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KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(I C m I m)
 (Stock Code: 148)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Annual General Meeting held on 12 March 2009, the Shareholders' Meeting and the Share Purchase Agreement.

On 27 October 2006, Tech Inc. acquired 90% of the shares of the Company, and the Shareholders' Meeting and the Share Purchase Agreement of the Company. The Company has a 30% of the shares of the JV, a 70% of the shares of Tech Inc. and the effective balance of the shares of the Company is held by the Company and the Liig Rle.

The acquisition of the Shareholders' Meeting and the Share Purchase Agreement of the Company is a significant transaction of the Company and the Shareholders' Meeting and the Share Purchase Agreement of the Company is a significant transaction of the Company. The Company has on 8 December 2006 acquired the shares of the Shareholders' Meeting and the Share Purchase Agreement of the Company, the Share Purchase Agreement and the effective balance of the Company.

The above significant transaction will continue to be in effect for the financial year ending 31 December 2009.

RENEWAL OF AGREEMENTS

Since the Shareholders' Meeting and the Share Purchase Agreement of the Company on 31 December 2009, the Company has on 22 December 2009 entered into the following agreements:

- (i) the New Shareholders' Meeting and the Share Purchase Agreement of the Company which is a significant transaction of the Company and the Share Purchase Agreement of the Company is a significant transaction of the Company.

(ii) he Ne Shi ai P cha e Ag eeme hich e he ge e al e m 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 lami a e f m 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 m f m l Ja a 2010 31 Decembe 2012. The Ne Shi ai S l Ag eeme a d he Ne Shi ai P cha e Ag eeme a e e m imila h e e i he Shi ai S l Ag eeme a d he Shi ai P cha e Ag eeme .

O 19 Decembe 2009, he B a d a ed he Ne Shi ai S l Ag eeme a d he Ne Shi ai P cha e Ag eeme a e i hi a ceme 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 Ta aci ha e bee c d c ed mal c mme cial e m a di he di a a d alc 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 m 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 Ta aci a d he P ed A al Ca c i e c i i g c ec ed a aci f he C m a a Cha e 14A f he Li i g R le . A he ele a e ce age ai e e e ed b he agg ega e am f he C i i g C ec ed Ta aci 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 Ta aci a d he P ed A al Ca a e l bjec he e i g a d a ceme e i eme e i R le 14A.45 14A.47 a d a e e m f m I de e de Sha eh lde 'a al e i eme e i Cha e 14A f he Li i g R le .

Refe e ce i made he A ceme i elai , am g he hi g , he Shi ai S l Ag eeme a d he Shi ai P cha e Ag eeme .

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

The a aci c em la ed de he Shi ai S l Ag eeme a d he Shi ai P cha e Ag eeme c i ed -e em c i i g c ec ed a aci f he C m a a d ge he i h he a al ca de he Shi ai S l Ag eeme a d he Shi ai P cha e Ag eeme e e bjec he e i eme f e i g, a ceme a d he a al f I de e de Sha eh lde . The C m a ha 8 Decembe 2006 b ai ed he I de e de Sha eh lde 'a al i a e a di a ge e al mee i g f he C m a i e ec f he Shi ai S l Ag eeme , he Shi ai P cha e Ag eeme a d hei e ec i e i gi al a al ca .

The above conditions are subject to the following conditions of the financial lease ending 31 December 2009.

RENEWAL OF AGREEMENTS

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

Done at _____ :

Parties to the New Shirai Supply Agreement are as follows :

Date : 22 December 2009

Parties : (1) Techwise
(2) Shirai

Product to be supplied: Supply of PCB by the Techwise Group to the Shirai Group, in accordance with the main contract and the attached Shirai Group

Particulars: The price which is to be payable by the Shirai Group shall be the price which the Techwise Group will sell similar products to the Shirai Group. The price shall be the price of the Shirai Group's products which are sold to the Shirai Group.

Term: from 1 January 2010 to 31 December 2012, both dates inclusive

Under the New Shirai Supply Agreement, the amount of PCB to be supplied is fixed by the Shirai Group and agreed between the parties from time to time. The Techwise Group will be obliged to supply a minimum amount of PCB to the Shirai Group and the Shirai Group will be obliged to purchase a minimum amount of PCB from the Techwise Group during the term of the New Shirai Supply Agreement. The Techwise Group guarantees to deliver 75 days after the Shirai Group's order for the supply of PCB by the Techwise Group to the Shirai Group.

The term of the New Shirai Supply Agreement is extended automatically by the Shirai Group for a period of one year. The Shirai Group (the Shirai Group) is the party to the New Shirai Supply Agreement and the Shirai Group is the party to the New Shirai Supply Agreement. The Shirai Group is the party to the New Shirai Supply Agreement and the Shirai Group is the party to the New Shirai Supply Agreement.

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

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

Da e : 22 Decembe 2009

Pa ie : (1) Tech i e
(2) Shi ai

P d c a d e ice be cha ed: cha e flami a e f m 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 limi a i he ma im m mi im m (i) a i flami 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, imila ma e ial e ice f m 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 gageme

Te m: f m l Ja a 2010 31 Decembe 2012, b h da i cl i e

U de he Ne Shi ai P cha e Ag eeme , he am flami a e be cha ed a d he e ice be bc ac ed a e fi ed b a e be de e mi ed a d ag eed be ee he a ie f m ime ime. The Tech i e G ill be bliga ed cha e a mi im m am flami a e f m 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 flami a e bc ac e ice be c ac ed i h he Shi ai G d i g he e m f he Ne Shi ai P cha e Ag eeme . 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 flami a e b he Tech i e G f m he Shi ai G .

The e m f he Ne Shi ai P cha e Ag eeme e e a i ed a afe a m' 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 m f he Ne Shi ai P cha e Ag eeme a e mal c mme cial e m a d a e fai a d ea able a d i he i e e f he C m a a d he Sha eh lde a a h le. The a ac i de he Ne Shi ai P cha e Ag eeme a e ca ied i he di a a d al c e f b i e f he Tech i e G .

History of the Group:

The following table sets out the historical changes made to the equity attributable to the Tech in Group and the related capital of the New Shilai Property Agreement:

	Financial year ended 31 December		
	2007	2008	2009
Historical change	HK\$123,218,000	HK\$81,958,000	HK\$68,502,000*
Historical balance at acquisition	HK\$27,008,000	HK\$18,148,000	HK\$2,712,000*
	2007	2008	2009
Additional change	HK\$161,000,000	HK\$225,400,000	HK\$315,560,000
Additional balance at acquisition	HK\$29,260,000**	HK\$40,964,000**	HK\$57,350,000**
	Financial year ending 31 December		
	2010	2011	2012
Period additional change	HK\$100,800,000	HK\$110,880,000	HK\$121,968,000
Period additional balance at acquisition	HK\$3,600,000	HK\$3,960,000	HK\$4,356,000

* Amount in respect of the 31 December 2009.

** Amount in respect of the 10 December 2007.

The Board decided that the historical additional capital change and balance at acquisition of each of the three financial years ended 31 December 2007, 2008 and 2009 are fully diluted figures. As the demand for PCB by the Shilai Group is cyclical, the demand for laminates and drilling equipment by the Tech in Group, the latter is demand by the Shilai Group for PCB leads the latter is demand for laminates and drilling equipment by the Tech in Group. As a result of the latter is the global economy, the Board anticipates that the latter will

Ha i g c i d e e d h e a b e a d h e h i i c a l c h a e , e e c e d g h i d c i a d a l e , e e c e d i c e a e i d e m a d , e e c e d i c e a e i d c i c a a c i f h e T e c h i e G , a d a k i g i c i d e a i h e e i m a e d i c e a e i h e i c e f h e a l e f l a m i a e b h e S h i a i G a d h e b c a c i g e i c e b e c a c e d i h h e S h i a i G f h e f i a c i a l e a e d i g 31 D e c e m b e 2010, 2011 a d 2012, a d h e a m i h a h e e i l l b e a a a l i c e a e f a i m a e l 10 e c e . i 2010, 2011 a d 2012, h e D i e c a e f h e i e h a h e a b e e d a a l c a i e e c f h e c h a e f l a m i a e f m a d h e b c a c i g e i c e b e c a c e d i h h e S h i a i G d e h e N e S h i a i P c h a e A g e e m e a e f a i a d e a a b l e .

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... me... f he Tech i e G... bef e
a d af e... he e abli hme... f he JV. The JV... a... 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 mme cial i... e... f he Tech i e G... ell PCB... he Shi ai G... mal
c mme cial e m.

The PCB shall be made by the Shi ai G... a e mai l f... e ale... he Shi ai G... ' c... me...
S... me f... he Shi ai G... ' c... me... ecificall... e i e ha... he PCB be made b... he
Tech i e G... f... m lami a e (i)... d ced b... ce ai... ma fac... e (i cl di g... he Shi ai
G... i elf); a d/ (ii) d illed b... he Shi ai G... . A... ch, he i c ea i g dema d f PCB

GENERAL

The official business of the Company is the holding. The Group is engaged in the production and sale of PCB, laminated, copper foil, glass fabric, glass, bleached kraft paper, calcium chloride, fertilizer, shell, acetate, PVC, acetic acid, and ketone.

The Shanghai Group is engaged in the business of design and manufacture of PCB.

DEFINITIONS

In this agreement, the following definitions shall apply:

Agreement means the agreement of the Company dated 27 October 2006, 8 December 2006 and 31 October 2007, executed by the parties, including the Shanghai Special Agreement and the Shanghai Protocol Agreement.

Board means the Board of Directors.

Company means Kingbird Chemical Holding Limited, a company incorporated in the Cayman Islands with limited liability and which has a listed share capital of the Stock Exchange.

Contract means the agreement entered into under the Listing Rules.

Controlling Shareholder means the controlling shareholder of PCB, the Shanghai Group, the New Shanghai Special Agreement and the controlling shareholder of the Shanghai Group, the New Shanghai Protocol Agreement, which is the controlling shareholder of the Company under the Listing Rules.

Director(s) means director(s) of the Company.

Group means the Company and its subsidiaries.

HK\$ means Hong Kong dollar, the lawful currency of Hong Kong.

Hong Kong means Hong Kong Special Administrative Region of the People's Republic of China.

Indefeasible Shareholder(s) means the shareholder(s) of the Rules 14A.10(5) of

I de e de Thi d Pa (ie)	a e () c m a (ie) h / hich i a e i de e de f a d c ec ed i h he C m a a d i c ec ed e
JV	Tech i e Shi ai Ci c i Limi ed, a c m 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 Limi ed
Ne Shi ai P cha e Ag eeme	he ag eeme da ed 22 Decembe 2009 e e ed i be ee Tech i e a d Shi ai i ela i he cha e flami a e f m 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 m f m l Ja a 2010 31 Decembe 2012
Ne Shi ai S l Ag eeme	he ag eeme da ed 22 Decembe 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 m f m l Ja a 2010 31 Decembe 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 a cial ea e di g 31 Decembe 2010, 2011 a d 2012
Sha eh lde ()	h lde () f he Sha e
Sha e()	di a ha e() f mi al al e f HK\$0.10 each i he i ed ha e ca i al f he C m a
Shi ai	Shi ai Elec ic I d ial C ., L d., a c m a i c a ed a d li ed i Ja a ; Shi ai i e e l h ldi g 30% f he i ed ha e ca i al f he JV a d, a e f i ha eh ldi g i he JV, i a I de e de Thi d Pa
Shi ai G	Shi ai a d i b idia ie
Shi ai P cha e Ag eeme	he ag eeme da ed 27 Oc be 2006 e e ed i be ee Tech i e a d Shi ai i ela i he cha e flami a e f m 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 m f m l Ja a 2007 31 Decembe 2009

Shi ai S... 1 Ag eeme

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