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KINGBOARD CHEMICAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(stock code: 148)

EASE EVER INVESTMENTS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

ANNOUNCEMENT

EXTENSION OF THE HONG KONG OFFERS

**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

As at 4:00 p.m. on 9 December 2004, the Hong Kong Offeror had received valid acceptances in respect of 816,179,415 E&E Shares under the Hong Kong Share Offer, representing approximately 66.64% of the entire issued share capital of E&E. One valid acceptance under the Hong Kong Option Offer in respect of 22,000,000 E&E Options had also been received, representing 100% of the outstanding E&E Options granted under the share option scheme of E&E adopted on 29 October 2002. As at the date of the Offer Announcement, the Hong Kong Offeror and parties acting in concert with it were 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 date of the Offer Announcement. Save for the E&E Shares acquired by the Hong Kong Offeror under the Hong Kong Share Offer, the number of E&E Shares held by the Hong Kong Offeror and parties acting in concert with it has remained unchanged since the date of the Offer Announcement up to the date of this announcement. Taking into account the valid acceptances under the Hong Kong Share Offer, the Hong Kong Offeror and parties acting in concert with it are interested in 1,152,978,415 E&E Shares, representing approximately 94.15% of the entire issued share capital of E&E as at the date of this announcement.

The Hong Kong Offeror has decided to extend the Closing Date until 4:00 p.m. on Thursday, 23 December 2004 so as to give the E&E Shareholders who have not yet accepted the Hong Kong Share Offer further opportunity to accept the Hong Kong Share Offer if they wish to do so. As a consequence, E&E Shareholders have a further 14 days until 4:00 p.m. on Thursday, 23 December 2004 to tender their Pink Forms of Acceptance.

E&E Shareholders intending to accept the Hong Kong Share Offer should submit their completed Pink Forms of Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, marked "E&E Share Offer" to Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 23 December 2004.

If the E&E Shares have been lodged with a broker/custodian bank through CCASS, E&E Shareholders should instruct their respective broker/custodian bank to authorise HKSCC Nominees Limited to accept the Hong Kong Share Offer on their behalf on or before the deadline set out by HKSCC Nominees Limited, in this case, **Wednesday, 22 December 2004**.

The Hong Kong Offeror has the right to compulsorily acquire the remaining E&E Shares in accordance with and subject to section 102(1) of the Companies Act.

Assuming 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.

As the Company and the Hong Kong Offeror have not decided whether to maintain the listing of E&E on the Stock Exchange or to effect the compulsory acquisition of E&E under the Companies Act, further announcement will be made as and when necessary.

The Hong Kong Offeror reserves the right to further extend the Closing Date, subject to the requirements of the Takeovers Code.

Reference is made to the announcement dated 12 October 2004 (the "Offer Announcement"), the offer document dated 1 November 2004 (the "Hong Kong Offer Document") and the announcement dated 25 November 2004 (the "Unconditional Announcement") issued by the Company and the Hong Kong Offeror in respect of, among other things, the Hong Kong Offers. Unless otherwise defined, terms defined in the Hong Kong Offer Document shall have the same meanings when used in this announcement.

ACCEPTANCE LEVEL OF THE HONG KONG OFFERS

As stated in the Unconditional Announcement, the Hong Kong Offers had become unconditional in all respects on 25 November 2004.

As at 4:00 p.m. on 9 December 2004, the Hong Kong Offeror had received valid acceptances in respect of 816,179,415 E&E Shares under the Hong Kong Share Offer, representing approximately 66.64% of the entire issued share capital of E&E. One valid acceptance under the Hong Kong Option Offer in respect of 22,000,000 E&E Options had also been received, representing 100% of the outstanding E&E Options granted under the share option scheme of E&E adopted on 29 October 2002. As at the date of the Offer Announcement, the Hong Kong Offeror and parties acting in concert with it were 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 date of the Offer Announcement. Save for the E&E Shares acquired by the Hong Kong Offeror under the Hong Kong Share Offer, the number of E&E Shares held by the Hong Kong Offeror and parties acting in concert with it has remained unchanged since the date of the Offer Announcement up to the date of this announcement. Taking into account the valid acceptances under the Hong Kong Share Offer, the Hong Kong Offeror and parties acting in concert with it are interested in 1,152,978,415 E&E Shares, representing approximately 94.15% of the entire issued share capital of E&E as at the date of this announcement.

EXTENSION OF THE CLOSING DATE

The Hong Kong Offeror has decided to extend the Closing Date until 4:00 p.m. on Thursday, 23 December 2004 so as to give the E&E Shareholders who have not yet accepted the Hong Kong Share Offer further opportunity to accept the Hong Kong Share Offer if they wish to do so. As a consequence, E&E Shareholders have a further 14 days until 4:00 p.m. on Thursday, 23 December 2004 to tender their Pink Forms of Acceptance.

E&E Shareholders intending to accept the Hong Kong Share Offer should submit their completed Pink Forms of Acceptance, together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, marked "E&E Share Offer" to Computershare Hong Kong Investor Services Limited at Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Thursday, 23 December 2004.

If the E&E Shares have been lodged with a broker/custodian bank through CCASS, E&E Shareholders should instruct their respective broker/custodian bank to authorise HKSCC Nominees Limited to accept the Hong Kong Share Offer on their behalf on or before the deadline set out by HKSCC Nominees Limited, in this case, **Wednesday, 22 December 2004**.

The Hong Kong Offeror would like to draw the attention of the E&E Shareholders to the announcement of E&E dated 1 December 2004 in respect of the Hong Kong Offers.

All the other terms of the Hong Kong Offers, as set out in the Offer Document and in the Forms of Acceptance, remain unchanged and apply to the extended Hong Kong Offers.

The Hong Kong Offeror has the right to compulsorily acquire the remaining E&E Shares in accordance with and subject to section 102(1) of the Companies Act.

Assuming 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.

As the Company and the Hong Kong Offeror have not decided whether to maintain the listing of E&E on the Stock Exchange or to effect the compulsory acquisition of E&E under the Companies Act, further announcement will be made as and when necessary.

The Hong Kong Offeror reserves the right to further extend the Closing Date, subject to the requirements of the Takeovers Code.

By order of the board of
Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman

By order of the board of
Ease Ever Investments Limited
Chan Wing Kwan
Director

Hong Kong, 9 December 2004

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this announcement has 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 statements in this announcement misleading.

As at the date of this announcement, the board of Directors consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Lam Ka Po, Cheung Kwong Kwan, Cheung Kwok Wa, Cheung Kwok Ping, Cheung Kwok Keung, Chang Wing Yiu and Mok Cham Hung, Chadwick, being the executive Directors, Mr. Lum Gum Wun, being a non-executive Director and Messrs. Tsao Kwang Yung, Peter, Cheng Ming Fun, Paul and Tse Kam Hung, being the independent non-executive Directors.

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