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If you have sold or otherwise transferred all your shares in Elec & Eltek International Holdings Limited, you should at once hand this document and the accompanying Pink Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This document should be read in conjunction with the Forms of Acceptance, the contents of which form part of the terms of the Hong Kong Offers contained therein.

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**KB**

**KINGBOARD CHEMICAL HOLDINGS LIMITED**

**建滔化工集團\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0148)**

**EASE EVER INVESTMENTS LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**VOLUNTARY CONDITIONAL CASH OFFERS IN HONG KONG**

**by Citigroup Global Markets Asia Limited**

**on behalf of**

**EASE EVER INVESTMENTS LIMITED,**

**an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited,**

**to acquire all of the issued shares in the capital of,**

**and for cancellation of all outstanding options of,**

**ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED**

**(other than those already owned by the Hong Kong Offeror or parties acting in concert with it)**

**Financial Adviser to the Hong Kong Offeror**



**Citigroup Global Markets Asia Limited**

The procedures for acceptances of the Hong Kong Offers and related information are set out in Appendix I to this document and in the Forms of Acceptance. Acceptance(s) of the Hong Kong Share Offer must be received by the branch share registrar of E&E, Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by not later than 4:00 p.m. on Monday, 29 November 2004 or such later time as the Hong Kong Offeror may determine and announce with the consent of the Executive. Acceptance(s) of the Hong Kong Option Offer must be received by the company secretary of E&E at Unit B10, 3/F Merit Industrial Centre, 94 Tokwawan Road, Kowloon, Hong Kong by not later than 4:00 p.m. on Monday, 29 November 2004 or such later time as the Hong Kong Offeror may consider and announce with the consent of the Executive.

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## EXPECTED TIMETABLE

### Date

Despatch date of the Hong Kong Offer Document and the commencement of the Hong Kong Offers ( <i>Note 1</i> ) .....	Monday, 1 November 2004
Latest date for posting of the Offeree Document ( <i>Note 2</i> ) .....	Monday, 15 November 2004
First Closing Date ( <i>Note 3</i> ) .....	4:00 p.m. on Monday, 29 November 2004
Teletext announcement of the results of the Hong Kong Offers, as at the First Closing Date, through the Stock Exchange .....	By 7:00 p.m. on Monday, 29 November 2004
Announcement of the results of the Hong Kong Offers, as at the First Closing Date, in the newspapers in Hong Kong .....	Tuesday, 30 November 2004
Latest date for posting of remittances to holders of E&E Shares and E&E Options who accept the Hong Kong Offers by the First Closing Date, assuming the Hong Kong Offers become or are declared unconditional on such date ( <i>Note 4</i> ) .....	Thursday, 9 December 2004
Latest time by which the Hong Kong Offers can be declared unconditional as to acceptance ( <i>Note 5</i> ) .....	Midnight, Friday, 31 December 2004

*Notes:*

1. The Hong Kong Offers are made on Monday, 1 November 2004, namely the date of posting of the Hong Kong Offer Document, and is capable of acceptance on and from that date.
2. In accordance with the Takeovers Code, E&E is required to post the Offeree Document to holders of E&E Shares and E&E Options within 14 days from the posting of the Hong Kong Offer Document, unless the Executive consents to a later date and the Hong Kong Offeror agrees to extend the First Closing Date.
3. In accordance with the Takeovers Code, where the Offeree Document is posted after the date on which the Hong Kong Offer Document is posted, the Hong Kong Offers must remain open for acceptance for at least 28 days following the date on which the Hong Kong Offer Document is posted and 4:00 pm on Monday, 29 November 2004 is the latest time for acceptance.
4. Remittances in respect of the consideration payable for the E&E Shares and E&E Options tendered under the Hong Kong Offers will be posted by ordinary post to holders of E&E Shares and E&E Options accepting the Hong Kong Offers at his/her/its own risks as soon as possible, but in any event within 10 days from the later of the date of receipt by the Registrar, or the company secretary of E&E, as the case may be, of all the relevant documents to render the acceptance under the Hong Kong Offers complete and valid, and the date when the Hong Kong Offers become unconditional.

## EXPECTED TIMETABLE

5. In accordance with the Takeovers Code, where the Hong Kong Offers become or are declared unconditional, they 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 Hong Kong Offers are closed to those holders of E&E Shares and E&E Options who have not accepted the Hong Kong Offers. In accordance with the Takeovers Code, except with the consent of the Executive, the Hong Kong Offers may not become or are declared unconditional as to acceptances after midnight (Hong Kong time) on the 60th day after the day this document is posted. Accordingly, unless the Hong Kong Offers have previously become or are declared unconditional as to acceptances, the Hong Kong Offers will lapse on midnight, Friday, 31 December 2004 unless extended with the consent of the Executive. If the Hong Kong Offers become or are declared unconditional as to acceptances, the Hong Kong Offeror may declare the Hong Kong Offers open for acceptances up to (i) the date of four months from the day this document was posted; or (ii) if the Hong Kong Offeror has by that time become entitled to exercise compulsory acquisition rights, until such later date as the Hong Kong Offeror may choose to close the Hong Kong Offers in accordance with the Takeovers Code.

*All time references contained in this document refer to Hong Kong time.*

## DEFINITIONS

*In this document, unless the context otherwise requires, the following expressions have the following meanings:*

“acting in concert”	has the meanings ascribed to it in the Takeovers Code;
“Announcement”	means the announcement of the Company dated 12 October 2004 in relation to, amongst other things, the Transactions;
“associates”	has the meanings ascribed to it in the Listing Rules;
“Business Day”	means a day (other than a Saturday and days on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	means the circular of the Company for the purpose of, amongst other things, giving information to the shareholders of the Company in relation to the Transactions which will be depatched to the shareholders of the Company;
“Citibank”	means Citibank, N.A., Hong Kong Branch;
“Citigroup Asia”	means Citigroup Global Markets Asia Limited, a company incorporated in Hong Kong with limited liability and a deemed licenced corporation under the SFO licensed to carry on Types 1, 4, 6, 7 and 9 of the regulated activities, being the financial adviser to the Company in respect of the Hong Kong Offers;
“Citigroup Singapore”	means Citigroup Global Markets Singapore Pte. Limited;
“Closing Date”	means the First Closing Date of the Hong Kong Offers or any subsequent closing date(s) as may be determined and announced by the Hong Kong Offeror with the consent of the Executive;
“Commitment Letter”	means the commitment letter dated 12 October 2004 offered by Citibank and accepted by the Company as borrower in relation to the Facility;

## DEFINITIONS

“Companies Act”	means the Companies Act 1981 of Bermuda (as amended);
“Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the laws of Hong Kong;
“Company”	means Kingboard Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Company Share(s)”	means the share(s) of HK\$0.10 each in the issued share capital of the Company;
“Condition(s)”	means the conditions of the Hong Kong Offers as set out under the paragraph headed “Conditions of the Hong Kong Offers” in this document;
“Director(s)”	means the director(s) of the Company for the time being;
“E&E”	means Elec & Eltek International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“E&E Annual Report”	means the audited annual report of E&E for the year ended 30 June 2004 and published on 10 September 2004;
“E&E Group”	means E&E and its subsidiaries;
“E&E Option”	means the 22,000,000 outstanding options as at the Latest Practicable Date granted by E&E under the share option scheme of E&E adopted on 29 October 2002 each conferring on the grantee thereof the right to subscribe for one new E&E Share at the E&E Option Exercise Price;
“E&E Option Exercise Price”	means a range from HK\$1.13 to HK\$1.39, subject to adjustment, being the price at which the holders of E&E Options may subscribe for one new E&E Share under the terms of the E&E Options as at the Latest Practicable Date;
“E&E Share(s)”	means the share(s) of HK\$0.10 each in the issued share capital of E&E;

## DEFINITIONS

“E&E Shareholder(s)”	means registered holder(s) for the time being of E&E Shares;
“EEIC”	means Elec & Eltek International Company Limited, a public company listed on the Singapore Stock Exchange which is interested as to approximately 51.71% by E&E as at the Latest Practicable Date;
“EEIC Annual Report”	means the Annual Report 2003/2004 of EEIC for the year ended 30 June 2004 published on the website of the Singapore Stock Exchange on 16 September 2004;
“EEIC Option Exercise Price”	means a range from US\$1.308 to US\$2.250, subject to adjustment, being the price at which the holders of EEIC Options may subscribe for new EEIC Shares under the terms of the EEIC Options as at the Latest Practicable Date;
“EEIC Options”	means an aggregate of 2,800,400 outstanding options as at the Latest Practicable Date granted by EEIC under the 1999 employees’ share option scheme and the 2002 employees’ share option scheme, each conferring on the grantee thereof the right to subscribe for one new EEIC Share at the EEIC Option Exercise Price;
“EEIC Shares”	means the issued and paid-up ordinary shares of S\$0.80 each in the issued share capital of EEIC;
“EGM”	means the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Transactions;
“Enlarged Group”	means the Group together with the E&E Group;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Facility”	means an unsecured loan facility of up to HK\$7,270 million in aggregate provided by Citibank to the Company subject to the terms and conditions as set out in the Commitment Letter;
“First Closing Date”	means 29 November 2004, being the 28th day after the date of the posting of the Hong Kong Offer Document;

## DEFINITIONS

“Forms of Acceptance”	means the Pink Form of Acceptance and the White Form of Acceptance;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	means Hong Kong Securities Clearing Company Limited;
“Hong Kong Offer Document”	means this document issued by or on behalf of the Hong Kong Offeror to all holders of E&E Shares and E&E Options in accordance with the Takeovers Code containing, inter alia, details of the Hong Kong Offers, the Forms of Acceptance, and the terms and conditions of the Hong Kong Offers;
“Hong Kong Offeror”	means Ease Ever Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Hong Kong Offers”	means the Hong Kong Share Offer and the Hong Kong Option Offer;
“Hong Kong Option Offer Price”	means the amount of HK\$1.90 less the E&E Option Exercise Price payable by the Hong Kong Offeror to holders of E&E Options for each E&E Option accepted under the Hong Kong Option Offer;
“Hong Kong Option Offer”	means the voluntary conditional cash offer at the Hong Kong Option Offer Price for E&E Options (other than those already owned by the Hong Kong Offeror or parties acting in concert with it);
“Hong Kong Share Offer Price”	means the amount of HK\$1.90 payable by the Hong Kong Offeror to holders of E&E Shares for each E&E Share accepted under the Hong Kong Share Offer;
“Hong Kong Share Offer”	means the voluntary conditional cash offer at the Hong Kong Share Offer Price for E&E Shares (other than those already owned by the Hong Kong Offeror or parties acting in concert with it);
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;



## DEFINITIONS

“Latest Practicable Date”	means 29 October 2004, being the latest practicable date prior to the printing of this document for the purposes of ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Offeree Document”	means the response document in respect of the Hong Kong Offers to be issued by E&E to the holders of E&E Shares and E&E Options in accordance with the Takeovers Code;
“Pink Form of Acceptance”	means the accompanying form of acceptance and transfer of E&E Shares in pink in respect of the Hong Kong Share Offer;
“Registrar”	means Computershare Hong Kong Investor Services Limited, the branch share registrar of E&E in Hong Kong at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“S\$”	means Singapore dollars, the lawful currency of Singapore;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong;
“Singapore Offeror”	means Elitelink Holdings Limited, a company incorporated in the British Virgins Island with limited liability and an indirect wholly-owned subsidiary of the Company;
“Singapore Share Offer Price”	means the amount of US\$2.85 payable by the Singapore Offeror to holders of EEIC Shares for each EEIC Share accepted under the Singapore Share Offer;
“Singapore Share Offer”	means the possible mandatory unconditional cash offer at the Singapore Share Offer Price for EEIC Shares (other than those already owned by the Singapore Offeror or parties acting in concert with it and those owned by E&E);
“Singapore Stock Exchange”	means Singapore Exchange Securities Trading Limited;

## DEFINITIONS

“Singapore Takeovers Code”	means the Singapore Code on Take-overs and Mergers;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiaries”	shall have the same meaning ascribed to it in section 2 of the Companies Ordinance;
“Takeovers Code”	means The Hong Kong Code on Takeovers and Mergers;
“Transactions”	means the Hong Kong Offers and the Singapore Share Offer;
“Unconditional Date”	means the date on which the Hong Kong Offers become or are declared unconditional in all respects;
“US\$”	means United States of America dollars, the lawful currency of the United States of America; and
“White Form of Acceptance”	means the form of acceptance and cancellation of the outstanding E&E Options in white in respect of the Hong Kong Option Offer.

# KB

## KINGBOARD CHEMICAL HOLDINGS LIMITED

### 建滔化工集團\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0148)**

*Executive Directors:*

Cheung Kwok Wing (*Chairman*)  
Chan Wing Kwan (*Managing Director*)  
Lam Ka Po  
Cheung Kwong Kwan  
Cheung Kwok Wa  
Cheung Kwok Ping  
Cheung Kwok Keung  
Chang Wing Yiu  
Mok Cham Hung, Chadwick

*Non-executive Director:*

Lum Gum Wun

*Independent non-executive Directors:*

Tsao Kwang Yung, Peter, CBE, CPM  
Cheng Ming Fun, Paul  
Tse Kam Hung

*Registered Office:*

Ground Floor  
Caledonian House  
P.O. Box 1043  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Head Office and Principal*

*Place of Business:*

5th Floor, Block K  
Valiant Industrial Centre  
2-12 Au Pui Wan Street  
Fo Tan, Shatin  
Hong Kong

1 November 2004

*To the holders of E&E Shares and E&E Options,*

**Voluntary conditional cash offers in Hong Kong  
by Citigroup Global Markets Asia Limited  
on behalf of  
EASE EVER INVESTMENTS LIMITED,  
an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited,  
to acquire all of the issued shares in the capital of,  
and for cancellation of all outstanding options of,  
ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED  
(other than those already owned by the Hong Kong Offeror or  
parties acting in concert with it)**

#### 1. INTRODUCTION

On 12 October 2004, the Company issued the Announcement in respect of, amongst other things, a voluntary conditional cash offer in Hong Kong by the Hong Kong Offeror,

\* For identification purposes only

## LETTER FROM KINGBOARD CHEMICAL HOLDINGS LIMITED

an indirect wholly-owned subsidiary of the Company, to acquire all the issued shares in the share capital of, and for cancellation of all outstanding options of, E&E (other than those already owned by the Hong Kong Offeror or parties acting in concert with it). Details of the Hong Kong Offers and the action you should take are set out in the letter from Citigroup Asia contained in, and in the Appendices to, this document. The Company would like to take this opportunity to give you a summary of the Hong Kong Offers, which the Company believes, will be helpful to you.

The Hong Kong Offers, comprising the Hong Kong Share Offer and the Hong Kong Option Offer, will be conditionally made in compliance with the Takeovers Code on the following basis:

**For each E&E Share . . . . . HK\$1.90 in cash.**  
**For each E&E Option . . . . . HK\$1.90 less the E&E Option Exercise Price in cash.**

Assuming that all the E&E Options are exercised in full by the holders thereof prior to the Closing Date and the Hong Kong Share Offer are accepted in full, the consideration payable by the Hong Kong Offeror pursuant to the Hong Kong Offers will be approximately HK\$1,729 million.

### 2. TERMS OF THE HONG KONG OFFERS

Under the terms of the Hong Kong Share Offer, E&E Shares will be acquired with all rights attached thereto (save for the final dividend for the year ended 30 June 2004 which, according to the E&E Annual Report, should have been paid on 15 October 2004) as at the date on which the Hong Kong Share Offer is made, i.e. the day of posting of this document, namely 1 November 2004 or subsequently becoming attached thereto and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the Hong Kong Option Offer, the E&E Options together with all rights attaching thereto will be entirely cancelled and renounced.

### 3. CONDITIONS OF THE HONG KONG OFFERS

The Hong Kong Offers will be conditional upon the following:

- (1) The Hong Kong Offers and the Singapore Share Offer having been approved by the shareholders of the Company at the EGM.
- (2) Each and every member of the E&E Group remaining solvent and not subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, provisional liquidator, receiver or other person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking or any member of the E&E Group from the date of the Announcement up to the date when Conditions (1), (3) and (4) are all satisfied, or in the case of Condition (4) only, waived by the Hong Kong Offeror.

## LETTER FROM KINGBOARD CHEMICAL HOLDINGS LIMITED

- (3) Valid acceptances having been received (and not, where permitted, withdrawn) at or before 4:00 p.m. on the Closing Date in respect of E&E Shares which, together with the E&E Shares then held by the Hong Kong Offeror and parties acting in concert with it, will result in the Hong Kong Offeror and parties acting in concert with it, holding more than 50% of the voting rights of E&E.
- (4) (i) No additional directors, save for the persons nominated by the Hong Kong Offeror as mentioned in this Condition, having been appointed to the respective boards of directors of E&E and EEIC after the date of the Announcement up to and including the 3rd day after the day when Conditions (1) and (3) above are both satisfied; (ii) five persons nominated by the Hong Kong Offeror having been appointed to the board of directors of E&E with effect no later than the 3rd day after the day when Conditions (1) and (3) above are both satisfied; and (iii) receipt by the Singapore Offeror of an irrevocable undertaking from the majority of the board of directors of EEIC regarding appointment of directors nominated by the Singapore Offeror. Under such irrevocable undertaking, the directors of EEIC (who have given the irrevocable undertaking) shall cause the appointment of five persons nominated by the Singapore Offeror to the board of directors of EEIC with effect no later than the 3rd day after the Singapore Offer Document has been despatched to the shareholders of EEIC.

The Hong Kong Option Offer will be subject to and conditional upon the Hong Kong Share Offer becoming unconditional in all respects.

### **Waiver of the Conditions of the Hong Kong Offers**

The Hong Kong Offeror reserves the right to waive all or any of the Conditions (except Conditions (1), (2) and (3) for the Hong Kong Share Offer) in whole or in part on or before the Closing Date.

### **Lapse of the Hong Kong Offers**

According to Rule 5 of the Takeovers Code, except with the consent of the Executive and subject to the notes to Rule 5 of the Takeovers Code, the Hong Kong Offeror must proceed with the Hong Kong Offers unless the Conditions are not met (or in respect of Condition (4) only, waived by the Hong Kong Offeror in its sole discretion) on or before the Closing Date or such later date if required by the Takeovers Code and as the Executive may approve. Except with the consent of the Executive, all Conditions must be fulfilled or, in respect of Condition (4) only, waived by the Hong Kong Offeror in its sole discretion, on or before the Closing Date, otherwise, subject to full compliance with the Takeovers Code, in particular, Note 2 of Rule 30.1, the Hong Kong Share Offer must lapse on the Closing Date. In that case, the Hong Kong Offeror will issue a press announcement as soon as practicable thereafter. Under the Takeovers Code, the latest date on which the Hong Kong Offeror can declare the Hong Kong Offers unconditional in all respects as to acceptances is 60 days after the date of the posting of the Hong Kong Offer Document i.e. 31 December 2004 (or such later date as the Executive may consent to).

**4. CONCLUSION**

As mentioned above, the detailed terms and conditions of the Hong Kong Offers are set out in the Letter from Citigroup Asia and the Appendices of this offer document. We respectfully urge you to read them carefully.

Yours faithfully,  
For and on behalf of  
**Kingboard Chemical Holdings Limited**  
**Cheung Kwok Wing**  
*Chairman*



**Citigroup Global Markets Asia Limited**

50th Floor, Citibank Tower  
Citibank Plaza, 3 Garden Road  
Central, Hong Kong

1 November 2004

*To the holders of E&E Shares and E&E Options,*

Dear Sir or Madam,

**Voluntary conditional cash offers in Hong Kong  
by Citigroup Global Markets Asia Limited  
on behalf of  
EASE EVER INVESTMENTS LIMITED,  
an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited,  
to acquire all of the issued shares in the capital of,  
and for cancellation of all outstanding options of,  
ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED  
(other than those already owned by the Hong Kong Offeror or  
parties acting in concert with it)**

## **1. INTRODUCTION**

By an announcement dated 12 October 2004, the Company announced, amongst other things, that the Hong Kong Offeror would, through Citigroup Asia, make a voluntary conditional cash offer in Hong Kong to acquire all the issued shares in the share capital of, and for the cancellation of all outstanding options of, E&E (other than those already owned by the Hong Kong Offeror or parties acting in concert with it). The Hong Kong Offers will be conditional upon, amongst other things, the approval of the shareholders of the Company in the EGM.

As at the Latest Practicable Date, the Company is, directly and through its subsidiaries, interested in an aggregate of 336,799,000 E&E Shares, representing approximately 27.50% of the entire issued share capital of E&E as at the Latest Practicable Date. Pursuant to the SFO, Hallgain Management Limited is deemed to be interested in the aforesaid 336,799,000 E&E Shares by virtue of its approximately 32.61% interests in the issued share capital of the Company as at the Latest Practicable Date. Hallgain Management Limited is a controlling Shareholder (as defined in the Listing Rules) and the Hong Kong Offeror is a wholly-owned subsidiary of the Company. As a result, the Hong Kong Offeror and the parties acting in concert with it were the beneficial owners of 336,799,000 E&E Shares, representing approximately 27.50% of the entire issued share capital of E&E as at the Latest Practicable Date.

## LETTER FROM CITIGROUP GLOBAL MARKETS ASIA LIMITED

As previously mentioned in the Announcement, each of Mr. Cheung Kwok Wa, an executive Director, and Mr. Tse Kam Hung, an independent non-executive Director, was directly interested in 150,000 and 50,000 E&E Shares as at the date of the Announcement, representing in aggregate approximately 0.016% of the entire issued share capital of E&E (calculated based on the aggregate number of E&E Shares held by Mr. Cheung Kwok Wa and Mr. Tse Kam Hung as at the date of the Announcement and the total number of issued shares of E&E as at the Latest Practicable Date). Mr. Cheung Kwok Wa and Mr. Tse Kam Hung have already donated all their interest in E&E to a registered charitable organisation in Hong Kong on 27 October 2004. Accordingly, such 200,000 E&E Shares will form part of the E&E Shares that are subject to the Hong Kong Share Offer.

This letter sets out the details of the Hong Kong Offers, information on the Hong Kong Offeror and the intention of the Hong Kong Offeror regarding the E&E Group. The terms of the Hong Kong Offers are set out below in this letter and the Forms of Acceptance.

### 2. THE HONG KONG OFFERS

#### The Hong Kong Offers

The Hong Kong Offers, comprising the Hong Kong Share Offer and the Hong Kong Option Offer, will be made in compliance with the Takeovers Code on the following basis:

**For each E&E Share ..... HK\$1.90 in cash.**  
**For each E&E Option ..... HK\$1.90 less the E&E Option Exercise Price in cash.**

#### Comparisons of value

Based on the E&E Annual Report, E&E recorded an audited net profit from ordinary activities attributable to E&E Shareholders of approximately HK\$37.49 million and HK\$145.02 million for the year ended 30 June 2003 and 30 June 2004 respectively.

The Hong Kong Share Offer Price represents:

- (a) a premium of approximately 9.20% and 3.83% over the closing price of HK\$1.7400 and HK\$1.8300 per E&E Share as quoted on the Stock Exchange as at the date of the Announcement and the Latest Practicable Date respectively;
- (b) a premium of approximately 3.94% over the average closing price of HK\$1.8280 per E&E Share for the five trading days up to and including the Latest Practicable Date;
- (c) a premium of approximately 3.26% over the average closing price of approximately HK\$1.8400 per E&E Share for the last 10 trading days up to and including the Latest Practicable Date;
- (d) a premium of approximately 12.71% over the average closing price of approximately HK\$1.6857 per E&E Share for the last 30 trading days up to and including the Latest Practicable Date;



## LETTER FROM CITIGROUP GLOBAL MARKETS ASIA LIMITED

- (e) a premium of approximately 28.21% over the average closing price of approximately HK\$1.4819 per E&E Share for the three months up to and including the Latest Practicable Date;
- (f) a premium of approximately 35.18% over the average closing price of approximately HK\$1.4055 per E&E Share for the six months up to and including the date of the Announcement;
- (g) a premium of approximately 31.99% over the average closing price of approximately HK\$1.4395 per E&E Share for the six months up to and including the Latest Practicable Date;
- (h) a premium of approximately 184.18% over the audited net tangible asset value per E&E Share of approximately HK\$0.6686 as at 30 June 2004 (based on net tangible assets of approximately HK\$814 million and 1,217 million E&E Shares in issue as at 30 June 2004 according to the audited accounts in the E&E Annual Report);
- (i) a premium of 36.69% to 68.14% over the E&E Option Exercise Price range; and
- (j) a price earnings multiple of 15.82 times based on the fully diluted earnings per share of HK\$0.1201 for the financial year ended 30 June 2004 (as disclosed in E&E Annual Report).

The highest and lowest prices at which E&E Shares were traded on the Stock Exchange during the six-month period immediately preceding the date of the Announcement were HK\$1.7700 on 11 October 2004 and HK\$1.2400 on 16 August 2004 respectively.

The highest and lowest prices at which E&E Shares were traded on the Stock Exchange during the six-month period immediately preceding the Latest Practicable Date were HK\$1.8600 on 14 October 2004 and HK\$1.2400 on 16 August 2004 respectively.

The Hong Kong Share Offer Price, the Hong Kong Option Offer Price and the terms of the Hong Kong Offers were determined by the Hong Kong Offeror after taking into account the historical financial performance of E&E and the competitive positioning of E&E in the industry. The Directors consider the Hong Kong Share Offer Price and the Hong Kong Option Offer Price to be fair and reasonable.

### **Total Consideration**

As at the Latest Practicable Date, there were 1,224,672,408 E&E Shares in issue. As the E&E Shares held by the Hong Kong Offeror and parties acting in concert with it will not form part of the Hong Kong Share Offer, the total number of E&E Shares that are subject to the Hong Kong Share Offer is 887,873,408 as at the Latest Practicable Date, representing approximately 72.50% of the total issued share capital of E&E as at the Latest Practicable Date.

## LETTER FROM CITIGROUP GLOBAL MARKETS ASIA LIMITED

As at the Latest Practicable Date, there were 22,000,000 outstanding E&E Options. The E&E Annual Report has not indicated other options, warrants or other securities issued by E&E that carry a right to subscribe for or which are convertible into E&E Shares and exercise period and range of exercise price.

Among the aforesaid 22,000,000 outstanding E&E Options, the exercise periods are from 7 May 2005 to 6 May 2006, from 7 May 2006 to 6 May 2007, from 19 July 2006 to 18 July 2007 and from 19 July 2007 to 18 July 2008 respectively as to 5,500,000, 5,500,000, 5,500,000 and 5,500,000 E&E Options respectively. Assuming that all these E&E Options are exercised in full by the holders thereof prior to the Closing Date and the Hong Kong Share Offer are accepted in full, the consideration payable by the Hong Kong Offeror pursuant to the Hong Kong Offers will be approximately HK\$1,729 million.

### **Terms of the Hong Kong Offers**

Under the terms of the Hong Kong Share Offer, E&E Shares will be acquired with all rights attached thereto (save for the final dividend for the year ended 30 June 2004 which, according to the E&E Annual Report, should have been paid on 15 October 2004) as at the date on which the Hong Kong Share Offer is made, i.e. the day of posting of this document, namely 1 November 2004 or subsequently becoming attached thereto and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the Hong Kong Option Offer, the E&E Options together with all rights attaching thereto will be entirely cancelled and renounced.

### **3. CONDITIONS OF THE HONG KONG OFFERS**

The Hong Kong Offers will be conditional upon the following:

- (1) The Hong Kong Offers and the Singapore Share Offer having been approved by the shareholders of the Company at the EGM.
- (2) Each and every member of the E&E Group remaining solvent and not subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, provisional liquidator, receiver or other person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertaking or any member of the E&E Group from the date of the Announcement up to the date when Conditions (1), (3) and (4) are all satisfied, or in the case of Condition (4) only, waived by the Hong Kong Offeror.
- (3) Valid acceptances having been received (and not, where permitted, withdrawn) at or before 4:00 p.m. on the Closing Date in respect of E&E Shares which, together with the E&E Shares then held by the Hong Kong Offeror and parties acting in concert with it, will result in the Hong Kong Offeror and parties acting in concert with it, holding more than 50% of the voting rights of E&E.

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- (4) (i) No additional directors, save for the persons nominated by the Hong Kong Offeror as mentioned in this Condition, having been appointed to the respective boards of directors of E&E and EEIC after the date of the Announcement up to and including the 3rd day after the day when Conditions (1) and (3) above are both satisfied; (ii) five persons nominated by the Hong Kong Offeror having been appointed to the board of directors of E&E with effect no later than the 3rd day after the day when Conditions (1) and (3) above are both satisfied; and (iii) receipt by the Singapore Offeror of an irrevocable undertaking from the majority of the board of directors of EEIC regarding appointment of directors nominated by the Singapore Offeror. Under such irrevocable undertaking, the directors of EEIC (who have given the irrevocable undertaking) shall cause the appointment of five persons nominated by the Singapore Offeror to the board of directors of EEIC with effect no later than the 3rd day after the Singapore Offer Document has been despatched to the shareholders of EEIC.

The Hong Kong Option Offer will be subject to and conditional upon the Hong Kong Share Offer becoming unconditional in all respects.

### **Waiver of the Conditions of the Hong Kong Offers**

The Hong Kong Offeror reserves the right to waive all or any of the Conditions (except Conditions (1), (2) and (3) for the Hong Kong Share Offer) in whole or in part on or before the Closing Date.

### **Lapse of the Hong Kong Offers**

According to Rule 5 of the Takeovers Code, except with the consent of the Executive and subject to the notes to Rule 5 of the Takeovers Code, the Hong Kong Offeror must proceed with the Hong Kong Offers unless the Conditions are not met (or in respect of Condition (4) only, waived by the Hong Kong Offeror in its sole discretion) on or before the Closing Date or such later date if required by the Takeovers Code and as the Executive may approve. Except with the consent of the Executive, all Conditions must be fulfilled or, in respect of Condition (4) only, waived by the Hong Kong Offeror in its sole discretion, on or before the Closing Date, otherwise, subject to full compliance with the Takeovers Code, in particular, Note 2 of Rule 30.1, the Hong Kong Share Offer must lapse on the Closing Date. In that case, the Hong Kong Offeror will issue a press announcement as soon as practicable thereafter. Under the Takeovers Code, the latest date on which the Hong Kong Offeror can declare the Hong Kong Offers unconditional in all respects as to acceptances is 60 days after the date of the posting of the Hong Kong Offer Document (or such later date as the Executive may consent to).

**4. THE SINGAPORE SHARE OFFER**

As at the Latest Practicable Date, E&E was interested in approximately 51.71% of the entire issued share capital of EEIC, a public company listed on the Singapore Stock Exchange. Upon the Hong Kong Offers becoming or being declared unconditional in all respects, the Singapore Offeror will make a mandatory unconditional cash offer in Singapore to acquire all the issued and paid-up ordinary shares in the share capital of EEIC (other than those already owned by the Singapore Offeror or parties acting in concert with it and those owned by E&E) in compliance with the requirements in the Singapore Takeovers Code.

**5. INFORMATION ON THE E&E GROUP**

**Business of the E&E Group**

According to the E&E Annual Report, E&E was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange. The E&E Group is principally engaged in the manufacture and sale of electronic components, including double-side and multi-layered printed circuit boards (“PCBs”), liquid crystal displays and magnetic products, and the provision of IT consultancy and software development services. As at the Latest Practicable Date, the number of EEIC Shares in issue was 146,237,397 and E&E was interested in 75,617,959 EEIC Shares, representing approximately 51.71% of the entire issued share capital in EEIC.

**Key financial information of E&E Group**

Based on the E&E Annual Report, the audited consolidated turnover and profit recorded by the E&E Group (including EEIC) for the two years ended 30 June 2004 were as follows:

	<b>Year ended 30 June</b>	
	<b>2004</b>	<b>2003</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	3,214,067	2,257,713
Profit before tax	342,418	116,348
Tax	(26,291)	(10,623)
Profit before minority interests	316,127	105,725
Minority interests	(171,111)	(68,240)
Net profit attributable to E&E Shareholders	145,016	37,485

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Based on the E&E Annual Report, the audited total assets and total liabilities of the E&E Group as at 30 June 2003 and 30 June 2004 were as follows:

	As at 30 June	
	2004	2003
	HK\$'000	HK\$'000
Total assets	4,017,348	3,023,773
Total liabilities	2,224,996	1,413,935
Net tangible assets	813,994	680,223

### 6. INFORMATION ON THE HONG KONG OFFEROR AND THE GROUP

The Hong Kong Offeror is an indirect wholly-owned subsidiary of the Company and was incorporated in the British Virgin Islands on 16 September 2004. The directors of the Hong Kong Offeror are Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwok Wa and Mok Cham Hung, Chadwick, all of whom are also executive directors of the Company. The Hong Kong Offeror is an investment holding company set up for making the Hong Kong Offers. The Hong Kong Offers will not affect the shareholding structure of the Company.

The Group is principally engaged in the manufacture and sale of laminates, copper foil, glass fabric, glass yarn, bleached kraft paper, PCBs and chemicals. Most of the copper foil, glass fabric, glass yarn and bleached kraft paper produced, and are used, by the Group in its manufacturing of laminates.

### 7. REASONS AND BENEFITS OF THE TRANSACTIONS

The Company and E&E Group (including EEIC) participate in the related segments of the electronics industry. E&E Group is engaged primarily in the manufacture and sale of electronic components, including double-sided and multi-layer PCBs, liquid crystal displays and magnetic products. The Company is engaged primarily in the production of laminates, which are the key raw material for the PCBs. The Company is also engaged in the production of PCBs and chemicals. The Board believes that the Transactions will enable the Enlarged Group to enhance the level of vertical integration of its operations, as well as enhance the economies of scale of its PCB business. With increased size of the PCB operations, the Enlarged Group will enhance its ability to attract orders from large customers as well as improve its bargaining position with suppliers. In addition, the Company and E&E have complementary customer base for their respective PCB businesses, which will enlarge the market coverage of the Enlarged Group.

Based on the above reasons, the Board believes that the Transactions will be beneficial to the Company and its shareholders as a whole.

8. HONG KONG OFFEROR'S INTENTION IN RELATION TO E&E

**Intention regarding E&E**

It is the intention of the Company and the Hong Kong Offeror that E&E, if the Hong Kong Offers are completed, will continue to carry on the business of engaging in the manufacture and sale of electronic components, including double-side and multi-layered PCBs, liquid crystal displays and magnetic products, and the provision of IT consultancy and software development services.

Neither the Hong Kong Offeror nor the Company has intention to introduce major changes to the business including redeployment of fixed assets of E&E.

As disclosed in the Company's annual report for the year ended 31 December 2003, the interests of the Company in the E&E Shares were treated as investment securities and were held for identified long term strategic purposes. If the Hong Kong Offers become unconditional in all respects and, as a result, the Hong Kong Offeror acquires more than 50% of the entire issued share capital of E&E, E&E will become a subsidiary of the Company and will be consolidated into the accounts of the Company.

**Compulsory Acquisition**

As E&E is incorporated in Bermuda, the right of compulsory acquisition will be governed by the Companies Act. Pursuant to section 102(1) of the Companies Act if the Hong Kong Share Offer is accepted by the holders of at least nine-tenths in value of the E&E Shares the Hong Kong Offeror may compulsorily acquire the remaining E&E Shares within two months of the acquisition of at least nine-tenths in value of the E&E Shares unless an application is made by dissentient shareholders to the Supreme Court of Bermuda objecting to the compulsory acquisition.

Under section 103 of the Companies Act the Hong Kong Offeror may, after the close of the Hong Kong Share Offer, compulsorily acquire all the E&E Shares not tendered to the Hong Kong Share Offer if the Hong Kong Offeror has received acceptances in respect of such number of E&E Shares which, when taken together with the E&E Shares owned controlled or agreed to be acquired by the Hong Kong Offeror or parties acting in concert, result in the Hong Kong Offeror and parties acting in concert with it holding 95% the E&E Shares.

After the close of the Hong Kong Share Offer, the Hong Kong Offeror may exercise its right to compulsorily acquire all the E&E Shares not tendered to the Hong Kong Share Offer pursuant to either section 102(1) or section 103 of the Companies Act if it is entitled to do so. Shareholders of E&E should therefore note that their E&E Shares may be compulsorily acquired by the Hong Kong Offeror pursuant to either section 102(1) or section 103 of the Companies Act.

To the extent applicable and pursuant to the compulsory acquisition power under the Companies Act, if the Hong Kong Offeror acquires the prescribed percentage of E&E

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Shares as required by the relevant provisions of the Companies Act, the Company and the Hong Kong Offeror may consider exercising the compulsory acquisition power under the relevant provisions of the Companies Act.

According to Rule 15.6 of the Takeovers Code, unless the Hong Kong Offeror acquires the prescribed percentage of E&E Shares as required by the relevant provisions of the Companies Act and decides to exercise its rights under the relevant provisions of the Companies Act to compulsorily acquire those E&E Shares not acquired by the Hong Kong Offeror under the Hong Kong Share Offer, the Hong Kong Offers may not remain open for acceptance for more than four months from the posting of the Hong Kong Offer Document.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Hong Kong Offeror seeks to acquire or privatize E&E by means of the Hong Kong Offers and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirements imposed by the Companies Act, acceptance of the Hong Kong Offers and purchases (in each case of the disinterested shares) made by the Hong Kong Offeror and persons acting in concert with it during the period of four months after posting the Hong Kong Offer document total 90% of the disinterested shares.

**WARNING: Furthermore, if the level of acceptances reach the prescribed level under the Companies Act and Rule 2.11 of the Takeovers Code permits a compulsory acquisition and the Hong Kong Offeror proceeds with the privatization of E&E, dealings in the securities of E&E will be suspended from the Closing Date up to the withdrawal of listing of E&E's securities from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

As the Company and the Hong Kong Offeror has not decided whether to maintain the listing of E&E on the Stock Exchange or to effect the compulsory acquisition of E&E in the event that the Hong Kong Offeror is permitted to do so under the Companies Act, further announcement will be made in this respect accordingly.

### **Maintaining the Listing**

Assuming the Hong Kong Offers becomes unconditional in all respects but the Hong Kong Offeror does not effect the compulsory acquisition (whether by reason of not acquiring the requisite percentage as required under the Companies Act or otherwise), the Company and the Hong Kong Offeror will use its reasonable endeavours to maintain the listing of E&E on the Stock Exchange and will undertake to the Stock Exchange to use its reasonable endeavours following the closing of the Hong Kong Offers to ensure that not less than 25% of the E&E Shares will be held by the public by various means, including but not limited to placement of existing E&E Shares or issue of new E&E Shares as soon as possible in compliance with the Listing Rules.

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The Stock Exchange has stated that if, at the closing of the Hong Kong Offers, less than 25% of the E&E Shares are held by the public or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the E&E Shares; or
- there are insufficient E&E Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the E&E Shares. In this connection, it should be noted that upon completion of the Hong Kong Offers, there may be insufficient public float for the E&E Shares and therefore, trading in the E&E Shares may be suspended until a prescribed level of public float is attained.

The directors of the Company and the directors of the Hong Kong Offeror and the new directors to be nominated by the Hong Kong Offeror and appointed to the board of directors of E&E pursuant to the Hong Kong Offers will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure sufficient public float exists in the E&E Shares if listing were to be maintained.

If E&E remains listed on the Main Board of the Stock Exchange, the Stock Exchange will closely monitor all future acquisitions or disposals of the assets of E&E. The Stock Exchange has indicated that it has the discretion to require E&E to issue an announcement and a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of E&E. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of E&E Shares and any such transactions may result in E&E being treated as if it were a new listing applicant and subject to the requirements for new applicants as set out in the Listing Rules.

### 9. DIRECTORS AND MANAGEMENT

If the Hong Kong Offeror acquires a majority ownership of E&E, it is the Company's intention to review the existing structure of the board of directors of E&E. It is also the Company's intention to nominate Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwok Wa and Mok Cham Hung, Chadwick, all of whom are also executive directors of the Company, the Hong Kong Offeror and the Singapore Offeror, to the board of directors of E&E. Messrs. Cheung Kwok Wa and Mok Cham Hung, Chadwick have agreed to accept the appointments as executive directors of E&E. Messrs. Cheung Kwok Wing, Chan Wing Kwan and Chang Wing Yiu have agreed to accept the appointments as non-executive directors of E&E. The Hong Kong Offeror will ensure that a sufficient number of independent non-executive directors will continue to be appointed to the respective board of E&E. Any such appointments of new directors to the board of directors of E&E will be in full compliance with the requirements under the Takeovers Code and the Listing Rules.



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Pending the outcome of the proposed review of the existing structure of the board of directors of E&E, in order to maintain continuity and minimize transaction-related business disruption, the Company does not have any intention to make any major changes to the management structure in the near term save for the proposed appointments to the board of directors of E&E as set out above.

### 10. FINANCIAL RESOURCES FOR THE HONG KONG OFFERS

On 12 October 2004, the Company as borrower accepted the Commitment Letter offered by Citibank in respect of the Facility, namely an unsecured loan facility of up to HK\$7,270 million. The purpose of the Facility is to, among other things, finance the Hong Kong Offers, the Singapore Share Offer and to refinance the existing facilities of the Group.

Citigroup Asia is satisfied that there are sufficient financial resources available to the Hong Kong Offeror to meet acceptance of the Hong Kong Offers. The Hong Kong Offers will be financed by, inter alia, the Facility available to the Company and the Company's internal resources. The Hong Kong Offeror has no intention to depend to a significant extent on the business of E&E for the repayment of the Facility.

### 11. TAXATION

Holders of E&E Shares and/or E&E Options are recommended to consult their own professional advisors if they are in any doubt as to the taxation implications of their accepting the Hong Kong Offers. None of the Company, the Hong Kong Offeror, Citigroup Asia nor any of their respective directors nor any persons involved in the Hong Kong Offers accepts responsibility for any taxation effects or liabilities of, any person or persons as a result of their acceptance of the Hong Kong Offers.

### 12. ACCEPTANCE AND SETTLEMENT

#### (a) Procedures for acceptance of the Hong Kong Offers

*The Hong Kong Share Offer*

**To accept the Hong Kong Share Offer, you should complete and sign the Pink Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Hong Kong Share Offer.**

The completed Pink Form(s) of Acceptance should be forwarded, together with the relevant E&E Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of E&E Shares in respect of which you intend to accept the Hong Kong Share Offer, by post or by hand to the Registrar at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in an envelope marked "**Hong Kong Share Offer**" as soon as practicable after receipt of the Pink Form of Acceptance but in any event so as to reach the Registrar by not later than 4:00 p.m. on Monday, 29 November 2004 or such later time and/or date as the Hong Kong Offeror shall determine and announce

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with the consent of the Executive. No acknowledgement of receipt of any Pink Form of Acceptance, E&E Share certificate, transfer receipt or other document of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given. Your attention is drawn to the further details regarding the procedure for acceptance set out in Appendix I to this document and the Pink Form of Acceptance.

### *The Hong Kong Option Offer*

**To accept the Hong Kong Option Offer, you should complete the White Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Hong Kong Option Offer.**

The completed White Form(s) of Acceptance should be forwarded, together with the relevant E&E Option certificate(s) (if any) for the whole of your holding of E&E Options, or for the number of E&E Options in respect of which you accept the Hong Kong Option Offer, by post or by hand to E&E at its head office and principal place of business in Hong Kong at Unit 810, 3/F., Merit Industrial Centre, 94 Tokwawan Road, Kowloon, Hong Kong in an envelop marked "**Hong Kong Option Offer**" as soon as practicable but in any event so as to reach the company secretary of E&E by not later than 4:00 p.m. on Monday, 29 November 2004 or such later time and/or date as the Hong Kong Offeror shall determine and announce with the consent of the Executive. No acknowledgement of receipt of any White Form of Acceptance and/or E&E Option certificate (if any) will be given. Your attention is drawn to the further details regarding the procedure for acceptance set out in Appendix I to this offer document and the White Form of Acceptance.

### **(b) Settlement of the Hong Kong Offers**

#### *The Hong Kong Share Offer*

Provided that the Pink Form(s) of Acceptance and 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) are in complete and good order and have been received by the Registrar by not later than the latest time for acceptance, a cheque for the amount due to each of the shareholders of E&E less stamp duty payable by each of them in respect of the E&E Shares tendered by them under the Hong Kong Share Offer will be despatched to each of them within 10 days of the later of the date on which all the relevant documents are received by the Registrar mentioned above to render such acceptance complete and valid, and the date when the Hong Kong Offers become or are declared unconditional.

#### *The Hong Kong Option Offer*

Provided that the White Form(s) of Acceptance and E&E Option certificate(s) (if any) are in complete and good order and have been received by E&E by not later than the latest time for acceptance, a cheque for the amount due to each of the holders of E&E Options in respect of the E&E Options surrendered by the relevant holders of E&E Options under the Hong Kong Option Offer will be despatched to each of them within 10 days

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after the date on which all the relevant documents are received by the company secretary of E&E mentioned above to render such acceptance complete and valid, and the date when the Hong Kong Offers become or are declared unconditional.

### (c) Other issues

The settlement of the consideration to which any holders of E&E Shares and/or E&E Options are entitled under the Hong Kong Offers will be satisfied in full in accordance with the terms of the Hong Kong Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such holders of E&E Shares and E&E Options.

To ensure equality of treatment of all holders of E&E Shares and E&E Options (other than the Hong Kong Offeror and parties acting in concert with it), those registered holders who hold E&E Shares and/or E&E Options as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential that the beneficial owners of the E&E Shares and E&E Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Hong Kong Offers.

If the Hong Kong Offers do not become unconditional in all respects within the time permitted by the Takeovers Code, the Form(s) of Acceptance, the relevant E&E Share certificate(s) and E&E Option certificate(s) (if any), transfer receipt(s) and any other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Hong Kong Offeror will be returned to the holders of E&E Shares and E&E Options who have accepted the Hong Kong Offers by post or such documents will be made available by the Registrar for collection, as soon as possible but in any event within 10 days after the Hong Kong Offers have lapsed.

### 13. GENERAL

The attention of holders of E&E Shares and E&E Options not resident in Hong Kong is drawn to paragraph 5 of Appendix I to this document. Further terms and conditions of the Hong Kong Offers, including the further procedures for acceptance, details of the acceptance period and the procedures for revisions and extension of the Hong Kong Offers, are set out in Appendix I to this document and the Forms of Acceptance.

All documents and remittance sent to holders of the E&E Shares and E&E Options (other than the Hong Kong Offeror and parties acting in concert with it) by post will be sent to them at their own risk. Such documents and remittances will be sent to holders of the E&E Shares and E&E Options (other than the Hong Kong Offeror and parties acting in concert with it) at their respective addresses as they appear in the register of members of E&E or the register of holder(s) of E&E Options (as the case may be) or, in the case of joint shareholder of E&E, to the shareholder whose name appears first in the register of members of E&E, as applicable. None of the Company, the Hong Kong Offeror, Citigroup Asia nor

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any of their respective directors or any other person involved in the Hong Kong Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

**14. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the Appendices, which form part of this document.

Yours faithfully,  
For and on behalf of  
**Citigroup Global Markets Asia Limited**  
**Frank J. Slevin**  
*Managing Director*

## 1. FURTHER PROCEDURES FOR ACCEPTANCE

### A. The Hong Kong Share Offer

- (a) If the Hong Kong 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) in respect of your E&E Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Hong Kong Share Offer in respect of your E&E Shares, you must either:
- (i) lodge your E&E Share certificate(s) and/or transfer receipts and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorizing it to accept the Hong Kong Share Offer on your behalf and requesting it to deliver the Pink Form of Acceptance duly completed together with the relevant E&E 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 Registrar; or
  - (ii) arrange for the E&E Shares to be registered in your name by E&E through the Registrar, and send the Pink Form of Acceptance duly completed together with the relevant E&E Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnify or indemnities required in respect thereof) to the Registrar; or
  - (iii) if your E&E Shares have been lodged with your broker/custodian bank through CCASS, instruct your broker/custodian bank to authorise HKSCC Nominees Limited to accept the Hong Kong Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited, in this case, on Friday, 26 November 2004 which is one Business Day before the latest date on which acceptances of the Hong Kong Share Offer must be received by the Registrar. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your broker/custodian bank for the timing on the processing of your instruction, and submit your instruction to your broker/custodian bank as required by them; or
  - (iv) if your E&E Shares have been lodged with your Investor Participant Account with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System not later than one Business Day before the latest date on which acceptance of the Hong Kong Share Offer must be received by the Registrar, which is Friday, 26 November 2004 in this case.

- (b) If the certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your E&E Shares is/are not readily available and/or is/are lost and you wish to accept the Hong Kong Share Offer in respect of your E&E Shares, the Pink Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your E&E Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant E&E 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) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your E&E Share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (c) If you have lodged transfer(s) of any of your E&E Shares for registration in your name and have not yet received your E&E Share certificate(s), and you wish to accept the Hong Kong Share Offer in respect of your E&E Shares, you should nevertheless complete the Pink Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an authority to Citigroup Asia and/or the Hong Kong Offeror or their respective agent(s) to collect from E&E or the Registrar on your behalf the relevant E&E Share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Pink Form of Acceptance.
- (d) Acceptance of the Hong Kong Share Offer will be treated as valid only if the completed Pink Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on Monday, 29 November 2004 or such later time and/or date as the Hong Kong Offeror may determine and announce with the consent of the Executive and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant E&E Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant E&E Shares; or

- (ii) from a registered shareholder of E&E Shares or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to E&E Shares which are not taken into account under this paragraph (d)); or
- (iii) certified by the Registrar or the Stock Exchange.

If the Pink Form of Acceptance is executed by a person other than the registered holder of E&E Shares, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (e) No acknowledgement of receipt of any Pink Form(s) of Acceptance, E&E 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) will be given.

#### **B. The Hong Kong Option Offer**

- (a) If you accept the Hong Kong Option Offer, you should complete the WHITE Form of Acceptance obtainable from the head office and principal place of business of E&E at Unit B10, 3rd Floor, Merit Industrial Centre, 94 Tokwawan Road, Kowloon, Hong Kong in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Hong Kong Option Offer.
- (b) The completed WHITE Form of Acceptance should be forwarded, together with the relevant E&E Option certificate(s) (if any) stating the number of E&E Options for not less than the number of E&E Options in respect of which you intend to accept the Hong Kong Option Offer, by post or by hand to the company secretary of E&E at Unit B10, 3rd Floor, Merit Industrial Centre, 94 Tokwawan Road, Kowloon, Hong Kong, marked "Hong Kong Option Offer" on the envelop, as soon as possible and in any event so as to reach the company secretary of E&E at the aforesaid address by no later than 4:00 p.m. on Monday, 29 November 2004 or such later time and/or date as the Hong Kong Offeror may determine and announce with the consent of the Executive.
- (c) No acknowledgement of receipt of any White Form(s) of Acceptance, E&E Option certificate(s) (if any) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## **2. ACCEPTANCE PERIOD AND REVISIONS**

The Hong Kong Offers are made on 1 November 2004, namely the date of posting of this document, and is capable of acceptance on and from this date.

The Hong Kong Offeror does not intend to extend the Hong Kong Offers but it reserves the right to do so in accordance with the relevant provisions of the Takeovers Code. Unless the Hong Kong Offers have previously been extended, all acceptances must be received by 4:00 p.m. on Monday, 29 November 2004, being the First Closing Date.

The Hong Kong Offeror does not intend to revise the terms of the Hong Kong Offers. If in the course of the Hong Kong Offers, the Hong Kong Offeror revises its terms, all the E&E Shares and the holders of E&E Options (other than those already owned by the Hong Kong Offeror or parties acting in concert with it), whether or not they have already accepted the Hong Kong Offers, will be entitled to the revised terms. A revised offer must be kept open for at least 14 days following the date on which the revised offer document is posted.

## **3. ANNOUNCEMENTS**

- (a) By 6:00 p.m. (or such later time and/or date as the Executive agrees) on Monday, 29 November 2004 which is the First Closing Date, the Hong Kong Offeror must inform the Executive and the Stock Exchange of its intention in relation to the revision, extension or expiry of the Hong Kong Offers. The Hong Kong Offeror must publish a teletext announcement through the Stock Exchange by 7:00 p.m. on the First Closing Date stating whether the Hong Kong Offers have been revised, extended or has expired. Such announcement must be republished in accordance with the requirements set out below on the next business day.

The announcement must state the following:

- (i) the total number of E&E Shares for which acceptances of the Hong Kong Share Offer have been received;
- (ii) the total number of E&E Shares and E&E Options held, controlled or directed by the Hong Kong Offeror or parties acting in concert with it before the offer period;
- (iii) the total number of E&E Shares and E&E Options acquired or agreed to be acquired during the offer period by the Hong Kong Offeror or parties acting in concert with it;
- (iv) the total number of outstanding E&E Options for which acceptances of the Hong Kong Option Offer have been received;



- (v) details of any existing holding of voting rights and rights over E&E Shares:-
  - (1) which the Hong Kong Offeror owns or over which it has control or direction;
  - (2) which is owned or controlled or directed by any person acting in concert with the Hong Kong Offeror;
  - (3) in respect of which the Hong Kong Offeror or any person acting in concert with it has received an irrevocable commitment to accept the Hong Kong Offers; and
  - (4) in respect of which the Hong Kong Offeror or any person acting in concert with it holds convertible securities, warrants or options;
- (vi) details of any outstanding derivative in respect of securities of E&E acquired by the Hong Kong Offeror or any person acting in concert with it;
- (vii) details of any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Hong Kong Offeror or the Company and which might be material to the Hong Kong Offers.

The announcement must also specify the percentages of the issued share capital of E&E and voting rights of E&E represented by these numbers of E&E Shares and E&E Options.

#### **4. RIGHT OF WITHDRAWAL**

- (a) Acceptance to the Hong Kong Offers tendered by the holders of E&E Shares and E&E Options, as the case may be, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below or in Rule 17 of the Takeovers Code which provides that an acceptor shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Hong Kong Offers have not by then become unconditional as to acceptances.
- (b) If the Hong Kong Offeror is unable to comply with the requirements set out in the paragraph headed "Announcements" in this Appendix, the Executive may require that holders of E&E Shares and E&E Options who have tendered acceptances to the Hong Kong Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

**5. GENERAL**

- (a) All communications, notices, Forms of Acceptance, certificates of E&E Shares or E&E Options (if any), transfer receipts, other documents of title or indemnity and remittances to be delivered by or sent to or the holders of E&E Shares and E&E Options will be delivered by or sent to or from them, or their designated agents, at their own risk, and none of the Company, the Hong Kong Offeror, or Citigroup Asia or any of this respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result.
- (b) Subject to the terms of the Takeovers Code, acceptance(s) of the Hong Kong Offers may, at the discretion of the Hong Kong Offeror, be treated as valid even if not accompanied by the E&E Share certificate(s), E&E Option certificate(s) (if any) and/or other document(s) of title, but, in such cases, the cheque(s) for the consideration due will not be despatched until the E&E Share certificate(s), E&E Option certificate(s) and/or other document(s) of title (and/or a satisfactory indemnity or indemnities in respect thereof) has/have been received by the Registrar. However, such acceptances will not be counted towards fulfilling the acceptance condition unless Rule 30.2 of the Takeovers Code had been fully complied with.
- (c) The provisions set out in the accompanying Forms of Acceptance form part of the terms of the Hong Kong Offers.
- (d) The accidental omission to despatch this Hong Kong Offer Document and/or Forms of Acceptance or any of them to any person to whom the Hong Kong Offers are made will not invalidate the Hong Kong Offers in any way.
- (e) The Hong Kong Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (f) Due execution of the Forms of Acceptance will constitute an authority to any Director or such person or persons as the Hong Kong Offeror or Citigroup Asia may direct to complete and execute any document on behalf of the person accepting the Hong Kong Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Hong Kong Offeror or such person or persons as it may direct the E&E Shares and E&E Options in respect of which such person has accepted the Hong Kong Offers.
- (g) Acceptance of the Hong Kong Offers by any person or persons will be deemed to constitute a warranty by such person or persons to the Hong Kong Offeror that the E&E Shares and E&E Options acquired under the Hong Kong Offers are sold by any such person or persons free from all third party rights, liens, claims, charges, equities and encumbrances and together with all rights attaching thereto including the rights to receive all future dividends or other distributions declared, paid or made on the E&E Shares on or after the date of the Hong Kong Offer Document. The holders of E&E Options will surrender to E&E all of their existing rights in respect of the E&E Options, following which such E&E Options will be cancelled and extinguished.

- (h) Sellers' ad valorem stamp duty for E&E Shares registered on the Hong Kong branch register arising in connection with acceptance of the Hong Kong Share Offer will be payable by holders of E&E Shares at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Hong Kong Offeror for such person's E&E Shares and will be deducted from the cash amount due to such person under the Hong Kong Share Offer. The Hong Kong Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting holders of the E&E Shares in respect of the E&E Shares accepted under the Hong Kong Share Offer.
- (i) The Hong Kong Offeror has not yet decided whether to exercise any right which may be available to it to acquire compulsorily any E&E Shares or E&E Options not acquired under the Hong Kong Offers after the Hong Kong Offers have closed.
- (j) References to the Hong Kong Offers in the Hong Kong Offer Document and in the Forms of Acceptance shall include any revision and/or extension thereof.
- (k) The making of the Hong Kong Offers to persons with a registered address in jurisdiction outside Hong Kong may be affected by the laws of the relevant jurisdictions. Holders of E&E Shares and E&E Options who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Hong Kong Offers to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction.
- (l) The English text of this document and of the Forms of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (m) The Registrar is situated at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## 1. RESPONSIBILITY STATEMENT

The directors of the Hong Kong Offeror and the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this document, except in relation to information on the E&E Group, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this offer document have been arrived at after due and careful consideration and there are no facts not contained in this offer document, the omission of which would make any statement in this offer document, misleading.

The information on the E&E Group in this offer document has been extracted from or based on public sources including, amongst others, the E&E Annual Report and EEIC Annual Report. Information on prices of E&E Shares, indices, and audited financial information has been extracted from public sources. The directors of the Hong Kong Offeror and the Directors jointly and severally take full responsibility for the correct and fair reproduction or presentation of such information and confirm that such extraction is not misleading, but accept no further responsibility in respect of such information.

## 2. MARKET PRICES

This table below shows the closing market prices for the E&E Shares as quoted by the Stock Exchange: (i) at the end of each of the six calendar months preceding the date of the Announcement; (ii) on 12 October 2004, being the last day of trading in the E&E Shares immediately preceding the date of the Announcement; and (iii) on the Latest Practicable Date.

Date	E&E Share price HK\$
30 April 2004	1.43
31 May 2004	1.39
30 June 2004	1.45
30 July 2004	1.30
31 August 2004	1.31
30 September 2004	1.60
12 October 2004	1.74
Latest Practicable Date	1.83

The highest and lowest closing market prices for the E&E Shares as quoted on the Stock Exchange for the period between 12 April 2004 (being the commencement of the six-month period preceding the date of the Announcement) and the Latest Practicable Date were HK\$1.86 recorded on 14 October 2004 and HK\$1.24 recorded on 16 August 2004 respectively.

### 3. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, the shareholdings of the Hong Kong Offeror, the Company and their respective concert parties in E&E were as follows:

Name	Number of E&E Shares held	Approximate % of shareholding
The Company	140,269,000	11.45%
Kingboard Investments Limited ("KIL")	135,615,000	11.07%
Kingboard Laminates Limited ("KLL")	55,155,000	4.51%
Hong Kong Copper Foil Limited ("HKCFL")	5,760,000	0.47%

KIL, KLL and HKCFL are subsidiaries of the Company. Accordingly, the Company is directly and indirectly interested in an aggregate of 336,799,000 E&E Shares, representing approximately 27.50% of the entire issued share capital of E&E as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed above, none of the Hong Kong Offerors, the Company and their respective concert parties owned or controlled any E&E Shares, E&E Options or convertible securities, warranties, options or derivatives in respect of the E&E Shares.

As at the Latest Practicable Date, Citigroup Asia and its group companies and directors did not have any beneficial interest in any E&E Shares, E&E Options or convertible securities, warrants, options or derivatives in respect of the E&E Shares.

As at the Latest Practicable Date, no persons who owned or controlled E&E Shares, E&E Options or convertible securities, warranties, options or derivatives in respect of the E&E Shares have irrevocably committed themselves to accept or, so far as the Hong Kong Offeror is aware, not to accept the Hong Kong Offers.

During the period commencing six months before the date of the Announcement and the Latest Practicable Date, there had been no holdings of the E&E Shares, E&E Options or convertible securities, warrants, options or derivatives in respect of the E&E Shares owned and controlled by any person with whom the Hong Kong Offeror or any person acting in concert with it has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code.

During the period commencing six months before the date of the Announcement and the Latest Practicable Date, there had been no dealings of the E&E Shares, E&E Options or convertible securities, warrants, options or derivatives in respect of the E&E Shares by any person with whom the Hong Kong Offeror or any person acting in concert with it has any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code.

As at the Latest Practicable Date, the directors of the Hong Kong Offeror and the Directors did not have any legal or beneficial interest in any E&E Shares, E&E Options or convertible securities, warrants, options or derivatives in respect of the E&E Shares.

#### 4. DEALINGS

During the period beginning six months prior to the commencement of the offer period of the Hong Kong Offers and ending as at the Latest Practicable Date, the Hong Kong Offeror, the Company and persons acting in concert with any one of them (including the directors of the Hong Kong Offeror and the Directors) made the following dealing in the E&E Shares.

##### *Acquisition*

Name	Number of E&E Shares	Date	Highest Price paid per E&E Share (HK\$)	Lowest Price paid per E&E Share (HK\$)
Kingboard Investments Limited ("KIL") (note 1)	190,000	28 April 2004	1.42	1.40
KIL	220,000	29 April 2004	1.43	1.41
KIL	50,000	30 April 2004	1.43	1.41
KIL	180,000	12 May 2004	1.44	1.43
KIL	170,000	13 May 2004	1.46	1.45
KIL	30,000	17 May 2004	1.36	1.36
KIL	100,000	10 June 2004	1.35	1.35
KIL	150,000	11 June 2004	1.35	1.33
KIL	30,000	14 June 2004	1.32	1.32
KIL	230,000	16 June 2004	1.31	1.31
KIL	650,000	24 June 2004	1.41	1.41
Mr. Tse Kam Hung	50,000	22 September 2004	1.60	1.60

*Disposal*

Name	Number of E&E Shares	Date	Highest Price paid per E&E Share (HK\$)	Lowest Price paid per E&E Share (HK\$)
KIL	300,000	15 July 2004	1.38	1.38
KIL	35,000	26 July 2004	1.36	1.36
KIL	105,000	27 July 2004	1.35	1.35
KIL	100,000	29 July 2004	1.29	1.29
KIL	80,000	30 July 2004	1.30	1.30
KIL	335,000	23 August 2004	1.33	1.33
KIL	2,450,000	2 September 2004	1.32	1.31
the Company	2,000,000	3 September 2004	1.35	1.35
KIL	305,000	6 September 2004	1.36	1.27
KIL	500,000	7 September 2004	1.36	1.36
KIL	230,000	8 September 2004	1.36	1.36
KIL	350,000	10 September 2004	1.36	1.36
KIL	500,000	13 September 2004	1.36	1.36
the Company	180,000	13 September 2004	1.36	1.36
KIL	500,000	16 September 2004	1.38	1.37
the Company	210,000	23 September 2004	1.58	1.55
Mr. Cheung Kwok Wa (Note 2)	150,000	27 October 2004	N/A	N/A
Mr. Tse Kam Hung (Note 2)	50,000	27 October 2004	N/A	N/A

*Notes:*

1. KIL is a wholly-owned subsidiary of the Company.
2. Mr. Cheung Kwok Wa and Mr. Tse Kam Hung donated all their interests in E&E, namely, 150,000 and 50,000 E&E Shares respectively to a charitable organization on 27 October 2004.

Save as disclosed above, the Hong Kong Offeror, the Company and their respective concert parties (including the directors of the Hong Kong Offeror and the Directors) have not dealt in any E&E Shares, E&E Options or convertible securities, warrants, options or derivatives in respect of the E&E Shares during the six month period prior to the commencement of the offer period of the Hong Kong Offers and ending as at the Latest Practicable Date.

## 5. CONSENT AND QUALIFICATIONS

Name	Qualification
Citigroup Asia	A deemed licensed corporation under the SFO licensed to carry on Types 1, 4, 6, 7 and 9 of the regulated activities

Citigroup Asia has given and has not withdrawn its written consent to the issue of this offer document with the inclusion herein of its letter and the references to its name, in the form and context in which it appears.

## 6. MISCELLANEOUS

- (a) As at the Latest Practicable Date, no agreements, arrangements or understandings (including any compensation arrangement) exist between the Company, the Hong Kong Offeror or any person acting in concert with any one of them and any of the directors of E&E, recent directors of E&E, and holders or recent holders of E&E Shares or E&E Options which is conditional on or dependent upon the outcome of the Hong Kong Offers or is otherwise connected with the Hong Kong Offer.
- (b) The registered office of the Company is situated at Ground Floor, Caledonian House, P.O. Box 1043, George Town, Grand Cayman, British West Indies and its head office and principal place of business is situated at 5th Floor, Block K, Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong.
- (c) The registered office of the Hong Kong Offeror is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- (d) The registered office of Citigroup Asia is situated at 50/F, Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong.
- (e) Any person who, alone or acting together with any other person(s) pursuant to an agreement or understanding (whether formal or informal) to acquire or control securities of E&E, owns or control 5% or more of any class of securities of E&E, including a person who as a result of any transaction owns or controls 5% or more of any class of securities of E&E, is generally required under the provisions of Rule 22 of the Takeovers Code to notify the Stock Exchange and the Executive of every dealing in such securities during the offer period of the Hong Kong Offers. Please consult your financial adviser, legal adviser and/or other professional advisers immediately if you believe this rule may be applicable to you.
- (f) Unless otherwise required by the Listing Rules, the Takeovers Code and/or other applicable rules and regulations regarding the public float requirements or otherwise, the Hong Kong Offeror and the Company have no intention to transfer the E&E Shares acquired in pursuance to the Hong Kong Offers to any other persons.
- (g) This document contains statements about E&E, the Hong Kong Offeror and the Company that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends",



“will”, “may”, “anticipates” or similar expressions or the negative thereof are forward-looking statements. Forward-looking statements including (but not limited to) statements relating to the following: (i) business and management strategies and the expansion and growth of the E&E Group’s or the Group’s operations; and (ii) the effect of government regulation on the E&E Group’s or the Group’s business. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements attributable by the Hong Kong Offeror or the Company or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

- (h) As at the Latest Practicable Date, no benefit will be given to any directors of E&E as compensations in the event that any loss of office or otherwise in connection with the Hong Kong Offers occurs (save as statutory compensation required under the appreciate laws);
- (i) The Company is the ultimate beneficial owner and holdings company of the Hong Kong Offeror and the Directors are as follows:

*Executive Directors*

Cheung Kwok Wing (*Chairman*)

Chan Wing Kwan (*Managing Director*)

Lam Ka Po

Cheung Kwong Kwan

Cheung Kwok Wa

Cheung Kwok Ping

Cheung Kwok Keung

Chang Wing Yiu

Mok Cham Hung, Chadwick

*Non-executive Director*

Lum Gum Wun

*Independent non-executive Directors*

Tsao Kwang Yung, Peter, CBE, CPM

Cheng Ming Fun, Paul

Tse Kam Hung

- (j) Hallgain Management Limited is the controlling Shareholder of the Company, holding approximately 32.61% interests in the issued share capital of the Company as at the Latest Practicable Date and its directors are as follows:

Chan Wing Kwan  
Cheung Kwok Wing  
Lam Ka Po  
Lum Gum Wun

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 5th Floor, Block K, Valiant Industrial Centre, 2-12 Au Pui Wan Street, Fo Tan, Shatin, Hong Kong during normal business hours while the Hong Kong Offers remain open for acceptance:

- (a) memorandum of association and articles of association of the Hong Kong Offeror;
- (b) the letter from the Company, the text of which is set out on pages 9 to 12 of this offer document;
- (c) the letter from Citigroup Asia, the text of which is set out on pages 13 to 26 of this offer document; and
- (d) the letter of consent from Citigroup Asia.