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KINGBOARD CHEMICAL HOLDINGS LIMITED

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 148)

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KINGBOARD LAMINATES HOLDINGS LIMITED

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 1888)

JOINT ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and is being released for information purpose only.

The following is a reproduction of the joint announcement of Kingboard Laminates Holdings Limited and Kingboard Copper Foil Holdings Limited published on the Singapore Exchange Securities Trading Limited website on 4 May 2009 in relation to the proposed privatisation of Kingboard Copper Foil Holdings Limited by way of a scheme of arrangement.

“1. INTRODUCTION

The respective boards of directors of Kingboard Copper Foil Holdings Limited (“**Kingboard Copper Foil**” or the “**Company**”) and Kingboard Laminates Holdings Limited (“**Kingboard Laminates**”) are pleased to announce the proposed privatisation (the “**Scheme**”) of Kingboard Copper Foil by Kingboard Laminates by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act 1981 (the “**Bermuda Companies Act**”).

2. INFORMATION ON THE PARTIES

2.1 Kingboard Copper Foil. Kingboard Copper Foil was incorporated as an exempted company in Bermuda on 10 September 1999. Kingboard Copper Foil was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 16 December 1999. Kingboard Copper Foil is an indirect subsidiary of Kingboard Laminates, which has an approximately 63.97 per cent. interest in the issued share capital of Kingboard Copper Foil¹. The principal activity of Kingboard Copper Foil is that of investment holding while its subsidiaries (together with Kingboard Copper Foil, the “**KBCF Group**”) are engaged in the manufacture and trading of copper foil, a raw material for the laminates and printed circuit board industries.

¹ In this Joint Announcement, for the purposes of computation, the number of KBCF Shares is 722,500,000, as at the Joint Announcement Date.

Kingboard Copper Foil's market capitalisation as of the close of market trading on 30 April 2009, being the last full trading day preceding 4 May 2009, which is the date of this Joint Announcement (the "**Joint Announcement Date**"), was approximately S\$119 million.

As at the Joint Announcement Date, Kingboard Copper Foil has an issued share capital of US\$72,250,000 comprising 722,500,000 ordinary shares of US\$0.10 each (the "**KBCF Shares**").

2.2 Kingboard Laminates. Kingboard Laminates was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 10 May 2006. Kingboard Laminates is a subsidiary of Kingboard Chemical Holdings Limited ("**Kingboard Chemical**"), which was incorporated in the Cayman Islands as an exempted company with limited liability. Both the shares of Kingboard Chemical and Kingboard Laminates are listed on the Main Board of The Stock Exchange of Hong Kong Limited ("**SEHK**"). Kingboard Laminates is a leading vertically-integrated electronics materials manufacturer, specialising in the production of laminates, including glass epoxy laminates, paper laminates and composite epoxy material laminates.

The current board of directors of Kingboard Laminates comprises:

Cheung Kwok Wa (*Chairman and Executive Director*)
Cheung Kwok Keung (*Managing Director and Executive Director*)
Cheung Kwok Ping (*Executive Director*)
Lam Ka Po (*Executive Director*)
Cheung Ka Ho (*Executive Director*)
Chan Sau Chi (*Executive Director*)
Liu Min (*Executive Director*)
Zhou Pei Feng (*Executive Director*)
Lo Ka Leong (*Non-executive Director*)
Chan Charnwut Bernard (*Independent Non-executive Director*)
Chan Yue Kwong, Michael (*Independent Non-executive Director*)
Leung Tai Chiu (*Independent Non-executive Director*)
Mok Yiu Keung, Peter (*Independent Non-executive Director*)

Mr Cheung Kwok Ping and Mr Lam Ka Po are also executive directors of Kingboard Copper Foil.

3. THE SCHEME

3.1 Implementation Agreement. Kingboard Copper Foil and Kingboard Laminates (each, a "**Party**" and collectively, the "**Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") to implement the privatisation of Kingboard Copper Foil by way of a scheme of arrangement under Section 99 of the Bermuda Companies Act and in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**").

3.2 Terms of Scheme. Pursuant to the Scheme:

- 3.2.1 all the issued KBCF Shares held by the shareholders of Kingboard Copper Foil (excluding subsidiaries of Kingboard Laminates which hold KBCF Shares) (the “**Relevant KBCF Shareholders**”) as at a date to be announced by Kingboard Copper Foil on which the Transfer Books and the Register of Members of Kingboard Copper Foil will be closed in order to determine the entitlements of the Relevant KBCF Shareholders in respect of the Scheme will be transferred to Kingboard Laminates (or such entity or person as may be designated by Kingboard Laminates); and
- 3.2.2 in consideration for such a transfer, Kingboard Laminates will pay the Relevant KBCF Shareholders the following consideration (the “**Scheme Price**”) for each KBCF Share transferred:
- (i) S\$0.21 in cash for each KBCF Share (the “**Cash Consideration**”); or
 - (ii) 0.374 new ordinary shares of HK\$0.10 each in the capital of Kingboard Laminates (the “**New KBL Shares**”) which are to be allotted and issued on a fully paid up basis in connection with the Scheme as part of the Scheme Price at the issue price of HK\$2.946 per New KBL Share (the “**Issue Price**”) (equivalent to S\$0.561 at the exchange rate ratio of S\$1: HK\$5.247 as at 30 April 2009, being the business day immediately preceding the Joint Announcement Date), for each KBCF Share (the “**Share Exchange Offer**”). The Issue Price is equal to the average closing price of the issued ordinary shares of HK\$0.10 each in the capital of Kingboard Laminates (the “**KBL Shares**”) on SEHK for the five trading days preceding the Joint Announcement Date; or
 - (iii) a combination of the Cash Consideration and the Share Exchange Offer (the “**Combination Offer**”),

provided that Kingboard Laminates obtains clearance by SEHK in accordance with the condition set out in paragraph 9(i) of **Schedule 1** to this Joint Announcement.

Each Relevant KBCF Shareholder has the discretion to receive the Scheme Price in the form of the Cash Consideration, the Share Exchange Offer or the Combination Offer. **In the event Kingboard Laminates does not obtain the clearance of SEHK in accordance with the condition set out in paragraph 9(i) of Schedule 1 to this Joint Announcement and elects in its sole discretion to waive such condition, Kingboard Laminates shall pay to the Relevant KBCF Shareholders only the Cash Consideration for each KBCF Share transferred.**

In the event a Relevant KBCF Shareholder does not make a valid election between the Cash Consideration, the Share Exchange Offer or the Combination Offer, the Relevant KBCF Shareholder will be paid the Cash Consideration in default for each KBCF Share held by him. Further information on the election procedure will be set out in the Scheme Document (as defined below).

The aggregate Cash Consideration or that portion of the Combination Offer which is payable in cash to each Relevant KBCF Shareholder for the KBCF Shares held by such Relevant KBCF Shareholder will be rounded down to the nearest whole cent. Fractions of a New KBL Share will not be allotted and issued to any Relevant KBCF Shareholder and will be disregarded.

3.3 Illustrations. The following illustrates the Scheme Price to be paid to a Relevant KBCF Shareholder who owns 1,000 KBCF Shares pursuant to the Scheme (the “**Hypothetical Shareholder**”):

Illustration A – Election to Receive Cash Consideration

If the Hypothetical Shareholder elects to receive the Scheme Price in respect of all 1,000 of the KBCF Shares owned by him entirely in the form of the Cash Consideration, he will receive an aggregate of S\$210 in cash.

Illustration B – Election to Receive Share Exchange Offer

If the Hypothetical Shareholder elects to receive the Scheme Price in respect of all 1,000 of the KBCF Shares owned by him entirely in the form of the Share Exchange Offer, he will receive an aggregate of 374 New KBL Shares.

Illustration C – Election to Receive Combination Offer

If the Hypothetical Shareholder elects to receive the Scheme Price in respect of 500 of the KBCF Shares owned by him in the form of the Cash Consideration and in respect of the remaining 500 of the KBCF Shares owned by him in the form of the Share Exchange Offer, he will receive an aggregate of S\$105 in cash and 187 New KBL Shares.

3.4 No Encumbrances. Pursuant to the Scheme, the KBCF Shares held by the Relevant KBCF Shareholders will be acquired:

3.4.1 fully paid;

3.4.2 free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and

3.4.3 together with all rights, benefits and entitlements attaching thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends (other than the final dividend of HK\$0.01 per KBCF Share which was declared by Kingboard Copper Foil on 26 February 2009, approved at the annual general meeting of the shareholders of Kingboard Copper Foil (the “**KBCF Shareholders**”) on 27 April 2009 and is payable to the KBCF Shareholders on 26 May 2009), rights and other distributions (if any) which may be declared, paid or made by Kingboard Copper Foil on or after the Joint Announcement Date.

Further information on the terms and conditions upon which the Scheme will be implemented by Kingboard Copper Foil and Kingboard Laminates will be set out in the document to be issued by Kingboard Copper Foil to the KBCF Shareholders containing, *inter alia*, details on the Scheme (the “**Scheme Document**”).

3.5 New KBL Shares. Pursuant to the Scheme, Kingboard Laminates will allot and issue in aggregate up to 97,367,534 New KBL Shares (assuming completion of the Scheme and the Scheme Price is satisfied in full by way of the allotment and issuance of New KBL Shares to the Relevant KBCF Shareholders), representing approximately 3.25 per cent. of the issued share capital of Kingboard Laminates as at the Joint Announcement Date and approximately 3.14 per cent. of the enlarged issued share capital of Kingboard Laminates after allotment and issuance of the New KBL Shares. The New KBL Shares will be allotted and issued under the existing general mandate which was granted to the directors of Kingboard Laminates at the annual general meeting of Kingboard Laminates held on 5 May 2008. The general mandate allows Kingboard Laminates to allot, issue or otherwise deal with up to a maximum of 600,000,000 new KBL Shares. As at the Joint Announcement Date, the unutilised general mandate of Kingboard Laminates is 600,000,000 new KBL Shares.

Subject to the grant of the clearance by SEHK in accordance with the condition set out in paragraph 9(i) of **Schedule 1** to this Joint Announcement, if and when allotted and issued, the New KBL Shares will be listed on SEHK and will rank *pari passu* with the then existing KBL Shares. An application will be made to SEHK for the listing of, and permission to deal in, the New KBL Shares to be allotted and issued in satisfaction of the Share Exchange Offer or the partial satisfaction of the Combination Offer.

3.6 Delisting. Upon the completion of the Scheme, Kingboard Copper Foil will become a wholly-owned subsidiary of Kingboard Laminates, and the KBCF Shares will be delisted from the Official List of the SGX-ST.

4. FINANCIAL EVALUATION OF THE SCHEME

Based on the Cash Consideration, the Scheme Price represents the following premium over the historical traded prices of the KBCF Shares:

	Benchmark Price⁽²⁾ (S\$)⁽³⁾	Premium over Benchmark Price (%)⁽³⁾
Last traded price per KBCF Share on 30 April 2009, being the last trading day preceding the Joint Announcement Date	0.165	27.273
VWAP ⁽¹⁾ of the traded prices of the KBCF Shares for the one-month period preceding the Joint Announcement Date	0.155	35.484
VWAP of the traded prices of the KBCF Shares for the three-month period preceding the Joint Announcement Date	0.136	54.412
VWAP of the traded prices of the KBCF Shares for the six-month period preceding the Joint Announcement Date	0.139	51.079

Notes:

(1) Volume weighted average price (“VWAP”).

(2) Source: Bloomberg as at 30 April 2009.

(3) Rounded to the nearest three decimal places.

5. RATIONALE FOR THE SCHEME

5.1 Opportunity for Relevant KBCF Shareholders to Realise their Investment. The Scheme presents the Relevant KBCF Shareholders with an opportunity to realise their investment in KBCF Shares at an attractive premium of approximately 27.273 per cent., 35.484 per cent., 54.412 per cent., and 51.079 per cent. over Kingboard Copper Foil’s closing share price of S\$0.165 prior to the Joint Announcement Date, one-month VWAP of S\$0.155, three-month VWAP of S\$0.136 and six-month VWAP of S\$0.139, respectively, without incurring brokerage and other trading costs.

5.2 Prolonged Undervaluation and Illiquidity of KBCF Shares. Kingboard Copper Foil’s share closing price has been on a downward trend for the past two years from a high of S\$0.535 on 17 July 2007 to its current level of S\$0.165 prior to the Joint Announcement Date with a low of S\$0.105 on 19 March 2009 and 20 March 2009. The trading liquidity of the KBCF Shares has also been low, with an average daily trading volume of approximately 606,865 KBCF Shares over the 12-month period immediately preceding the Joint Announcement Date, representing approximately 0.233 per cent. of the total free float of KBCF Shares.

- 5.3 Better Integration and Greater Efficiency Within the Kingboard Laminates Group of Companies.** The Scheme would facilitate better integration of similar businesses between the KBCF Group and the Kingboard Laminates group of companies. It would also allow Kingboard Copper Foil and Kingboard Laminates to rationalise and streamline the resources and cost structure of the business for greater efficiency and competitiveness.
- 5.4 No Necessity to Access the Capital Markets.** Kingboard Copper Foil has been listed on the SGX-ST since 16 December 1999. Given the current net cash position of approximately HK\$193 million (approximately S\$37 million) as at 31 December 2008, coupled with the depressed market conditions, Kingboard Copper Foil is of the view that it is unlikely to require access to the capital markets to finance its operations in the foreseeable future. If required, Kingboard Copper Foil could still access the capital markets via its parent company, Kingboard Laminates, which is listed on the main board of SEHK.
- 5.5 Opportunity for the Relevant KBCF Shareholders to Participate in the Enlarged Kingboard Laminates Group of Companies.** The Scheme, through the Share Exchange Offer or the Combination Offer, presents the Relevant KBCF Shareholders with an opportunity to participate in the upside potential of the enlarged Kingboard Laminates group of companies upon the successful completion of the Scheme. The return-on-equity ratio (“ROE”)² for Kingboard Laminates is approximately 17.187 per cent. for the financial year ended 31 December 2008. This compares favourably to the ROE of approximately 5.356 per cent. for Kingboard Copper Foil for the financial year ended 31 December 2008.
- 5.6 Compliance Costs Related to Listing Status.** In maintaining its listing status, Kingboard Copper Foil incurs compliance costs. The Scheme would allow Kingboard Copper Foil to dispense with listing related expenses and channel its resources to its business operations.

6. KINGBOARD LAMINATES’ INTENTIONS FOR KINGBOARD COPPER FOIL

Kingboard Laminates presently has no intention to (i) introduce any major changes to the business of Kingboard Copper Foil, (ii) redeploy the fixed assets of the KBCF Group, or (iii) discontinue the employment of the employees of the KBCF Group. However, the directors of Kingboard Laminates retain the flexibility at any time to consider any options or opportunities in relation to the KBCF Group which may present themselves and which they may regard to be in the best interest of Kingboard Laminates.

7. CONDITIONS PRECEDENT

The Scheme is conditional upon the satisfaction of a number of conditions precedent (the “**Conditions Precedent**”) or waivers (as the case may be) which are set out in **Schedule 1** to this Joint Announcement.

² The calculation of the ROE is based on the profit attributable to equity holders for FY2008 over the average of the equity attributable to equity holders for FY2007 and FY2008.

8. TERMINATION OF THE IMPLEMENTATION AGREEMENT

8.1 Right to Terminate. The Implementation Agreement provides, *inter alia*, that the Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the date (the “**Record Date**”) falling on the business day immediately preceding the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”) subject to prior consultation with the Securities Industry Council of Singapore (the “**SIC**”):

8.1.1 Court Order: by either Kingboard Laminates or Kingboard Copper Foil, if any court of competent jurisdiction or Governmental Agency (as defined in the Implementation Agreement) has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme or any part thereof, or has refused to do anything necessary to permit the Scheme or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

8.1.2 Breach: by (a) Kingboard Laminates, if Kingboard Copper Foil is in breach of any provision of the Implementation Agreement, or (b) Kingboard Copper Foil, if Kingboard Laminates is in breach of any provision of the Implementation Agreement; or

8.1.3 Shareholders’ Approvals: by Kingboard Laminates, if the resolutions submitted to the meeting of the KBCF Shareholders to be convened by the Supreme Court of Bermuda (the “**Court**”) to approve the Scheme (the “**Scheme Meeting**”) are not approved (without amendment) by the requisite majority of the KBCF Shareholders.

8.2 Non-fulfilment of Conditions Precedent. Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement will terminate if any of the Conditions Precedent has not been satisfied (or, where applicable, has not been waived) by 26 October 2009 (or such other date as the Parties may agree) and the non-fulfilment of any such Condition Precedent is material in the context of the Scheme, provided always that either Party may only invoke a Condition Precedent to terminate the Implementation Agreement after consultation with the SIC.

8.3 Effect of Termination. In the event of termination of the Implementation Agreement by either Kingboard Laminates or Kingboard Copper Foil pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for surviving provisions relating to remedy, confidentiality, costs and expenses, third party contract rights, notices and governing law) and there shall be no liability on the part of either Party save as otherwise agreed between the Parties.

8.4 Specific Obligations of Kingboard Copper Foil. The Specific Obligations of Kingboard Copper Foil are the following:

- 8.4.1 the release of this Joint Announcement, jointly with Kingboard Laminates, on or as soon as practicable after the date of the Implementation Agreement;
- 8.4.2 within three business days after the release of this Joint Announcement, release or issue of such other letters or announcements as may be agreed between the Parties;
- 8.4.3 the preparation and despatch of the Scheme Document in compliance with all applicable laws and regulations;
- 8.4.4 the submission of the draft Scheme Document to the SGX-ST for clearance as soon as reasonably practicable after the date of the Implementation Agreement and diligently seeking such clearance promptly;
- 8.4.5 subject to obtaining the approval of the SGX-ST, the application to the Court for order(s) convening the Scheme Meeting and the convening of the Scheme Meeting;
- 8.4.6 instructing Kingboard Copper Foil's share registrar(s) to despatch, in accordance with the terms as set out in the Scheme Document, to the KBCF Shareholders the Scheme Document and the appropriate forms of proxy for use at the Scheme Meeting promptly following approval thereof by the SGX-ST and the grant of an order by the Court to convene the Scheme Meeting, respectively;
- 8.4.7 if the Scheme is approved by the requisite majority of the KBCF Shareholders at the Scheme Meeting, promptly applying to the Court for, and diligently seeking its sanction and confirmation of, the Scheme;
- 8.4.8 following the grant of the court order by the Court sanctioning the Scheme, delivering the same to the Registrar of Companies of Bermuda (the "**Registrar**") for registration in accordance with the Bermuda Companies Act on such date as Kingboard Laminates may require; and
- 8.4.9 subject to the receipt by its directors (other than those directors of Kingboard Copper Foil who are considered not independent for the purpose of the Scheme) (the "**Independent Directors**") of an unqualified opinion from an independent financial adviser appointed under Rule 7.1 of the Code (the "**IFA**") advising that the Independent Directors should recommend that KBCF Shareholders vote in favour of the Scheme, Kingboard Copper Foil will use its best endeavours to procure that the Independent Directors will:
 - (i) (subject always to compliance with their fiduciary duties) recommend, in accordance with the advice of the IFA, in the Scheme Document that KBCF Shareholders vote in favour of all resolutions required to approve and implement the Scheme at the Scheme Meeting; and

- (ii) after making the recommendation set out in paragraph 8.4.9(i) above not at any time withdraw, modify or adversely qualify or amend the recommendation, (in each case) except to the extent that the Independent Directors have determined in good faith and upon written legal advice that such recommendation should not be given or should be withdrawn, modified, qualified or amended in order to comply with their fiduciary duties.

9. IRREVOCABLE UNDERTAKINGS

9.1 Irrevocable Undertakings to Elect to Receive Cash Consideration

9.1.1 Cash Consideration Undertaking Shareholders. As at the Joint Announcement Date, Kingboard Laminates has received irrevocable undertakings (the “**Cash Consideration Irrevocable Undertakings**”) from the parties (the “**Cash Consideration Undertaking Shareholders**”) set out in **Schedule 2** to this Joint Announcement to elect to receive the Scheme Price in the form of the Cash Consideration in respect of all their respective KBCF Shares, on and subject to the terms set out in their respective Cash Consideration Irrevocable Undertakings.

9.1.2 Condition. The Cash Consideration Irrevocable Undertakings are subject to the Scheme being approved by KBCF Shareholders at the Scheme Meeting.

9.1.3 Number of KBCF Shares. The aggregate number of KBCF Shares held by the Cash Consideration Undertaking Shareholders amount to 74,000 KBCF Shares, representing approximately 0.01025 per cent. of the total issued KBCF Shares.

9.2 Termination. The Cash Consideration Irrevocable Undertakings terminate on the earlier of: (a) the termination of the Implementation Agreement or the Scheme lapsing, whichever is later; (b) the completion of the Scheme; or (c) the date on which Kingboard Laminates withdraws from the Scheme.

9.3 No Other Undertaking. Save as disclosed in this Joint Announcement, neither Kingboard Laminates nor any other party acting or deemed to be acting in concert with it has received any irrevocable undertaking from any other party to vote, or procure the voting of, all its respective KBCF Shares in favour of or against the Scheme and any other matters necessary or proposed to implement the Scheme at the Scheme Meeting as at the Joint Announcement Date.

10. APPROVALS REQUIRED

10.1 Scheme Meeting and Court Sanction. The Scheme will require, *inter alia*, the following approvals:

10.1.1 the approval of the Scheme by a majority in number of KBCF Shareholders representing not less than three-fourths in value of the KBCF Shares held by KBCF Shareholders present and voting either in person or by proxy at the Scheme Meeting; and

10.1.2 the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Conditions Precedent specified in the Implementation Agreement have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the order of the Court has been delivered to the Registrar for registration.

10.2 SIC Confirmations. An application was made by Kingboard Laminates to the SIC to seek certain rulings in relation to the Scheme. The SIC has confirmed on 22 April 2009, *inter alia*, that:

10.2.1 Exemptions from the Code

The Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:

- (i) the common substantial shareholders of Kingboard Laminates and the Company namely, Mr Cheung Kwok Wing, Hallgain Management Limited, Kingboard Chemical and Jamplan (BVI) Limited (“**Jamplan**”) abstain from voting on the Scheme;
- (ii) Kingboard Laminates and its concert parties abstain from voting on the Scheme;
- (iii) the directors of the Company who are also directors of Kingboard Laminates namely, Mr Cheung Kwok Ping and Mr Lam Ka Po, and the directors of the Company who are acting in concert with those persons in paragraphs (i) and (ii) above, namely Mr Cheung Kwok Wing, Mr Chan Wing Kwan and Mr Ho Yin Sang, abstain from making a recommendation on the Scheme to the KBCF Shareholders; and
- (iv) the Company appoints an independent financial adviser to advise the KBCF Shareholders on the Scheme.

10.2.2 Conditions Precedent

It has no objections to the Conditions Precedent, subject to the inclusion of a clause in the Implementation Agreement to the effect that Kingboard Laminates may invoke any of the Conditions Precedent to terminate the Implementation Agreement and/or the Scheme only after prior consultation with the SIC.

11. CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank Ltd (“**DBS**”), as financial adviser to Kingboard Laminates in connection with the Scheme, confirms that sufficient financial resources are available to Kingboard Laminates to satisfy in full the aggregate Scheme Price payable by it for all the KBCF Shares to be acquired by it pursuant to the Scheme.

12. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

Kingboard Copper Foil will be appointing an IFA to the Independent Directors to advise on the Scheme. The IFA will issue its formal opinion in the Scheme Document (the “**IFA Letter**”).

No immediate action is required of the KBCF Shareholders on their part in respect of the Scheme. They will be advised on the procedure to approve the Scheme when the Scheme Document is despatched.

13. SCHEME DOCUMENT

The Scheme Document containing full details of the Scheme (including the recommendation of the Independent Directors along with the IFA Letter) and giving notice of the Scheme Meeting to approve the Scheme will be despatched to KBCF Shareholders in due course.

In the meantime, KBCF Shareholders are advised to refrain from taking any action in relation to their KBCF Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors on the Scheme as well as the advice of the IFA as set out in the Scheme Document.

14. OTHER INFORMATION

14.1 Disclosures of Interest

14.1.1 Shareholdings and Dealings in KBCF Shares

- (i) **Shareholdings.** Schedule 3 to this Joint Announcement sets out the KBCF Shares owned, controlled or agreed to be acquired by:
 - (a) Kingboard Laminates and its directors;
 - (b) Kingboard Chemical and its directors;
 - (c) Jamplan (a wholly-owned subsidiary of Kingboard Chemical) and its directors;
 - (d) Excel First Investments Limited (“**Excel First**”) (a wholly-owned subsidiary of Kingboard Laminates) and its directors;
 - (e) Kingboard Laminates Limited (a wholly-owned subsidiary of Excel First) and its directors; and
 - (f) DBS,

each, a “**Relevant Party**” and collectively, the “**Relevant Parties**” as at the Joint Announcement Date;

- (ii) **No Other Holdings.** Save as disclosed in **Schedule 3** to this Joint Announcement, as at the Joint Announcement Date, none of the Relevant Parties owns, controls, or has agreed to acquire any KBCF Shares. There are no other securities which carry voting rights in Kingboard Copper Foil, securities which are convertible into KBCF Shares, or rights to subscribe for, or options in respect of, such KBCF Shares or securities; and
- (iii) **No Dealings.** None of the Relevant Parties has dealt for value in any KBCF Shares during the three-month period immediately preceding the Joint Announcement Date.

14.1.2 Confidentiality

In the interests of confidentiality, save for the Relevant Parties, Kingboard Laminates has not made enquiries in respect of parties who are or may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, DBS has also not made enquiries in respect of DBS Group Holdings Ltd (“**DBSH**”) and other fellow subsidiaries of DBSH and associated companies controlled by DBSH. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Scheme Document.

14.2 Directors’ Service Contracts. As at the Joint Announcement Date, there is no service contract with any director or any person proposed to be appointed as a director of Kingboard Copper Foil and/or Kingboard Laminates in connection with the Scheme.

14.3 Overseas Shareholders. The availability of the Scheme to KBCF Shareholders whose addresses are outside Singapore, as shown on the Register of Members of Kingboard Copper Foil or, as the case may be, in the records of The Central Depository (Pte) Limited (each, an “**Overseas KBCF Shareholder**”) may be affected by the laws of the relevant overseas jurisdiction. Accordingly, any Overseas KBCF Shareholders should inform himself about and observe any applicable legal requirements in their own jurisdictions. Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, Kingboard Copper Foil reserves the right not to send such documents to the KBCF Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all KBCF Shareholders (including the Overseas KBCF Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Further details in relation to Overseas KBCF Shareholders will be contained in the Scheme Document.

14.4 Documents for Inspection. Copies of the Implementation Agreement and the Cash Consideration Irrevocable Undertakings will be made available for inspection during normal business hours at the office of Compact Administrative Services Pte Ltd, being the Singapore share transfer agent of Kingboard Copper Foil, at 3 Anson Road #27-01 Springleaf Tower Singapore 079909 from the Joint Announcement Date up until the Effective Date.

15. RESPONSIBILITY STATEMENTS

15.1 Kingboard Copper Foil. The directors of Kingboard Copper Foil (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement which relate to Kingboard Copper Foil are fair and accurate and that no material facts which relate solely to Kingboard Copper Foil have been omitted from this Joint Announcement, and they jointly and severally accept responsibility accordingly.

Where any information which relates to Kingboard Copper Foil has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of Kingboard Copper Foil has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of Kingboard Copper Foil do not accept any responsibility for any information relating to or opinions expressed by Kingboard Laminates.

15.2 Kingboard Laminates. The directors of Kingboard Laminates (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to Kingboard Copper Foil) are fair and accurate and that no material facts in relation thereto have been omitted from this Joint Announcement, and they jointly and severally accept responsibility accordingly.

Where any information which does not relate to Kingboard Copper Foil has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of Kingboard Laminates has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of Kingboard Laminates do not accept any responsibility for any information relating to or opinions expressed by Kingboard Copper Foil.

4 May 2009

By order of the Board
Kingboard Copper Foil Holdings Limited

By order of the Board
Kingboard Laminates Holdings Limited

Any inquiries relating to this Joint Announcement or the Scheme should be directed to one of the following:

DBS Bank Ltd

Keng Kok Sing

Senior Vice President

Law Seng Keat

Vice President

6 Shenton Way

DBS Building Tower One

Singapore 068809

Telephone: (65) 6878 8996

Fax: (65) 6878 5676

SCHEDULE 1

CONDITIONS PRECEDENT

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the office of Compact Administrative Services Pte Ltd, being the Singapore share transfer agent of Kingboard Copper Foil, at 3 Anson Road #27-01 Springleaf Tower Singapore 079909 during normal business hours until the Effective Date.

The Scheme is conditional upon:

1. **Scheme:** the approval of the Scheme by the KBCF Shareholders in compliance with the requirements of Section 99(2) of the Bermuda Companies Act;
2. **Scheme Court Order:** the grant of the Scheme Court Order by the Court with no conditions or with conditions that are acceptable to the Party who is affected by the conditions imposed in its discretion and such Scheme Court Order having become final;
3. **Registration:** the registration of the Scheme Court Order with the Registrar in accordance with the Bermuda Companies Act;
4. **Regulatory Approvals:** prior to the first application to the Court for the order to convene the Scheme Meeting, all Regulatory Approvals being obtained and not revoked or withdrawn, including but not limited to:
 - (i) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code shall not apply to the Scheme subject to any conditions the SIC may deem fit to impose; and
 - (ii) the approval-in-principle from the SGX-ST of the Scheme, the Scheme Document and for the proposed delisting of Kingboard Copper Foil;
5. **No Prescribed Occurrence:** between the date of the Implementation Agreement and the Record Date, no prescribed occurrence (as set out in the Implementation Agreement) in relation to the KBCF Group Companies having occurred;
6. **Authorisations and Consents:** in addition to the approvals aforementioned in **paragraph 4** above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by either Party under any and all applicable laws and from all Governmental Agencies for or in respect of the implementation of the Scheme and the transactions contemplated under the Implementation Agreement;

7. Kingboard Copper Foil's Representations, Warranties and Covenants:

- (i) the representations and warranties of Kingboard Copper Foil set out in the Implementation Agreement shall be true and correct in all material respects in each case as of the date of the Implementation Agreement and as of the Record Date (as though made on and as of that date) except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
- (ii) Kingboard Copper Foil shall have, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

8. Kingboard Laminates' Representations, Warranties and Covenants:

- (i) the representations and warranties of Kingboard Laminates set out in the Implementation Agreement shall be true and correct in all material respects in each case as of the date of the Implementation Agreement and as of the Record Date (as though made on and as of that date) except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and
- (ii) Kingboard Laminates shall have, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date; and

9. Hong Kong Regulatory Approvals:

- (i) the granting by SEHK of the listing of, and permission to deal in, the New KBL Shares which fall to be allotted and issued pursuant to the Share Exchange Offer or the Combination Offer; and
- (ii) if required, the obtaining by Kingboard Laminates, its holding companies or its subsidiaries, of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any appropriate government or government bodies, regulatory bodies, courts or institutions or other third parties in Hong Kong which are necessary or desirable for the performance of the Scheme under the applicable Hong Kong laws and regulations.

SCHEDULE 2

CASH CONSIDERATION UNDERTAKING SHAREHOLDERS

The details of the number of KBCF Shares held by the Cash Consideration Undertaking Shareholders from whom Cash Consideration Irrevocable Undertakings have been sought are as follows:

Name	Number of KBCF Shares Held	Percentage of Total Interest in the Issued Share Capital
Ms Cheung Wai Kam	2,000	0.00028%
Mr Lai Chung Wing, Robert	72,000	0.00997%
Total	74,000	0.01025%

SCHEDULE 3

DISCLOSURE OF SHAREHOLDINGS

1. HOLDINGS IN KBCF SHARES

1.1 Excel First, Kingboard Laminates Limited, Kingboard Laminates, Kingboard Chemical and Jamplan. As at the Joint Announcement Date, the interests in KBCF Shares held by Excel First, Kingboard Laminates Limited, Kingboard Laminates, Kingboard Chemical and Jamplan are set out below:

Shareholders	Direct Interest		Deemed Interest	
	No. of KBCF Shares	%	No. of KBCF Shares	%
Excel First	449,002,000	62.15	13,157,000 ⁽¹⁾	1.82
Kingboard Laminates Limited	13,157,000	1.82	–	–
Kingboard Laminates	–	–	462,159,000 ⁽²⁾	63.97
Jamplan	–	–	462,159,000 ⁽³⁾	63.97
Kingboard Chemical	–	–	462,159,000 ⁽³⁾	63.97

Notes:

- (1) These KBCF Shares are held by Kingboard Laminates Limited, which is a wholly-owned subsidiary of Excel First.
- (2) These KBCF Shares are held by Excel First, which is a wholly-owned subsidiary of Kingboard Laminates, and by Kingboard Laminates Limited.
- (3) These KBCF Shares are held by Excel First and by Kingboard Laminates Limited. Kingboard Laminates is a 74.77%-owned subsidiary of Kingboard Chemical of which 0.45% is held by Kingboard Chemical directly and 74.32% is held by Jamplan and its subsidiaries. Jamplan is wholly-owned by Kingboard Chemical. Accordingly, Kingboard Chemical and Jamplan are deemed to have an interest in these KBCF Shares held by Excel First and by Kingboard Laminates Limited.

1.2 Directors of Kingboard Chemical. As at the Joint Announcement Date, the interests in KBCF Shares held by the directors of Kingboard Chemical are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of KBCF Shares	%	No. of KBCF Shares	%
Cheung Kwok Wing	–	–	462,159,000 ⁽¹⁾	63.97
Chan Wing Kwan	–	–	–	–
Chang Wing Yiu	–	–	–	–
Cheung Kwong Kwan	–	–	–	–
Ho Yin Sang	–	–	2,000 ⁽²⁾	0.00
Cheung Wai Lin, Stephanie	–	–	–	–
Mok Cham Hung, Chadwick	–	–	–	–
Lai Chung Wing, Robert	72,000	0.01	–	–
Cheng Wai Chee, Christopher	–	–	–	–
Tse Kam Hung	–	–	–	–
Henry Tan	–	–	–	–

Notes:

(1) These KBCF Shares are held by Excel First and by Kingboard Laminates Limited. Kingboard Laminates is a 74.77%-owned subsidiary of Kingboard Chemical of which 0.45% is held by Kingboard Chemical directly and 74.32% is held by Jamplan and its subsidiaries. Jamplan is wholly-owned by Kingboard Chemical. Cheung Kwok Wing is deemed to have an interest in these KBCF Shares held by Excel First and by Kingboard Laminates Limited through his shareholding interest in Hallgain Management Limited, which has an approximately 30.97% shareholding interest in Kingboard Chemical.

(2) These KBCF Shares are held by the spouse of Ho Yin Sang. Accordingly, Ho Yin Sang is deemed to have an interest in these KBCF Shares.

1.3 Directors of Jamplan. The directors of Jamplan are Cheung Kwok Wing, Chan Wing Kwan and Lam Ka Po. Cheung Kwok Wing and Chan Wing Kwan are also directors of Kingboard Chemical and Lam Ka Po is also a director of Kingboard Laminates. Details of Cheung Kwok Wing's and Chan Wing Kwan's interests in KBCF Shares are set out above. Lam Ka Po does not have any interests in KBCF Shares.

1.4 Directors of Kingboard Laminates. The directors of Kingboard Laminates are Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho, Chan Sau Chi, Liu Min, Zhou Pei Feng, Chan Charnwut Bernard, Chan Yue Kwong, Michael, Leung Tai Chiu, Mok Yiu Keung, Peter and Lo Ka Leong. None of the directors of Kingboard Laminates have any interests in KBCF Shares.

1.5 Directors of Excel First. The directors of Excel First are Cheung Kwok Wa, Cheung Kwok Ping, Cheung Ka Ho and Chan Sau Chi. None of the directors of Excel First have any interests in KBCF Shares. All of the directors of Excel First are also directors of Kingboard Laminates.

1.6 Directors of Kingboard Laminates Limited. The directors of Kingboard Laminates Limited are Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwok Wa and Cheung Kwok Ping. Cheung Kwok Wing, Chan Wing Kwan and Chang Wing Yiu are also directors of Kingboard Chemical and Cheung Kwok Wa and Cheung Kwok Ping are also directors of Kingboard Laminates. Details of their interests in KBCF Shares are set out above.”

BY ORDER OF THE BOARD
Kingboard Chemical Holdings Limited
Chan Wing Kwan
Managing Director

BY ORDER OF THE BOARD
Kingboard Laminates Holdings Limited
Cheung Kwok Keung
Managing Director

Hong Kong, 4 May 2009

As at the date of this announcement, the board of directors of Kingboard Chemical comprises Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie and Mok Cham Hung, Chadwick, being the executive directors, and Messrs. Cheng Wai Chee, Christopher, Henry Tan, Lai Chung Wing, Robert and Tse Kam Hung, being the independent non-executive directors.

As at the date of this announcement, the board of directors of Kingboard Laminates comprises Messrs. Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho, Chan Sau Chi, Liu Min and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Chan Charnwut Bernard, Chan Yue Kwong, Michael, Leung Tai Chiu and Mok Yiu Keung, Peter, being the independent non-executive directors.

The directors of Kingboard Chemical (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts in relation thereto have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of Kingboard Chemical has been to ensure that, through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

The directors of Kingboard Laminates (including any who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts in relation thereto have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the directors of Kingboard Laminates has been to ensure that, through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.