H K E C L E H K L

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KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(I C I)

(Stock Code: 148)

CONTINUING CONNECTED TRANSACTIONS

Refe e ce i ade he A ce e i ela i , a g he hi g , he Shi ai S l Ag ee e a d he Shi ai P cha e Ag ee e .

O 27 Oc be 2006, Tech i e, a 90% ed b idia f he C a , e e ed i he Shi ai S l Ag ee e a d he Shi ai P cha e Ag ee e i h Shi ai. Shi ai i a c a hich h ld 30% f he e i e i ed ha e ca i al f he JV, a 70% ed b idia f Tech i e, a d i he ef e a b a ial ha eh lde f a b idia f he C a a d a c ec ed e f he C a de he Li i g R le .

* *F*

(ii) he Ne Shi ai P, cha e Ag ee e hich e , he ge e al e a d he ba i f calc, la i f he ¸, cha e ¸ ice a d e ice fee ,¸ hich he Tech i e G ,¸ ¸, cha e la i a e f he Shi ai G ,¸ a d , bc ac he e ice f he Shi ai G ,¸ f he ¸ d, c i f PCB,

f a e f 1 Ja , a 2010 31 Dece be 2012. The Ne Shi ai S, ¸ ¸ l Ag ee e a d he Ne Shi ai P, cha e Ag ee e a e e i ila h e e , i he Shi ai S, ¸ ¸ l Ag ee e a d he Shi ai P, cha e Ag ee e .

O 19 Dece be 2009, he B a d a ¸ ed he Ne Shi ai S, ¸ ¸ l Ag ee e a d he Ne Shi ai P, cha e Ag ee e a e , i hi a , ce e a d he P ¸ ed A , al Ca .

The Di ec (i cl, di g he i de e de -e ec, i e Di ec) c ide ha he C i , i g C ec ed T a ac i ha e bee c d, c ed al c e cial e a d i he di a d, , al c , e f b, i e f he G ,¸ , a e fai a d ea able a d i he i e e f he C ¸ a a d he Sha eh lde a a h le, a d ha he P ¸ ed A , al Ca a e fai a d ea able.

LISTING RULES IMPLICATIONS

The C i , i g C ec ed T a ac i a d he P ¸ ed A , al Ca c i , e c i , i g c ec ed a ac i f he C ¸ a ¸ , , a Cha e 14A f he Li i g R, le . A he ele a ¸ e ce age a i e e e ed b he agg ega e a , f he C i , i g C ec ed T a ac i a d he P ¸ ed A , al Ca a e le ha 2.5 ¸ e ce ., ¸ , , a R, le 14A.32 f he Li i g R, le , he C i , i g C ec ed T a ac i a d he P ¸ ed A , al Ca a e l , bjec he e i g a d a , ce e e , i e e e , i R, le 14A.45 14A.47 a d a e e e ¸ f I de e de Sha eh lde ' a ¸ al e , i e e e , i Cha e 14A f he Li i g R, le .

Refe e ce i ade he A , ce e i ela i , a g he hi g , he Shi ai S, ¸ ¸ l Ag ee e a d he Shi ai P, cha e Ag ee e .

O 27 Oc be 2006, Tech i e, a 90% ed , b idia f he C ¸ a , e e ed i he Shi ai S, ¸ ¸ l Ag ee e a d he Shi ai P, cha e Ag ee e i h Shi ai. Shi ai i a c ¸ a hich h ld 30% f he e i e i , ed ha e ca i al f he JV, a 70% ed , b idia f Tech i e, a d i he ef e a , b a ial ha eh lde f a , b idia f he C ¸ a a d a c ec ed ¸ e f he C ¸ a , de he Li i g R, le .

The a ac i c e ¸ la ed , de he Shi ai S, ¸ ¸ l Ag ee e a d he Shi ai P, cha e Ag ee e c i , ed -e e ¸ c i , i g c ec ed a ac i f he C ¸ a a d ge he i h he a , al ca , de he Shi ai S, ¸ ¸ l Ag ee e a d he Shi ai P, cha e Ag ee e e e , bjec he e , i e e f e i g, a , ce e a d he a ¸ al f I de e de Sha eh lde . The C ¸ a ha 8 Dece be 2006 b ai ed he I de e de Sha eh lde ' a ¸ al i a e a di a ge e al ee i g f he C ¸ a i e ¸ ec f he Shi ai S, ¸ ¸ l Ag ee e , he Shi ai P, cha e Ag ee e a d hei e ¸ ec i e igi al a , al ca .

The ab e c i , i g c ec ed a ac i ill c i , e f ll i g he e , i a i f he fi a cial ea e di g 31 Dece be 2009.

RENEWAL OF AGREEMENTS

1. Supply of PCB by the Techwise Group to the Shirai Group

D :

Pa ic, la f he Ne Shi ai S, , l Ag ee e a e e , bel :

Da e :	22 Dece be 2009
Pa ie :	(1) Tech i e (2) Shi ai
P d, c be , , lied:	, , l f PCB b he Tech i e G , he Shi ai G , , i h , a li i a i he a i , i i , , a i be , , cha ed b he Shi ai G ,
P ici g:	a a , ice hich i e fa , able he Shi ai G , ha he , ice a hich he Tech i e G , ell i ila , d, c I de e de Thi d Pa ie , i P Ihe

H :

The f ll i g able e f h he hi ical ale ade he Shi ai G , a d he ed a al ca f he Ne Shi ai S l Ag ee e :

	Financial year ended 31 December		
	2007	**2008**	**2009**
Hi ical ale	HK$556,420,000	HK$477,381,000	HK$251,905,000*
	2007	**2008**	**2009**
A al ca	HK$618,585,000**	HK$711,373,000**	HK$818,079,000**
	Financial year ending 31 December		
	2010	**2011**	**2012**
P ed a al ca	HK$374,400,000	HK$411,840,000	HK$453,024,000

* *A 31 2009.*
** *A I 10 D 2007.*

The B a d iced ha he hi ical a al ca f he ale ade he Shi ai G f each f he h ee fi a cial ea e ded 31 Dece be 2007, 2008 a d 2009 e e f ll ili ed d i g he a e e i d a a e l f he ec ic d a d he l d i de a d b he Shi ai G f PCB. A a e l f he l d i he gl bal ec , he B a d a ici a e ha he e ill l be a ead i c ea e i de a d f PCB f he a fac i g f elec ic d c i each f he h ee fi a cial ea e di g 31 Dece be 2010, 2011 a d 2012.

Ha i g c ide ed he ab e a d he hi ical ale , e ec ed g h i d c i a d ale , e ec ed i c ea e i de a d, e ec ed i c ea e i d c i ca aci f he Tech i e G , a d aki g i c ide a i he e i a ed i c ea e i he ice f he ale f PCB b he Tech i e G f each f he fi a cial ea e di g 31 Dece be 2010, 2011 a d 2012, a d he a i ha he e ill be a a al i c ea e f a i a el 10 e ce . i 2010, 2011 a d 2012, he Di ec a e f he ie ha he ab e ed a al ca i e ec f he ale f PCB b he Tech i e G he Shi ai G de he Ne Shi ai S l Ag ee e a e fai a d ea able.

2. Purchase of laminates from and subcontract services to be contracted with the Shirai Group by the Techwise Group

D :

Pa ic la f he Ne Shi ai P cha e Ag ee e a e e bel :

Da e :	22 Dece be 2009
Pa ie :	(1) Tech i e (2) Shi ai
P d c a d e ice be cha ed:	cha e f la i a e f he Shi ai G b he Tech i e G a d bc ac i g he e ice f Shi ai G (i.e. he i i f d illi g e ice b he Shi ai G he Tech i e G) f he d c i f PCB, i h a li i a i he a i i i (i) a i f la i a e be cha ed b he Tech i e G ; a d (ii) bc ac i g e ice be c ac ed i h he Shi ai G
P ici g:	a a ice hich i le fa able he Tech i e G ha he ice fee a hich he Tech i e G cha e, ld be able cha e, e gage ld be able e gage, i ila a e ial e ice f I de e de Thi d Pa ie ha i g ega d he a i a d he c di i f he cha e he e gage e
Te :	f 1 Ja a 2010 31 Dece be 2012, b h da i cl i e

U de he Ne Shi ai P cha e Ag ee e , he a f la i a e be cha ed a d he e ice be bc ac ed a e fi ed b a e be de e i ed a d ag eed be ee he a ie f i e i e. The Tech i e G ill be bliga ed cha e a i i a f la i a e f bc ac e ice be c ac ed i h he Shi ai G a d he Shi ai G ill be bliga ed ell a e a i f la i a e bc ac e ice be c ac ed i h he Shi ai G d i g he e f he Ne Shi ai P cha e Ag ee e . The Shi ai G ga a c edi e i d f 60 da he Tech i e G i e ec f he cha e f la i a e b he Tech i e G f he Shi ai G .

The e f he Ne Shi ai P cha e Ag ee e e e a i ed a af e a ' le g h eg ia i be ee he ele a a ie . The Di ec (i cl di g he i de e de -e ec i e Di ec) a e f he ie ha he e f he Ne Shi ai P cha e Ag ee e a e al c e cial e a d a e fai a d ea able a d i he i e e f he C a a d he Sha eh lde a a h le. The a ac i de he Ne Shi ai P cha e Ag ee e a e ca ied i he di a a d al c e f b i e f he Tech i e G .

H :

The f ll i g able e f h he hi ical cha e ade a d he e ice bc ac ed b he Tech i e G a d he ed a al ca f he Ne Shi ai P cha e Ag ee e :

	Financial year ended 31 December		
	2007	**2008**	**2009**
Hi ical cha e	HK$123,218,000	HK$81,958,000	HK$68,502,000*
Hi ical bc ac i g a ac i	HK$27,008,000	HK$18,148,000	HK$2,712,000*
	2007	**2008**	**2009**
A al ca f cha e	HK$161,000,000	HK$225,400,000	HK$315,560,000
A al ca f bc ac i g a ac i	HK$29,260,000**	HK$40,964,000**	HK$57,350,000**

	Financial year ending 31 December		
	2010	**2011**	**2012**
P ed a al ca f cha e	HK$100,800,000	HK$110,880,000	HK$121,968,000
P ed a al ca f bc ac i g a ac i	HK$3,600,000	HK$3,960,000	HK$4,356,000

* *A 31 2009.*
** *A I 10 D 2007.*

The B a d iced ha he hi ical a al ca f cha e a d bc ac i g a ac i f each f he h ee fi a cial ea e ded 31 Dece be 2007, 2008 a d 2009 e e f ll ili ed d i g he a e e i d. A he de a d f PCB b he Shi ai G i c - ela ed he de a d f la i a e a d d illi g e ice b he Tech i e G , he l d i de a d b he Shi ai G f PCB lead he l d i de a d f la i a e a d d illi g e ice b he Tech i e G . A a e l f he l d i he gl bal ec , he B a d a ici a e ha he e ill l

Ha i g c ide ed he ab e a d he hi ical , cha e , e ec ed g h i , d c i a d ale , e ec ed i c ea e i de a d, e ec ed i c ea e i d c i ca aci f he Tech i e G , , a d aki g i c ide a i he e i a ed i c ea e i he ice f he ale f la i a e b he Shi ai G a d he bc ac i g e ice be c ac ed i h he Shi ai G f he fi a cial ea e di g 31 Dece be 2010, 2011 a d 2012, a d he a i ha he e ill be a a al i c ea e f a i a el 10 e ce . i 2010, 2011 a d 2012, he Di ec a e f he ie ha he ab e ed a al ca i e ec f he cha e f la i a e f a d he bc ac i g e ice be c ac ed i h he Shi ai G de he Ne Shi ai P cha e Ag ee e a e fai a d ea able.

REASONS FOR THE SUPPLY OF PCB TO, PURCHASE OF LAMINATES FROM, AND SUBCONTRACTING TRANSACTIONS WITH THE SHIRAI GROUP

The Shi ai G ha bee e f he la ge PCB c e f he Tech i e G bef e a d af e he e abli h e f he JV. The JV a e a a a egic allia ce be ee he Tech i e G a d he Shi ai G . The Di ec he ef e c ide ha i i i he c e cial i e e f he Tech i e G ell PCB he Shi ai G al c e cial e .

The PCB cha ed b he Shi ai G a e ai l f e ale he Shi ai G ' c e . S e f he Shi ai G ' c e ecificall e i e ha he PCB be ade b he Tech i e G f la i a e (i) d ced b ce ai a fac e (i cl di g he Shi ai

GENERAL

The i ci al b i e f he C a i i e e h ldi g. The G i i ci all e gaged i he d c i a d ale f PCB, la i a e , c e f il, gla fab ic, gla a , bleached k af a e , ca ic da, f ali , e e i , he l, ace e, PVC, ace ic acid, c ke a d e ha l.

The Shi ai G i i ci all e gaged i he b i e f de ig a d a fac e f PCB.

DEFINITIONS

I hi a ce e , he f ll i g e e i ha e he ea i g e bel le he c e e i e he i e:

A ce e	he a ce e f he C a da ed 27 Oc be 2006, 8 Dece be 2006 a d 31 Oc be 2007, e ec i el , i ela i , a g he hi g , he Shi ai S l Ag ee e a d he Shi ai P cha e Ag ee e
B a d	he b a d f Di ec
C a	Ki gb a d Che ical H ldi g Li i ed, a c a i c a ed i he Ca a I la d i h li i ed liabili a d h e ha e a e li ed he ai b a d f he S ck E cha ge
c ec ed e	he ea i g a c ibed i de he Li i g R le
C i i g C ec ed T a ac i	he c i i g l f PCB he Shi ai G a he Ne Shi ai S l Ag ee e a d he c i i g cha e f la i a e a d bc ac i g e ice f he Shi ai G a he Ne Shi ai P cha e Ag ee e , hich c i e c i i g c ec ed a ac i f he C a de he Li i g R le
Di ec ( )	di ec ( ) f he C a
G	he C a a d i b idia ie
HK$	H g K g d lla , he la f l c e c f H g K g
H g K g	H g K g S ecial Ad i i a i e Regi f he Pe le' Re blic f Chi a
I de e de Sha eh lde ( )	ha he ea i g a c ibed i de R le 14A.10(5) f

I de e de Thi d Pa (ie)	a e ( ) c a (ie) h / hich i a e i de e de f a d c ec ed i h he C a a d i c ec ed e
JV	Tech i e Shi ai Ci c i Li i ed, a c a i c a ed i H g K g a d i ed a 70% b Tech i e a d 30% b Shi ai
Li i g R le	R le G e i g he Li i g f Sec i ie The S ck E cha ge f H g K g Li i ed
Ne Shi ai P cha e Ag ee e	he ag ee e da ed 22 Dece be 2009 e e ed i be ee Tech i e a d Shi ai i ela i he cha e f la i 8 T c he Shi ai G a d he bc ac i g e ice f he Shi ai G f he d c i f PCB, f a e c 1 Ja a 2010 31 Dece be 2012
Ne Shi ai S l Ag ee e	he ag ee e da ed 22 Dece be 2009 e e ed i be ee Tech i e a d Shi ai i ela i he ale f PCB he Shi ai G b he Tech i e G f a e c 1 Ja a 2010 31 Dece be 2012
PCB	i ed ci c i b a d
P ed A al Ca	he ed a al ca f each f he C i i g C ec ed T a ac i f each f he h ee fi 8 cial ea e di g 31 Dece be 2010, 2011 a d 2012
Sha eh lde ( )	h lde ( ) f he Sha e
Sha e( )	di a ha e( ) f i 8l al e f HK$0.10 each i Sha eh02.5(

Shi ai S, , 1 Ag ee e he ag ee e da ed 27