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Elec & Eltek 依利安達

Elec & Eltek International Holdings Limited
(Incorporated in Bermuda with Limited Liability)

(Stock Code: 33)

**ANNOUNCEMENT ON THE
VOLUNTARY CONDITIONAL CASH OFFERS BY
EASE EVER INVESTMENTS LIMITED (“Hong Kong Offeror”),
AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF
KINGBOARD CHEMICAL HOLDINGS LIMITED**

The Board is considering the Offers made by the Hong Kong Offeror.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on Wednesday, 13 October 2004 pending the release of this announcement. Application has been made to the Stock Exchange for resumption in trading of the Shares with effect from 9:30 a.m. on Thursday, 14 October 2004.

The board of directors (the “Board”) of Elec & Eltek International Holdings Limited (the “Company”) has reviewed the announcement of Kingboard Chemical Holdings Limited dated 12 October 2004 in respect of, inter alia, voluntary conditional cash offers (the “Offers”) for all the shares of the Company (“Share(s)”) and for cancellation of all outstanding options of the Company (“Option(s)”) (other than those held by the Hong Kong Offeror and persons acting in concert with it) at HK\$1.90 per Share in cash and HK\$1.90 less the exercise price per Option in cash. No Offer document has been received by the Board from the Hong Kong Offeror.

The Board is now considering the Offers and an independent board committee of the Company (“Independent Board Committee”) will be formed to advise shareholders in relation to the Offers. The Independent Board Committee will be writing to the shareholders of the Company in accordance with the Hong Kong Code on Takeovers and Mergers with their formal response to the Offers once the offer document has been posted by the Hong Kong Offeror. The Company’s response document will also contain the views of the independent financial adviser to the Independent Board Committee (“Independent Financial Adviser”), which is still to be appointed by the Company.

Further announcement(s) will be made by the Company upon the formation of the Independent Board Committee and the appointment of the Independent Financial Adviser.

Shareholders and investors should exercise extreme caution when dealing in the shares of the Company.

At the request of the Company, trading in its shares on the Stock Exchange has been suspended since 9:30 a.m. on 13 October 2004. An application has been made to the Stock Exchange for the resumption of trading of the same with effect from 9:30 a.m. on 14 October 2004.

By Order of the Board
Monica Tso Hon Yuk
Company Secretary

Hong Kong, 13 October 2004

As at the date of this announcement, the directors of Elec & Eltek International Holdings Limited comprise two executive directors, namely, Mr Thomas Tang Koon Yiu and Mr Canice Chung Tai Keung, five non-executive directors, namely, Mr David So Cheung Sing, Mr Marcus Tsang Ming Pui, Mr Wilson Tam Kam Ho, Mr Johnny Ng Ho Kin and Mr Peter Lee Yip Wah and three independent non-executive directors, namely, Mr Eugene Lee, Mr Kenneth Shim Hing Choi and Mr Keith Tay Ah Kee.

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

Please also refer to the published version of this announcement in South China Morning Post.