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As a result of the Placing, a total of 225 million Kingboard Laminates Shares were actually placed to placees at an aggregate consideration of HK$1,710 million. The net proceeds from the Placing, after deducting all applicable costs and expenses, including commission, stamp duty and levies, will be approximately HK$1,665 million.

The major terms of the Agreement are set out below.

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21 September 2010

(1)	Vendor	:	Jamplan (BVI), a wholly-owned subsidiary of the Company
(2)	Warrantor	:	the Company
(3)	Placing Agent	:	CLSA Limited

Up to 225 million Kingboard Laminates Shares to be sold by Jamplan (BVI) pursuant to the Agreement, representing up to 7.5% of the existing issued share capital of Kingboard Laminates.

The Placing Agent has agreed to procure purchasers, on a best effort basis, to purchase the Placing Shares at HK$7.60 per Placing Share.

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In consideration of the services of the Placing Agent in relation to the Placing, the Placing Agent will receive a commission equal to 2.5% of the aggregate Placing Price, which is determined by multiplying the number of the Placing Shares sold by the Placing Price.

The Placing Price was determined with reference to the prevailing market price and was negotiated on an arm's length basis between Jamplan (BVI) and the Placing Agent. The Directors consider that the terms of the Placing are fair and reasonable and that the Placing is in the interest of the Company and the Shareholders as a whole.

The settlement of the Placing Shares is expected to take place on 27 September 2010.

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Jamplan (BVI) and the Company jointly and severally undertake to the Placing Agent that (except for the sale of the Placing Shares) for the period commencing from the date of the Agreement and ending upon the expiration of three months from the completion of the Placing, Jamplan (BVI) and the Company will not, and Jamplan (BVI) and the Company shall procure that none of their respective associates (as defined in the Listing Rules) shall, sell, transfer, offer for sale, contract to sell, grant options for the disposal of or otherwise dispose of (including without limitation by the creation of any option, rights, interests, warrant to purchase or otherwise transfer or dispose of, or any Encumbrance over), en7Ae, cdioptieralse

Of the Placing Shares, 35,500,000 Kingboard Laminates Shares will be sold by Jamplan (BVI) to Capital Research at the Placing Price upon completion of the Placing at an aggregate consideration of HK$269.8 million. The Placing Price was determined as a result of a bookbuilding process based on indications of interest received from potential purchasers for the Placing Shares of the highest price per Placing Share at which all the Placing Shares can be sold, and agreed to by Jamplan (BVI), the Company and the Placing Agent. The Placing Price is at a discount of 3.9% to the closing price of Kingboard Laminates Shares on the Stock Exchange on 20 September 2010.

REASONS FOR THE CONNECTED TRANSACTION AND PROPOSED USE OF PROCEEDS

The Directors consider the Connected Transaction represents an opportunity to realize a part of the Company's investment in Kingboard Laminates. The Company expects to recognize an unaudited gain of approximately HK$144 million upon completion of the Connected Transaction, being the difference between the net proceeds and the carrying value of the

LISTING RULE IMPLICATIONS

As one of the placees, Capital Research, is a substantial shareholder of the Company, it is a connected person of the Company pursuant to Rule 14A.11(1) of the Listing Rules. Accordingly, the Placing to Capital Research constitutes a connected transaction for the Company under Rule 14A.13 of the Listing Rules. However, as each of the applicable percentage ratios is less than 5%, the Connected Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32(1) of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Agreement"	an agreement entered into between the Company and Jamplan (BVI) and the Placing Agent dated 21 September 2010 pursuant to which Jamplan (BVI) appointed the Placing Agent to procure purchasers, on a best efforts basis, to purchase the Placing Shares
"Board"	the board of Directors
"Capital Research"	Capital Research and Management Company
"Company"	Kingboard Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange, is the ultimate holding company of Kingboard Laminates
"Connected Transaction"	the Placing to Capital Research
"Director(s)"	director(s) of the Company
"Encumbrance"	any right of pre-emption, charge, lien, security interest, encumbrance or other third party right or interest whatsoever
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China

“Jamplan (BVI)”	Jamplan (BVI) Limited, a company incorporated in the