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



Elec & Eltek 依利安達
Elec & Eltek International Holdings Limited
(Incorporated in Bermuda with Limited Liability)
(stock code: 33)

JOINT ANNOUNCEMENT
COMPLETION OF THE COMPULSORY ACQUISITION
WITHDRAWAL OF LISTING OF THE SHARES OF
ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED
ON THE STOCK EXCHANGE

The Compulsory Acquisition of the Shares held by Dissident Shareholders was completed on Saturday, 12 February 2005.

The Shares have been suspended from trading on the Stock Exchange with effect from 9:30 a.m. on Friday, 7 January 2005 and will continue to be suspended until the voluntary withdrawal of the listing of the Shares on the Stock Exchange. Application has been made by Elec & Eltek to the Stock Exchange for the voluntary withdrawal of the listing of the Shares on the Stock Exchange with effect from 4:00 p.m. on Friday, 18 March 2005.

Reference is made to the announcement dated 12 October 2004, the offer document dated 1 November 2004 ("Offer Document"), the announcement dated 25 November 2004, the announcement dated 9 December 2004, the announcement dated 23 December 2004 and the announcement dated 6 January 2005 issued by, among others, Kingboard Chemical Holdings Limited ("Kingboard"), Elec & Eltek International Holdings Limited ("Elec & Eltek") and the Hong Kong Offeror and the notice of compulsory acquisition dated 8 January 2005 ("Compulsory Acquisition Notice") issued by Elec & Eltek and the Kingboard Group (as defined below). Unless otherwise defined, terms defined in the Offer Document shall have the same meanings when used in this announcement.

COMPLETION OF THE COMPULSORY ACQUISITION

As stated in the Compulsory Acquisition Notice, the remaining holders ("Dissident Shareholders") of the shares of HK\$0.10 each ("Shares") in the capital of Elec & Eltek who have not accepted the Hong Kong Share Offer were entitled to apply to the Supreme Court of Bermuda ("Court") within one month from the Compulsory Acquisition Notice to have the value of the Shares appraised by the Court. Based on a search of the Cause Book of the Court conducted on Friday, 11 February 2005 (being the 4th day from the date of the expiration of one month from the date of the Compulsory Acquisition Notice), no application had been made to the Court by any Dissident Shareholders. As such, the Hong Kong Offeror, Kingboard, Kingboard Investments Limited, Kingboard Laminates Limited and Hong Kong Copper Foil Limited (collectively, the "Kingboard Group") became entitled and were bound to acquire the Shares held by Dissident Shareholders ("Compulsory Acquisition"). Elec & Eltek was advised by the Bermuda legal advisers to Kingboard that conducting a search of the Cause Book of the Court is all that was necessary to ascertain the absence of any application to the Court by Dissident Shareholders.

The Compulsory Acquisition was completed on Saturday, 12 February 2005 when all the Shares held by Dissident Shareholders were transferred to the Hong Kong Offeror. The cheques for the amount of the consideration (less any Hong Kong ad valorem stamp duty payable by the Dissident Shareholders) due to Dissident Shareholders in respect of the Shares acquired by the Hong Kong Offeror pursuant to the Compulsory Acquisition were sent by post to Dissident Shareholders at their own risk at their respective addresses which appear in the register of members of Elec & Eltek or, in the case of joint holders, at the address appearing in the register of members of Elec & Eltek of the joint holder whose name stands first in the register of members of Elec & Eltek unless the Dissident Shareholders had indicated otherwise in their respective forms of request enclosed with the Compulsory Acquisition Notice.

As a result of the completion of the Compulsory Acquisition, members of the Kingboard Group became the beneficial owners of the entire issued share capital of Elec & Eltek and Elec & Eltek became an indirect wholly-owned subsidiary of Kingboard.

WITHDRAWAL OF LISTING

The Shares have been suspended from trading on the Stock Exchange with effect from 9:30 a.m. on Friday, 7 January 2005 and will continue to be suspended until the voluntary withdrawal of the listing of the Shares on the Stock Exchange. Application has been made by Elec & Eltek to the Stock Exchange for the voluntary withdrawal of the listing of the Shares on the Stock Exchange with effect from 4:00 p.m. on Friday, 18 March 2005.

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

By order of the board of directors of
Elec & Eltek International Holdings Limited
Cheung Kwok Wing
Chairman

Hong Kong, 14 March 2005

As at the date of this announcement, 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.

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

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