

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)



Etec & Eltek 依利安達

Etec & Eltek International Holdings Limited

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

JOINT ANNOUNCEMENT

CLOSE OF THE HONG KONG OFFERS

PRIVATIZATION OF

ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED

SUSPENSION OF TRADING OF THE SHARES OF

ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED

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

CLOSE OF THE HONG KONG OFFERS

The Hong Kong Offers closed at 4:00 p.m. on 6 January 2005.

ACCEPTANCE LEVEL OF THE HONG KONG OFFERS

As at 4:00 p.m. on 6 January 2005, the Hong Kong Offeror had received valid acceptances in respect of 828,185,764 E&E Shares under the Hong Kong Share Offer, representing approximately 67.63% 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 2001. 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. The Company, being a concert party of the Hong Kong Offeror, has acquired an aggregate of 1,645,000 E&E Shares at a price of HK\$1.90 per E&E Share on the market during the period from 30 December 2004 up to and including 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 1,166,629,764 E&E Shares, representing approximately 95.26% of the entire issued share capital of E&E as at the date of this announcement.

PRIVATIZATION OF E&E

As disclosed in the Privatization Announcement, the Company and the Hong Kong Offeror have decided to privatize E&E and to effect the compulsory acquisition under the Companies Act of E&E Shares held by E&E Shareholders who have not accepted the Hong Kong Share Offer pursuant to Rule 6.15 of the Listing Rules.

As the Hong Kong Offeror and parties acting in concert with it hold in aggregate more than 95% of the issued share capital of E&E, the Hong Kong Offeror has the right and will exercise such right to compulsorily acquire the E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer, at the price of HK\$1.90 per E&E Share, in accordance with and subject to section 103 of the Companies Act.

SUSPENSION OF TRADING

As disclosed in the Offer Announcement and the Offer Document, 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. In this connection, E&E has applied for suspension of trading of E&E Shares with effect from 9:30 a.m. on 7 January 2005. Upon the acquisition of all the E&E Shares by the Hong Kong Offeror and parties acting in concert with it, E&E will apply to the Stock Exchange for withdrawal of its listing on the Stock Exchange. This announcement serves as the notice of the proposed withdrawal of the listing to all E&E Shareholders pursuant to Rule 6.15 of the Listing Rules.

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 and the announcement dated 23 December 2004 (the "Privatization Announcement") issued by, among others, 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.

CLOSE OF THE HONG KONG OFFERS

The Hong Kong Offers closed at 4:00 p.m. on 6 January 2005.

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 6 January 2005, the Hong Kong Offeror had received valid acceptances in respect of 828,185,764 E&E Shares under the Hong Kong Share Offer, representing approximately 67.63% 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 2001. 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. The Company, being a concert party of the Hong Kong Offeror, has acquired an aggregate of 1,645,000 E&E Shares at a price of HK\$1.90 per E&E Share on the market during the period from 30 December 2004 up to and including 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 1,166,629,764 E&E Shares, representing approximately 95.26% of the entire issued share capital of E&E as at the date of this announcement.

PRIVATIZATION OF E&E

As disclosed in the Privatization Announcement, the Company and the Hong Kong Offeror have decided to privatize E&E and to effect the compulsory acquisition under the Companies Act of E&E Shares held by E&E Shareholders who have not accepted the Hong Kong Share Offer pursuant to Rule 6.15 of the Listing Rules.

As the Hong Kong Offeror and parties acting in concert with it hold in aggregate more than 95% of the issued share capital of E&E, the Hong Kong Offeror has the right and will exercise such right to compulsorily acquire the E&E Shares held by shareholders who have not accepted the Hong Kong Share Offer, at the price of HK\$1.90 per E&E Share, in accordance with and subject to section 103 of the Companies Act.

The exercise of such right of compulsory acquisition is in compliance with Rule 2.11 of the Takeovers Code as acceptance of the Hong Kong Share Offer and purchases by the Company after the posting of the Hong Kong Offer Document total more than 90% of the issued share capital of E&E, other than those owned by the Hong Kong Offeror and parties acting in concert with it as at the date of the Hong Kong Offer Document.

The Hong Kong Offeror will commence the procedures for compulsory acquisition of the E&E Shares from all the E&E Shareholders who have not accepted the Hong Kong Share Offer as soon as possible in accordance with and subject to section 103 of the Companies Act.

SUSPENSION OF TRADING

As disclosed in the Offer Announcement and the Offer Document, 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. In this connection, E&E has applied for suspension of trading of E&E Shares with effect from 9:30 a.m. on 7 January 2005. Upon the acquisition of all the E&E Shares by the Hong Kong Offeror and parties acting in concert with it, E&E will apply to the Stock Exchange for withdrawal of its listing on the Stock Exchange. This announcement serves as the notice of the proposed withdrawal of the listing to all E&E Shareholders pursuant to Rule 6.15 of the Listing Rules.

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
Etec & Eltek International Holdings Limited
Thomas Tang Koon Yiu
Chairman

Hong Kong, 6 January 2005

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 Win, 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."