBS Asia Capital, the letter from the SIH Board, the letter from the SIH Independent Board Committee in respect of the Offer and the letter from CIMB-GK Securities (Hong Kong) Limited, independent financial adviser to the SIH Independent Board Committee, together with the form of acceptance in respect of the Offer, will be despatched to the SIH Shareholders on 1 September 2006.

SIH Shareholders are encouraged to read the Composite Document carefully, including the recommendations of the SIH Independent Board Committee and the advice from CIMB-GK Securities (Hong Kong) Limited, before deciding whether or not to accept the Offer.

EXPECTED TIMETABLE

Unless the Offer has previously been revised or extended, or has previously become or been declared unconditional, all acceptances must be received by 4:00 p.m. on Friday, 22 September 2006 (the “**First Closing Date**”), being not less than 21 days from the date of the posting of the Composite Document. The Offeror will publish an announcement on the Stock Exchange’s website by 7:00 p.m. on the First Closing Date stating whether the Offer has been revised or extended, has expired or has become or been declared unconditional (whether as to acceptances or in all respects). Such announcement will be republished in The Standard (in English) and The Hong Kong Economic Times (in Chinese) on Monday, 25 September 2006.

Opening date of the Offer Friday, 1 September 2006

First Closing Date (*Note 1*) Friday, 22 September 2006

Latest time for acceptance of the Offer on
the First Closing Date (*Note 2*) 4:00 p.m. on Friday, 22 September 2006

Announcement of the results of the Offer as at the First Closing Date,
on the website of the Stock Exchange not later than 7:00 p.m. on Friday, 22 September 2006

Announcement of the results of the Offer as at the First Closing Date,
in the newspapers in Hong Kong Monday, 25 September 2006

Latest date for posting of remittances to SIH Shareholders
in respect of valid acceptances received by the First Closing Date,
assuming the Offer becomes, or is declared,
unconditional on such date (*Note 3*) Saturday, 30 September 2006

Latest time and date by which the Offer can become or be declared
unconditional as to acceptances (*Note 4*) 7:00 p.m. on Tuesday, 31 October 2006

Notes:

1. In accordance with the Takeovers Code, since the offer document and the offeree board circular in respect of the Offer are combined in a composite document, the Offer must initially be open for acceptance for at least 21 days following the date on which the Composite Document was posted. The Offeror reserves its right to extend the Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offer, which announcement will state either the next closing date or if the Offer is at that time unconditional as to acceptances, a statement that the Offer will remain open until further notice. In the latter case, at least 14 days’ notice in writing must be given before the Offer is closed to those SIH Shareholders who have not accepted the Offer.

Beneficial owners of SIH Shares who hold their SIH Shares in the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited (“CCASS”) directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix II of the Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

2. The Offer will close for acceptances at 4:00 p.m. on Friday, 22 September 2006 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror will issue an announcement when the Offer becomes unconditional as to acceptances.
3. Remittances in respect of the consideration for the SIH Shares tendered under the Offer will be posted to those SIH Shareholders accepting the Offer as soon as possible, but in any event within 10 days from the later of the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid, and the Unconditional Date. In the event that the 90% Threshold Condition is satisfied, further remittances in respect of the additional consideration for any SIH Shares which were tendered under the Offer before the 90% Threshold Condition was satisfied will be posted to the relevant SIH Shareholders as soon as possible but in any event within 10 days of the date on which the satisfaction of the 90% Threshold Condition is announced. Where a period laid down by the Takeovers Code ends on a day which is not a business day, the period is extended until the next business day.
4. In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional whether as to acceptances or in all respects, it should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days’ notice in writing must be given before the Offer is closed to SIH Shareholders who have not accepted the Offer. In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day the Composite Document was posted. Accordingly, unless the Offer has previously become unconditional as to acceptances, the Offer will lapse after 7:00 p.m. on Tuesday, 31 October 2006 unless extended with the consent of the Executive. If the Offer becomes or is declared unconditional as to acceptances, the Offeror may declare the Offer open for acceptances: (i) up to the date four months from the day that the Composite Document was posted; or (ii) if the Offeror has by that time become entitled to exercise compulsory acquisition rights, until any such later date as the Offeror may choose to close the Offer in accordance with the Takeovers Code. The Offeror will issue an announcement when the Offer becomes unconditional in all respects. In accordance with the Takeovers Code, except with the consent of the Executive, all Conditions must be fulfilled or the Offer must lapse within 21 days of the First Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

All time references contained in this announcement are to Hong Kong time.

By order of the board of
Eaton Holding II S.a.r.l.
Carlo Schlessler
Director

By order of the board of
Senyuan International Holdings Limited
Tsang Shui Ching, Patrick
Chairman

Hong Kong, 31 August 2006

The Offeror Directors, the Chairman and Chief Executive Officer of Eaton Corporation and the Executive Vice President and Chief Financial and Planning Officer of Eaton Corporation jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the SIH Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the SIH Group) have been arrived at after due and careful consideration and there are no other facts (other than those relating to the SIH Group) not contained in this announcement, the omission of which would make any statements in this announcement misleading.

The SIH Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement in respect of the SIH Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement in respect of the SIH Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement in respect of the SIH Group, the omission of which would make any statements in this announcement in respect of the SIH Group misleading.

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Carlo Schlessler, Mr. Robert Parmenter and Mr. David Otto.

As at the date of this announcement, the Chairman and Chief Executive Officer of Eaton Corporation is Mr. Alexander Cutler and the Executive Vice President and Chief Financial and Planning Officer of Eaton Corporation is Mr. Richard Fearon.

As at the date of this announcement, the SIH Board comprises Mr. Tsang, Mr. Zhou, Mr. Lou Chong Wei, Mr. Shu Yi Jin, Mr. Keung Ping Yin, Raymond, Mr. Wong Yiu Sun, Peter and Mr. Lu Yan Sun.

“Please also refer to the published version of this announcement in The Standard.”