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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)**

**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 SHARE CAPITAL OF  
SENYUAN INTERNATIONAL HOLDINGS LIMITED  
LEVEL OF ACCEPTANCES, CLOSING DATE OF THE OFFER, EXERCISE OF  
COMPULSORY ACQUISITION, SUSPENSION OF TRADING AND  
WITHDRAWAL OF LISTING**

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



**Financial adviser to  
Senyuan International Holdings Limited**



**Quam Capital Limited**

The Offer was declared unconditional in all respects on 14 September 2006, and will remain open for acceptance until 4:00 p.m. on 6 October 2006, being 14 days after the date of this announcement, at which time the Offer will close.

As the 90% Threshold Condition has been satisfied, the consideration payable to SIH Shareholders who have accepted, or will accept, the Offer will be based on the Enhanced Offer Price of HK\$1.62 per SIH Share.

The Offeror intends to exercise its right of Compulsory Acquisition. Upon completion of the Compulsory Acquisition, the listing of the SIH Shares will be withdrawn from the Stock Exchange.

SIH will apply to the Stock Exchange for the suspension of trading of the SIH Shares from 9:30 a.m. on 9 October 2006 until the withdrawal of listing of the SIH Shares on the Stock Exchange following completion of the Compulsory Acquisition. The last day of trading of the SIH Shares on the Stock Exchange will be 6 October 2006. In that case, from 9 October 2006 the Remaining SIH Shareholders will not be able to deal in the SIH Shares on the Stock Exchange.

**In view of the anticipated Compulsory Acquisition, SIH Shareholders who wish to accept the Offer, but have not yet submitted their acceptances, are reminded to submit their duly completed Form of Acceptance, together with the relevant SIH Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Receiving Agent, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event before 4:00 p.m. on 6 October 2006 (at which time the Offer will close) if they wish to receive the consideration for their SIH Shares under the Offer. Unless they accept the Offer, the Remaining SIH Shareholders will not receive their consideration for such SIH Shares**

**until completion of the Compulsory Acquisition. The Remaining SIH Shareholders should also note that there may be a delay in the payment of their consideration in the Compulsory Acquisition as the Offeror will be required by the Companies Law to pay such consideration to SIH (which will hold the aggregate consideration in a separate trust account) rather than directly to the Remaining SIH Shareholders.**

Reference is made to the joint announcements made by the Offeror and SIH on 22 August 2006, 31 August 2006, 6 September 2006 and 14 September 2006, and to the composite offer and response document dated 1 September 2006 (the *Composite Document*) issued jointly by the Offeror and SIH, in relation to the Offer. Unless otherwise stated, capitalised terms used in this announcement have the same meanings as those defined in the Composite Document.

#### **ACCEPTANCES**

The Offer became unconditional as to acceptances on 6 September 2006. The directors of the Offeror are pleased to announce that, at the close of business on 22 September 2006, valid acceptances have been received in respect of a total of 298,791,000 SIH Shares (representing approximately 97.96% of the issued share capital of SIH).

#### **WAIVER OF OTHER CONDITIONS**

All the other Conditions of the Offer have been waived. Accordingly, the Offer became unconditional in all respects on 14 September 2006. This is the Unconditional Date referred to in the Composite Document.

#### **ENHANCED OFFER PRICE PAYABLE**

As the 90% Threshold Condition has been satisfied, the consideration payable to SIH Shareholders who have accepted, or will accept, the Offer will be based on the Enhanced Offer Price of HK\$1.62 per SIH Share. Payment to SIH Shareholders who have accepted the Offer will be posted as soon as possible but in any event within 10 days of the receipt by the Receiving Agent of a complete and valid Form of Acceptance and the Unconditional Date, whichever is the later.

#### **CLOSING DATE OF THE OFFER**

SIH Shareholders are advised that the Offer will remain open for acceptances until 4:00 p.m. on 6 October 2006, being 14 days after the date of this announcement, at which time the Offer will close. The Offeror wishes to encourage any remaining SIH Shareholders to accept the Offer in accordance with the recommendation of the SIH Independent Board Committee.

SIH Shareholders who wish to accept the Offer must submit their duly completed Form of Acceptance, together with the relevant SIH Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Receiving Agent, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible, but in any event before 4:00 p.m. on 6 October 2006.

#### **COMPULSORY ACQUISITION**

As the 90% Threshold Condition has been satisfied, the Offeror intends to exercise its right of compulsory acquisition (the *Compulsory Acquisition*) to acquire all the issued SIH Shares which it has not already acquired under the Offer (the *Outstanding SIH Shares*).

The Offeror will in due course issue notices in relation to the compulsory acquisition of the Outstanding SIH Shares pursuant to section 88(1) of the Companies Law (the *Acquisition Notices*) to the SIH Shareholders holding Outstanding SIH Shares (the *Remaining SIH Shareholders*). Once the Acquisition Notices are dispatched, the Offeror will be entitled and bound to acquire the Outstanding SIH Shares on the same terms as the Offer on the expiration of one month from the date on which the Acquisition Notices were given, unless the Grand Court of the Cayman Islands makes an order to the contrary upon the application of a Remaining SIH Shareholder. A further announcement will be made at the time of dispatch of the Acquisition Notices.

**In view of the anticipated Compulsory Acquisition, SIH Shareholders who wish to accept the Offer, but have not yet submitted their acceptances, are reminded to submit their duly completed Form of Acceptance, together with the relevant SIH Share certificate(s) and/or transfer receipt(s)**

and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Receiving Agent, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event before 4:00 p.m. on 6 October 2006 (at which time the Offer will close) if they wish to receive the consideration for their SIH Shares under the Offer. Unless they accept the Offer, the Remaining SIH Shareholders will not receive their consideration for such SIH Shares until completion of the Compulsory Acquisition. The Remaining SIH Shareholders should also note that there may be a delay in the payment of their consideration in the Compulsory Acquisition as the Offeror will be required by the Companies Law to pay such consideration to SIH (which will hold the aggregate consideration in a separate trust account) rather than directly to the Remaining SIH Shareholders.

#### **WITHDRAWAL OF LISTING**

Upon completion of the Compulsory Acquisition, the Offeror will procure that SIH will make an application for the withdrawal of the listing of SIH Shares from the Stock Exchange.

#### **WAIVER OF PUBLIC FLOAT REQUIREMENT**

SIH has applied to the Stock Exchange for a temporary waiver of the public float requirement under the Listing Rule 8.08(1)(c) from 14 September 2006, being the Unconditional Date, until the withdrawal of listing of SIH Shares from the Stock Exchange.

#### **SUSPENSION OF TRADING**

When the Offer is closed, the number of SIH Shares held by the public will be less than the required minimum under the Listing Rules. SIH will apply to the Stock Exchange for the suspension of trading of the SIH Shares on the Stock Exchange from 9:30 a.m. on 9 October 2006 until the withdrawal of listing of the SIH Shares on the Stock Exchange following completion of the Compulsory Acquisition. The last day of trading of the SIH Shares on the Stock Exchange will be 6 October 2006. In that case, from 9 October 2006 the Remaining SIH Shareholders will not be able to deal in the SIH Shares on the Stock Exchange.

**In light of the suspension of trading of the SIH Shares and Compulsory Acquisition, SIH Shareholders who act as nominees for other persons should inform their beneficial owners as to the terms of the Offer, this announcement and the Compulsory Acquisition.**

#### **WITHDRAWAL OF LISTING**

SIH will apply to the Stock Exchange under Rule 6.15 of the Listing Rules for the withdrawal of listing of the SIH on the Stock Exchange following completion of the Compulsory Acquisition.

SIH Shareholders who are in doubt as to what action to take should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser. If they are in doubt as to their rights and obligations under the provisions of the Companies Law in respect of the Compulsory Acquisition, they should consult a solicitor or other professional adviser.

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

By 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, 22 September 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.”