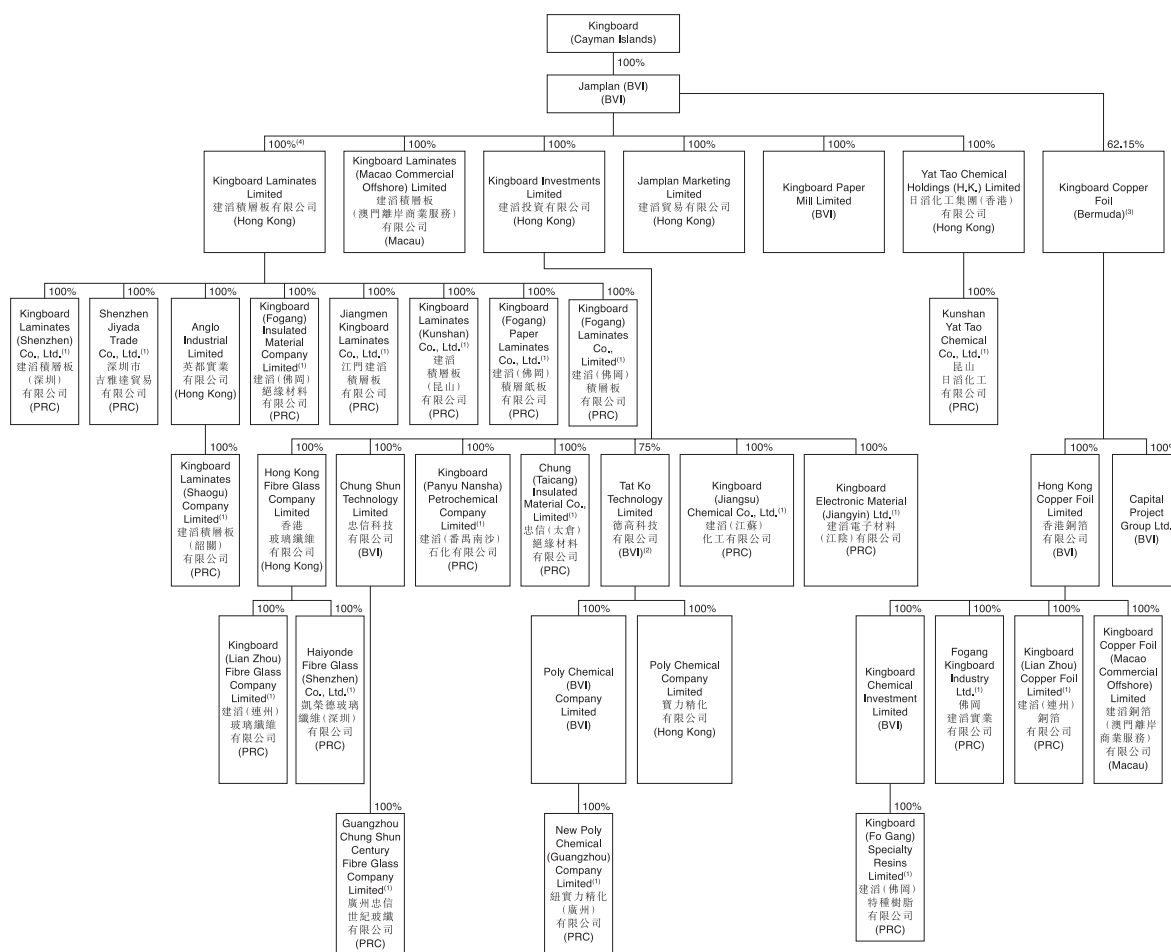


THE RESTRUCTURING

RESTRUCTURING OF OUR COMPANY

We were incorporated as an exempted company in the Cayman Islands under the name Kingboard Laminates Holdings Limited on May 10, 2006 with an authorized share capital of HK\$390,000 divided into 3,900,000 shares with a nominal value of HK\$0.10 per share. Prior to the Global Offering, a number of restructuring steps were taken pursuant to the Restructuring plan to transfer companies within the Kingboard Group to our Company in preparation for the Listing. The objective of the Restructuring was to establish our Company as the holding company for the laminate-related operations of the Kingboard Group (save for EEIC) for the purpose of the Global Offering. Set forth below is our shareholding structure immediately prior to the Restructuring:



- (1) The English names of the companies incorporated in the PRC are translations of their Chinese names and are included for identification purposes only.
- (2) The remaining 25% interest is held by Great Ease Trading Limited, which in turn is 100% owned by Mr Lee Pui Tak Stewart, an employee within our Group.

THE RESTRUCTURING

- (3) The shares of Kingboard Copper Foil are listed on the SGX. Prior to the Restructuring, Kingboard Copper Foil was held as to 56.61%, 3.77% and 1.77% by Jamplan (BVI), Kingboard and Kingboard Investments Limited, respectively. Jamplan (BVI) and Kingboard Investments Limited are wholly-owned subsidiaries of Kingboard. The remaining interests in Kingboard Copper Foil are, to the best of the knowledge, information and belief of our Directors, held by Independent Third Parties.
- (4) This denotes shareholding in respect of the issued ordinary shares. There are also 10,580,000 non-voting deferred shares in issue. For further description of these non-voting deferred shares, please see Appendices I and VI to this prospectus.

Details of the steps taken in the Restructuring are set forth in the section headed “Further Information About Our Company—Corporate Reorganization” in Appendix VI to this prospectus. In summary, the Restructuring involved the following steps:

- The incorporation of our Company in the Cayman Islands on May 10, 2006.
- The transfer of 55,155,000 shares in E&E, which represents 4.5% of E&E’s total outstanding share capital, to the Retained Group on October 3, 2006 at an aggregate consideration of HK\$55,234,000, being the original investment cost of 55,155,000 shares in E&E.
- The consolidation of Kingboard Group’s laminate-related interests under the ownership of Excel First.
- The acquisition of the entire issued share capital of Excel First from Jamplan (BVI) by our Company on November 13, 2006 in consideration of which our Company allotted and issued 2,846,100,000 Shares to Jamplan (BVI) credited as fully paid.

In addition, the following restructuring arrangements will be completed upon Listing:

- The transfer of the non-laminates business owned by us through Kingboard (Panyu Nansha) Petrochemical Co., Ltd. 建滔(番禺南沙)石化有限公司 (“**Panyu Nansha**”), one of our subsidiaries, to the Retained Group at a consideration which shall be equal to the net tangible asset value of such business.
- The transfer of our interests in two of our wholly-owned subsidiaries, namely Kingboard Laminates (Shenzhen) Co. Ltd 建滔積層板(深圳)有限公司 and Shenzhen Jiyada Trading Co., Ltd. 深圳市吉雅達貿易有限公司 (which is held by our Group through a trust arrangement), and our interests in an associated company, Guangzhou Port Kingboard International Petroleum & Chemicals Terminal Co., Ltd 廣州港建滔國際石化碼頭有限公司 (“**Guangzhou Port Kingboard**”), which represents 30% of Guangzhou Port Kingboard’s registered capital, to the Retained Group at a consideration which shall be equal to the net tangible asset value of these two subsidiaries and this associated company as of the last day of the month immediately preceding the month in which the Listing Date falls. None of Kingboard Laminates (Shenzhen) Co., Ltd, Shenzhen Jiyada Trading Co., Ltd nor Guangzhou Port Kingboard competes with the business of our Group. Kingboard Laminates (Shenzhen) Co., Ltd. is principally engaged in the manufacture of paper used for packaging purposes. Shenzhen Jiyada Trading Co., Ltd has ceased its operations since 2005. Guangzhou Port Kingboard is principally engaged in the business of container terminal operations.

THE RESTRUCTURING

- The release of the Retained Group as guarantor of our bank borrowings on the Listing Date, which amounted to HK\$866.1 million as of June 30, 2006, and the release of our Group as guarantor of the Retained Group's bank borrowings, and the repayment of those bank borrowings for which guarantees could not be released, on the Listing Date, which amounted to HK\$3,576 million as of June 30, 2006.
- The set-off on the Listing Date of all amounts owed by the Retained Group to our Group, which amounted to HK\$4,638.4 million as of June 30, 2006, against amounts owed by our Group to the Retained Group, which amounted to HK\$5,173.5 million as of June 30, 2006, and the repayment of all remaining amounts owed by our Group to the Retained Group on the Listing Date, which amounted to HK\$535.1 million as of June 30, 2006.
- The declaration of a special dividend in the amount of HK\$2,000 million to Jamplan (BVI) by our Directors on November 15, 2006, with such dividend to be paid on the Listing Date.
- On November 17, 2006, we entered into a new loan agreement with a financial institution pursuant to which it agreed to provide a term loan and a revolving credit facility to us in order to repay amounts owed by our Group to the Retained Group and to pay the special dividend to Jamplan (BVI). Details of the new loan agreement are set forth in the section headed "Financial Information—Indebtedness".

