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EATON HOLDING II S.A.R.L.

(Incorporated in Luxembourg with limited liability)



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**

**DESPATCH OF COMPULSORY ACQUISITION NOTICES IN RESPECT OF
THE COMPULSORY ACQUISITION OF OUTSTANDING SHARES**

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



DBS Asia Capital Limited

Financial Adviser to
Senyuan International Holdings Limited



Quam Capital Limited

Compulsory Acquisition Notices will be despatched to holders of Outstanding Shares on Wednesday, 10 January 2007.

Trading in SIH Shares was suspended with effect from 9:30 a.m. on Monday, 9 October 2006 until the withdrawal of the listing of the SIH Shares on the Stock Exchange following completion of the Compulsory Acquisition. It is proposed that the listing of the SIH Shares on the Stock Exchange will be withdrawn on or about Wednesday, 21 February 2007.

Reference is made to the composite offer and response document dated 1 September 2006 (the *Composite Document*) issued jointly by the Offeror and SIH, and the closing announcement made by the Offeror and SIH on 6 October 2006 (the *Closing Announcement*) 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 and the Closing Announcement.

DESPATCH OF THE COMPULSORY ACQUISITION NOTICES

As stated in the Closing Announcement, since the 90% Threshold Condition has been satisfied, the Offeror intends to proceed with the Compulsory Acquisition of the Outstanding Shares under Section 88 of the Companies Law (2004 Revision) of the Cayman Islands (*Companies Law*).

Compulsory Acquisition Notices will be sent by the Offeror to the holders of Outstanding Shares on Wednesday, 10 January 2007.

Unless an application is made to the Grand Court of the Cayman Islands (the *Grand Court*) within one month of the Compulsory Acquisition Notice being given and the Grand Court thinks fit to order otherwise, the Offeror will be entitled and bound to acquire the Outstanding Shares. Following the completion of the Compulsory Acquisition, legal title to the Outstanding Shares will be transferred to the Offeror, and the Offeror will be registered as the new legal owner of the Outstanding Shares, on or about Friday, 16 February 2007. A further announcement will be made upon completion of the Compulsory Acquisition.

With effect from the registration of the Offeror as the legal owner of the Outstanding Shares, SIH will become a wholly-owned subsidiary of the Offeror. In anticipation of this, an application will be made for the withdrawal of the listing of the SIH Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

SIH Shareholders who hold Outstanding Shares should note that they will not receive their consideration for the Outstanding Shares until the date on which the Offeror is registered as legal owner of the Outstanding Shares (which is not expected to occur prior to Friday, 16 February 2007), and that there may be a further delay in the payment of the consideration for the Outstanding Shares acquired by Compulsory Acquisition as the Offeror will be required under the Companies Law to pay such consideration to SIH (which will hold the consideration on trust for the relevant SIH Shareholders) rather than directly to those SIH Shareholders.

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 qualified to advise on matters of Cayman Islands law.

WITHDRAWAL OF LISTING

Trading in SIH Shares was suspended with effect from 9:30 a.m. on Monday, 9 October 2006 until the withdrawal of the listing of the SIH Shares on the Stock Exchange following completion of the Compulsory Acquisition. It is proposed that the listing of the SIH Shares on the Stock Exchange will be withdrawn on or about Wednesday, 21 February 2007.

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 Schlessner
Director

By order of the Board of
Senyuan International Holdings Limited
James W. Mc Gill
Chairman

Hong Kong, 9 January 2007

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 Schlessner, 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. James W. Mc Gill, Mr. Victor F. Gao, Mr. Shashi D. Puthran, Ms. Deborah A. Douglas, Mr. Louis V. Pinkham, Mr. Keung Ping Yin, Raymond and Mr. Wong Yiu Sun, Peter.

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