

**THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about any aspect of this Notice, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Elec & Eltek International Holdings Limited, you should immediately hand this Notice to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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## **EASE EVER INVESTMENTS LIMITED**

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

### **NOTICE OF COMPULSORY ACQUISITION**

(Section 103 of the Companies Act 1981 of Bermuda (the "Bermuda Act"))

**Following a  
Voluntary conditional cash offer in Hong Kong  
by Citigroup Global Markets Asia Limited  
for and on behalf of  
Ease Ever Investments Limited ("Offeror"),  
an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited  
("Kingboard") (Stock Code: 148),  
to acquire all of the issued shares of HK\$0.10 each in the capital of  
Elec & Eltek International Holdings Limited ("Company") (Stock Code: 33)  
(other than those already owned by the Offeror or parties acting in concert with it)**

#### **INTRODUCTION**

By an announcement dated 12 October 2004 ("Announcement"), Kingboard announced, amongst other things, a voluntary conditional cash offer in Hong Kong by the Offeror to acquire all the issued shares of HK\$0.10 each ("Shares") in the capital of the Company, other than those already held by the Offeror or parties acting in concert with the Offeror as at the date of the Announcement ("Offer Shares") for a consideration of HK\$1.90 in cash per Share (the "Offer"). On 1 November 2004, Kingboard and the Offeror issued an offer document ("Offer Document") in respect of, amongst other things, the Offer.

As at 4:00 p.m. on 4 January 2005, the Offeror had received, pursuant to the Offer, valid acceptances in respect of 826,761,444 Offer Shares which, when taken together with the 1,645,000 Shares acquired by Kingboard during the period from 30 December 2004 to 6 January 2005 and the 336,799,000 Shares held by the Kingboard Group (as defined below) as at the date of the Announcement, represent approximately 95.14 per cent. of the entire issued Shares.

The Shares of the Company have been suspended from trading with effect from 9:30 a.m. on 7 January 2005.

## COMPULSORY ACQUISITION

NOTICE IS HEREBY GIVEN that the Offeror<sup>1</sup>, Kingboard, Kingboard Investments Limited<sup>1</sup>, Kingboard Laminates Limited<sup>1</sup> and Hong Kong Copper Foil Limited<sup>1</sup> (collectively the “Kingboard Group”), being the registered holders of not less than 95 per cent. of the entire issued Shares of the Company jointly intend to acquire compulsorily (“Compulsory Acquisition”) all the Shares held by the remaining holders of Shares who have not accepted the Offer (“Dissentient Shareholders”) pursuant to Section 103 of the Bermuda Act at a price of HK\$1.90 per Share in cash which is identical to the price payable pursuant to the Offer.

Dissentient Shareholders should follow the procedures for transfer and settlement described below to expedite payment of monies due to them.

Shares of all Dissentient Shareholders are being acquired on the same terms.

The Shares will be acquired at the Completion Date (as defined below) free from all charges, liens, pledges, options, encumbrances and any other third party rights or interests of any nature whatsoever and together with all rights, benefits and entitlements attaching and accruing to the Shares.

The Compulsory Acquisition will be completed on 12 February 2005 (“Completion Date”) unless a Dissentient Shareholder applies to the Supreme Court of Bermuda (the “Court”) within one month of this Notice (see below).

Section 103(2) of the Bermuda Act provides that a Dissentient Shareholder is entitled to apply to the Court WITHIN ONE MONTH OF THIS NOTICE to have the value of the Shares appraised by the Court. If such an application is made, the Completion Date will be deferred to a date falling seven days after the date the order of the Court is given. If the value of the Shares appraised by the Court is higher than HK\$1.90 per Share in cash, the Kingboard Group may, subject to applicable laws, rules and regulations, jointly elect to acquire all the Shares of the Dissentient Shareholders at the value appraised by the Court or cancel this Notice within one month of the order of the Court.

The provisions of Section 103 of the Bermuda Act are set out in the Appendix to this Notice.

Dissentient Shareholders should consult their legal advisers if they wish to exercise their rights under Section 103(2) of the Bermuda Act.

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<sup>1</sup> The Offeror, Kingboard Investments Limited, Kingboard Laminates Limited and Hong Kong Copper Foil Limited are subsidiaries of Kingboard.

## **Withdrawal of the Listing of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”)**

As required by Rule 6.15 of The Rules Governing the Listing of Securities on the Stock Exchange, NOTICE IS HEREBY GIVEN that upon the acquisition of all the Shares by the Kingboard Group, the Company intends not to retain its listing on the Stock Exchange and will voluntarily withdraw its listing on the Stock Exchange.

### **PROCEDURES FOR TRANSFER AND SETTLEMENT**

Dissentient Shareholders **should complete and sign the enclosed Form of Request** and return it together with their Share certificates to Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by post or by hand in an envelope marked “Elec & Eltek Compulsory Acquisition” so as to be received as soon as possible but in any event at or before 4:00 p.m. (Hong Kong time) on 31 January 2005 **to expedite payment of the monies due to them.**

Hong Kong stamp duty at the rate of 0.1% of the consideration or value of the Shares to be acquired by the Offeror will be deducted from monies due to Dissentient Shareholders.

**Subject to the right of the Kingboard Group to cancel this Notice, the Offeror will procure that Shares of Dissentient Shareholders whether they have or have not complied fully with the procedures and requirements set out in this Notice are transferred to the Offeror pursuant to Section 103 of the Bermuda Act and any member of the Kingboard Group will, if necessary, execute an instrument of transfer on behalf of the Dissentient Shareholder as transferor.**

Unless indicated otherwise on the Form of Request, the Offeror will send all cheques for the amount due to the Dissentient Shareholders less any ad valorem stamp duty payable by the Dissentient Shareholders in respect of the Shares to be acquired by the Offeror by post to Dissentient Shareholders at their own risk at their respective addresses which appear in the register of members of the Company or, in the case of joint holders, at the address appearing in the register of members of the joint holder whose name stands first in the register of members in respect of the relevant joint holding, unless the Dissentient Shareholders indicate otherwise in the Form of Request.

Monies due to Dissentient Shareholders which are returned to the Offeror will be held by the Offeror in a separate non interest bearing bank account for the benefit of Dissentient Shareholders. Monies unclaimed after a period of six years from the date of this Notice will be forfeited and will revert to the Offeror. Dissentient Shareholders who subsequently wish to receive any monies payable in respect of the Compulsory Acquisition from the Offeror within the applicable time limit should contact the Offeror.

No acknowledgement of receipt of any Form(s) of Request will be given.

### **Closure of Register of Members of the Company**

Any Dissentient Shareholders who wish to transfer their Shares before the acquisition by the Kingboard Group pursuant to the Compulsory Acquisition must lodge the transfers (with the relevant Share certificate(s)) at Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:00 p.m. on 31 January 2005. The register of members of the Company will be closed from 1 February 2005 to 8 February 2005, both days inclusive, and no transfers of Shares will be permitted during this period.

By Order of the Board of the Company, the Offeror, Kingboard, Kingboard Investments Limited, Kingboard Laminates Limited and Hong Kong Copper Foil Limited.

For and on behalf of  
**Elec & Eltek International Holdings Limited**

For and on behalf of  
**Ease Ever Investments Limited**

For and on behalf of  
**Kingboard Chemical Holdings Limited**

For and on behalf of  
**Kingboard Investments Limited**

For and on behalf of  
**Kingboard Laminates Limited**

For and on behalf of  
**Hong Kong Copper Foil Limited**

Date: 8 January 2005

*Notes:-*

- I. All communications, notices, share certificates, transfer receipts, other documents of title and remittances to be delivered by or sent to Dissentient Shareholders or their agents will be delivered by or sent to Dissentient Shareholders or their agents at their own risk and neither the Company, the Offeror, Kingboard Chemical Holdings Limited, Kingboard Investments Limited, Kingboard Laminates Limited, Hong Kong Copper Foil Limited nor Computershare Hong Kong Investor Services Limited accept any liability for any loss which may arise as a result.
- II. This Notice and all transfers of Shares pursuant thereto is/are governed by the laws of Bermuda.
- III. As at the date of this notice, the board of directors of Kingboard 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 of Kingboard, Mr. Lum Gum Wun, being a non-executive director of Kingboard and Messrs. Tsao Kwang Yung, Peter, Cheng Ming Fun, Paul and Tse Kam Hung, being the independent non-executive directors of Kingboard.
- IV. As at the date of this notice, the board of directors of the Company consists of Messrs. Thomas Tang Koon Yiu, Canice Chung Tai Keung, Cheung Kwok Wa and Mok Cham Hung, Chadwick, being the executive directors of the Company, Messrs. Peter Lee Yip Wah, Cheung Kwok Wing, Chan Wing Kwan and Chang Wing Yiu, being non-executive directors of the Company and Messrs. Eugene Lee, Kenneth Shim Hing Choi and Keith Tay Ah Kee, being the independent non-executive directors of the Company.

## APPENDIX

### SECTION 103 OF THE COMPANIES ACT OF BERMUDA

- (1) The holders of not less than ninety-five percent of the shares or any class of shares in a company (hereinafter in this section referred to as the “purchasers”) may give notice to the remaining shareholders or class of shareholders of the intention to acquire their shares on the terms set out in the notice. When such a notice is given the purchasers shall be entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice unless a remaining shareholder applies to the Court for an appraisal under subsection (2):

Provided that the foregoing provisions of this subsection shall not apply unless the purchasers offer the same terms to all holders of the shares whose acquisition is involved.

- (2) Any shareholder to whom a notice has been given under subsection (1) may within one month of receiving the notice apply to the Court to appraise the value of the shares to be purchased from him and the purchasers shall be entitled to acquire the shares at the price so fixed by the Court.
- (3) Within one month of the Court appraising the value of any shares under subsection (2) the purchasers shall be entitled either –
- (a) to acquire all the shares involved at the price fixed by the Court; or
  - (b) cancel the notice given under subsection (1).
- (4) Where the Court has appraised any shares under subsection (2) and the purchasers have prior to the appraisal acquired any shares by virtue of a notice under subsection (1) then within one month of the Court appraising the value of the shares if the price of the shares they have paid to any shareholder is less than that appraised by the Court they shall either –
- (a) pay to such shareholder the difference in the price they have paid to him and the price appraised by the Court; or
  - (b) cancel the notice given under subsection (1) and return to the shareholder any shares they have acquired and the shareholder shall repay the purchasers the purchase price.
- (5) No appeal shall lie from an appraisal by the Court under this section.
- (6) The costs of any application to the Court under this section shall be in the discretion of the Court.

(7) In this section –

“price” shall include not only monetary price but also the monetary value of any shares or other securities offered by the purchasers in exchange for the shares to be acquired.

*Note:* “Court” is defined to mean the Supreme Court of Bermuda by section 2(1) of the Bermuda Act