

KB
KINGBOARD CHEMICAL HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(stock code: 148)

ANNOUNCEMENT
DESPATCH OF THE SINGAPORE OFFER DOCUMENT

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)

Mandatory unconditional cash offer in Singapore by
Citigroup Global Markets Singapore Pte. Ltd.
on behalf of
ELITELINK HOLDINGS LIMITED,
an indirect wholly-owned subsidiary of
Kingboard Chemical Holdings Limited,
to acquire all of the issued and paid-up ordinary shares
in the capital of
ELEC & ELTEK INTERNATIONAL COMPANY LIMITED
(other than those already owned by the Singapore Offeror or
parties acting in concert with it and those owned by
Elec & Eltek International Holdings Limited)

Financial Adviser to the Hong Kong Offeror



Citigroup Global Markets Asia Limited

The Singapore Offer Document dated 8 December 2004 issued by Citigroup Singapore for and on behalf of the Singapore Offeror has been despatched to all holders of EEIC Shares in accordance with the Singapore Takeovers Code containing, among other things, details of the Singapore Share Offer and, as the case may be, the form of acceptance and authorization or the form of acceptance and transfer.

An electronic copy of the Singapore Offer Document is available on the website of the Singapore Stock Exchange at www.sgx.com.

Reference is made to the announcement dated 12 October 2004 (the "Offer Announcement") issued by the Company and the Hong Kong Offeror and the circular dated 3 November 2004 (the "Circular") issued by the Company in respect of, among other things, the Hong Kong Offers and the Singapore Share Offer. Unless otherwise defined, terms defined in the Circular shall have the same meanings when used in this announcement.

DESPATCH OF THE SINGAPORE OFFER DOCUMENT

On 13 October 2004, Citigroup Singapore announced, for and on behalf of the Singapore Offeror, that subject to the Hong Kong Offers becoming or being declared unconditional in all respects, the Singapore Offeror would be required to make the Singapore Share Offer pursuant to Rule 14.1 of the Singapore Takeovers Code.

As stated in the announcement of the Company and the Hong Kong Offeror dated 25 November 2004, the Hong Kong Offers had become unconditional in all respects on 25 November 2004.

On 10 December 2004, Citigroup Singapore announced, for and on behalf of the Singapore Offeror, that the Singapore Offer Document dated 8 December 2004 issued by Citigroup Singapore for and on behalf of the Singapore Offeror had been despatched to all holders of EEIC Shares in accordance with the Singapore Takeovers Code containing, among other things, details of the Singapore Share Offer and, as the case may be, the form of acceptance and authorization or the form of acceptance and transfer.

An electronic copy of the Singapore Offer Document is available on the website of the Singapore Stock Exchange at www.sgx.com.

By order of the board of
Kingboard Chemical Holdings Limited
Lo Ka Leong
Company Secretary

Hong Kong, 10 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.”