

KB

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)



Elec & Eltek 依利安達

Elec & Eltek International Holdings Limited

(Incorporated in Bermuda with Limited Liability)
(stock code: 33)

JOINT ANNOUNCEMENT

INTENTION TO PRIVATISE ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED

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

ACCEPTANCE LEVEL OF THE HONG KONG OFFERS

As at 4:00 p.m. on 23 December 2004, the Hong Kong Offeror had received valid acceptances in respect of 824,069,667 E&E Shares under the Hong Kong Share Offer, representing approximately 67.29% 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 1,160,868,667 E&E Shares, representing approximately 94.79% of the entire issued share capital of E&E as at the date of this announcement.

INTENTION OF THE COMPANY AND THE HONG KONG OFFEROR TO PRIVATISE E&E

The Company and the Hong Kong Offeror have decided to privatise E&E and to effect the compulsory acquisition under the Companies Act of E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer pursuant to Rule 6.15 of the Listing Rules.

Upon closing of the Hong Kong Offers, the E&E Shares will be suspended from trading on the Stock Exchange until the withdrawal of listing.

EXTENSION OF THE HONG KONG OFFERS

The Hong Kong Offeror has decided to extend the Closing Date until 4:00 p.m. on Thursday, 6 January 2005 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, 6 January 2005 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, 6 January 2005**.

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, 5 January 2005**.

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"), the announcement dated 25 November 2004 (the "Unconditional Announcement") and the announcement dated 9 December 2004 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 23 December 2004, the Hong Kong Offeror had received valid acceptances in respect of 824,069,667 E&E Shares under the Hong Kong Share Offer, representing approximately 67.29% 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 1,160,868,667 E&E Shares, representing approximately 94.79% of the entire issued share capital of E&E as at the date of this announcement.

INTENTION OF THE COMPANY AND THE HONG KONG OFFEROR TO PRIVATISE E&E

The Company and the Hong Kong Offeror have decided to privatise E&E and to effect the compulsory acquisition under the Companies Act of E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer pursuant to Rule 6.15 of the Listing Rules.

The Hong Kong Offeror has the right to compulsorily acquire E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer in accordance with and subject to section 102(1) of the Companies Act.

The Hong Kong Offeror also has the right, upon holding 95% of the E&E Shares, to compulsorily acquire the E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer in accordance with and subject to section 103 of the Companies Act.

The Bermuda lawyers to the Hong Kong Offeror have advised that the timetable for the exercise of compulsory acquisition rights is more flexible and the procedures are more simple under section 103 of the Companies Act than under section 102 of the Companies Act.

The Hong Kong Offeror intends to choose the most appropriate and expeditious method of compulsorily acquiring the remaining E&E Shares and a further announcement, including the timetable for the privatisation of E&E, will be made in due course.

Upon closing of the Hong Kong Offers, the E&E Shares will be suspended from trading on the Stock Exchange until the withdrawal of listing.

EXTENSION OF THE HONG KONG OFFERS

The Hong Kong Offeror has decided to extend the Closing Date until 4:00 p.m. on Thursday, 6 January 2005 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, 6 January 2005 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, 6 January 2005**.

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

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

By order of the board of
Elec & Eltek International Holdings Limited
Thomas Tang Koon Yiu
Chairman

Hong Kong, 23 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.

The directors of E&E 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.

As at the date of this announcement, the board of directors of E&E consists of Messrs. Thomas Tang Koon Yiu, Canice Chung Tai Keung, Cheung Kwok Wa and Mok Cham Hung, Chadwick, being the executive directors of E&E, Messrs. Peter Lee Yip Wah, Cheung Kwok Wing, Chan Wing Kwan and Chang Wing Yiu, being non-executive directors of E&E and Messrs. Eugene Lee, Kenneth Shim Hing Choi and Keith Tay Ah Kee, being the independent non-executive directors of E&E.

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