* For identification purpose only

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Announcements"	the announcements of the Company dated 21 July 2006, 2 November 2006, 17 November 2006 and 20 November 2006, respectively
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"International Purchasers"	the group of underwriters led by Goldman Sachs (Asia) L.L.C. of the

"Proposed Spin-off"	the proposed spin-off of the interests in the laminate and laminate-related operations currently held by the Group (excluding EEIC) for a separate listing on the main board of the Stock Exchange
"Prospectus"	the prospectus proposed to be issued by Kingboard Laminates in relation to the Global Offering
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of the Company as at 5:00 p.m. on the Record Date (excluding certain overseas shareholders, if any, subject to compliance with rule 13.36(2)(a) of the Listing Rules)
"Record Date"	the record date determined by the Company, Monday, 20 November 2006, for ascertaining the Qualifying Shareholders who shall be entitled to assured entitlements under the Preferential Offer
"Registrar"	the branch share registrar of Company, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
"Reserved Shares"	37,500,000 Kingboard Laminates Shares, representing approximately 1.25% of the enlarged share capital of Kingboard Laminates upon completion of the Global Offering, being offered pursuant to the Preferential Offer
"Restructuring"	the restructuring that has been undertaken in contemplation of the Proposed Spin-off pursuant to which Kingboard Laminates has become the holding company of the laminate and laminate-related businesses of the Group (excluding EEIC)
"Retained Group"	the Group, excluding the Kingboard Laminates Group
"SFC"	The Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGX"	Singapore Exchange Securities Trading Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Share(s)"	the ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Warrant(s)"	the warrant(s) entitling its holder(s) to subscribe at any time during a specified subscription period for fully paid Shares at an initial subscription price of HK$20 per Share (subject to adjustment), the details of which are set out in the Company's circu

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Kingboard Laminates Shares in issue and to be issued pursuant to the Global Offering. On 2 November 2006, the Company made an announcement disclosing, among other things, further details of the Proposed Spin-off pursuant to Chapter 14 of the Listing Rules.

The Proposed Spin-off is expected to be effected by way of the Global Offering, which will comprise the Hong Kong Public Offer, the International Placing and the Preferential Offer. Goldman Sachs (Asia) L.L.C. has been appointed as the sole global coordinator, sole bookrunner, sole sponsor and lead manager of the Global Offering.

The listing of the Kingboard Laminates Shares on the main board of the Stock Exchange is conditional upon the fulfilment or waiver of the conditions as set out in the paragraph headed "Conditions precedent" below. Immediately after completion of the Proposed Spin-off, Kingboard Laminates will have a public float of 25% (assuming the Over-allocation Option is not exercised) of its enlarged issued share capital.

Subject to the granting of approval for the listing of, and permission to deal in, the Kingboard Laminates Shares on the main board of the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, thtcomplet6(,)oa.7(f)0-417.5(s)-Let6()-6.0-0.37ilKGo88TD0.0213T

EEIC, which produces some laminates (primarily as part of its production of PCBs), will continue to be a member of the Retained Group upon completion of the Restructuring. As at the Latest Practicable Date, EEIC is a 70.89% subsidiary of the Company. Its shares are listed on the SGX.

Directorship of the Kingboard Laminates Group

The Board currently comprises a total of 12 Directors. The board of Kingboard Laminates is expected to comprise 13 directors. Save for Mr. Lo Ka Leong, a non-executive director of Kingboard Laminates and the company secretary of the Company, who will remain in such positions following the listing of Kingboard Laminates, none of the directors or senior management of the Kingboard Laminates Group will assume any employment, role or function in any company that will form part of the Retained Group. Mr. Cheung Kwok Wa, Mr. Cheung Kwok Keung, Mr. Cheung Kwok Ping and Mr. Lam Ka Po, who are currently executive Directors, will cease their directorships in the Company with effect from the Listing Date and will focus on their roles as executive directors of Kingboard Laminates upon the listing of Kingboard Laminates. Please refer to the section headed "Directorships" below for further details.

Structure of the Proposed Spin-off

The Company intends to effect the Proposed Spin-off by way of the Global Offering.

The Global Offering will comprise an offering of Kingboard Laminates Shares to the public in Hong Kong for subscription as well as a placing of Kingboard Laminates Shares with certain professional, institutional and other investors. The Global Offering will also include an offer of assured entitlements to the Qualifying Shareholders to subscribe for Kingboard Laminates Shares by way of preferred application under the Preferential Offer.

On the assumption that the Over-allocation Option will not be exercised, it is currently expected that: (i) 25% of the enlarged issued share capital of Kingboard Laminates will be offered pursuant to

Conditions precedent

It is currently expected that the Proposed Spin-off will be conditional on, among other things, the following:

(i) the Listing Committee granting approval for the listing of, and permission to deal in, all the Kingboard Laminates Shares in issue and to be issued pursuant to the Global Offering; and

(ii) the obligations of the underwriters under the underwriting agreements to be entered into among Kingboard Laminates, the Company and the underwriters in respect of the Global Offering becoming unconditional and the underwriting agreements not being terminated in accordance with their respective terms, on or before the dates and times to be specified therein.

If any of these and other applicable conditions are not fulfilled or, save for condition precedent (i) above, waived prior to the dates and times to be specified, the Proposed Spin-off will lapse, and the Stock Exchangwill be notified immediately and an announcement will be published by the Company and/or Kingboard Laminates as soon as practicable following such lapse.

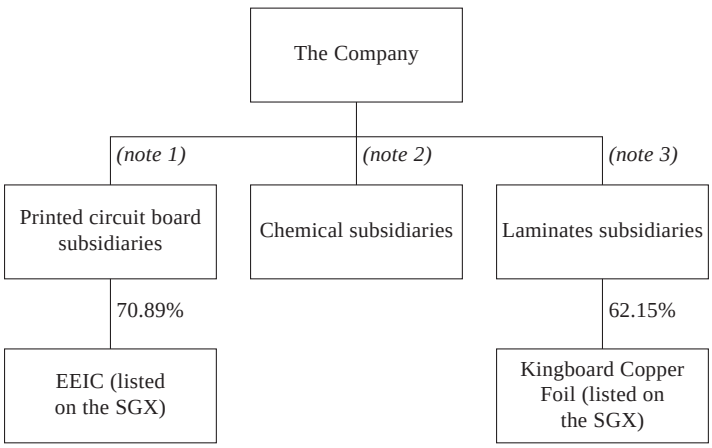
The Restructuring

Background

Prior to the Global Offering, a number of restructuring steps were undertaken with a view to transferring certain companies within the Group to the Kingboard Laminates Group in preparation for the Proposed Spin-off. The objective of the Restructuring is to establish Kingboard Laminates as the holding company for the laminate and laminate-related operations of the Group (save and except for the laminate operations of EEIC, as more particularly set forth in the sub-paragraph headed "Non-compete undertaking and indemnity" below) for the purpose of the Proposed Spin-off.

Structure chart

Set forth below is the simplified shareholding structure of the Group immediately before the Proposed Spin-off:



Note:

1. The printed circuit board subsidiaries are either wholly-owned or majority owned by the Company.

2. The chemicals subsidiaries are either wholly-owned or majority owned by the Company.

3. The laminates subsidiaries are either wholly-owned or majority owned by the Company.

Set forth below is the simplified shareholding structure of the Retained Group and the Kingboard

interested in, directly or indirectly, whether as a shareholder (other than being a director or a shareholder of the Group or its associated companies), partner, agent or otherwise, in the manufacture and sale of laminates, or in any other business that may compete, directly or indirectly, with any business carried on from time to time by any member of the Kingboard Laminates Group ("Restricted Activity").

The restrictions which the Company agreed to undertake in the above do not apply to:

(1) Restricted Activity conducted by EEIC and its subsidiaries; and

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Regarding the guarantees provided by the Kingboard Laminates Group to secure the Retained Group's payment obligations under the Syndicated Loans, the Company currently expects to fully repay the amount then outstanding under the Syndicated Loans on the Listing Date through the following sources of funds:

(a) a special dividend in the amount of HK$2,000 million to be received from the Kingboard Laminates Group (as more particularly described in the sub-paragraph headed "Special dividend" below);

(b) payment to be received from the Kingboard Laminates Group (in settlement of the net amounts then owed by the Kingboard Laminates Group to the Retained Group which amounted to HK$535.1 million as of 30 June 2006 as mentioned above); and

(c) a portion of the proceeds from the sale of existing Kingboard Laminates Shares by the Retained Group under the Global Offering.

Special dividend

During the period following completion of the Restructuring and before completion of the Global Offering, Jamplan (BVI) will be the sole shareholder of Kingboard Laminates. During such period, the board of directors of Kingboard Laminates has declared a special dividend in the amount of HK$2,000 million to Jamplan (BVI). Consequently, investors (including the Qualifying Shareholders) who purchase or subscribe for the Kingboard Laminates Shares under the Global Offering will not be entitled to the special dividend.

Intended use of proceeds

Indicative price range per Kingboard Laminates Share

By the Company's announcement dated 17 November 2006, it was announced that the preliminary indicative price range per Kingboard Laminates Share under the Global Offering is HK$5.97 to HK$7.73 (excluding brokerage fee, SFC transaction levy and the Stock Exchange trading fee). The indicative price range will also be disclosed in the Prospectus.

Based on the preliminary indicative price range stated above and on the assumption that the Over-allocation Option is not exercised, it is estimated that the aggregate net proceeds from the Global Offering (after deduction of underwriting commission and estimated expenses) will be in the range of approximately HK$4,268.2 million to HK$5,542.8 million. As disclosed in this circular, of the Kingboard Laminates Shares to be offered under the Global Offering, 20% will be new Kingboard Laminates Shares to be issued and allotted by Kingboard Laminates, while 80% will b-21.4647it4sting Kingboard Lam Shares to be offered for sale by the Selling Shareholder. On the basis of the aforesaid, approximately HK$809.3 million to HK$1,064.3 million of the proceeds from the Global Offering

(c) The Proposed Spin-off will give a clearer operational focus to the Group.

The laminate business of the Group has grown to a size sufficient to command a separate listing and the Board considers that such listing will also be beneficial to the Kingboard Laminates Group for the following reasons:

(a) It will provide flexibility to the Kingboard Laminates Group to raise future funds from the capital markets to support its growth through continuing organic expansion as well as acquisitions.

(b) It will enable the Kingboard Laminates Group to take advantage of the significant growth potential both globally and within the PRC by:

(g) Operational focus on laminate industry: Among the major laminate manufacturers in the world, Kingboard Laminates is one of the few companies that is predominantly focused on the manufacture and sale of laminate and laminate-related products.

3. PREFERENTIAL OFFER

Subject to the Stock Exchange granting the approval for the listing of, and permission to deal in, the

4. TENTATIVE TIMETABLE

Set out below is the tentative timetable of the Proposed Spin-off:

Hong Kong Public Offer opens . . . . . from Friday, 24 November 2006 to

6. FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF

The Group, the Kingboard Laminates Group and the Retained Group

The selected financial information of the Group, the Kingboard Laminates Group and the Retained Group for each of the three years ended 31 December 2005 and the six months ended 30 June 2006 are as follows:

	The Group				The Kingboard Laminates Group				The Retained Group			
	Year ended 31 December (note 3)			Six months ended 30 June 2006	Year ended 31 December (note 1)			Six months ended 30 June 2006	Year ended 31 December (note 2)			Six months ended 30 June 2006
	2003	2004	2005	(note 4)	2003	2004	2005	(note 1)	2003	2004	2005	(note 2)
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	4,435,503	7,082,390	13,098,354	7,464,958	2,972,959	4,660,178	6,131,169	3,838,680	1,763,754	2,878,060	8,014,726	4,464,962
Profit before tax	559,994	1,257,497	1,788,802	1,287,247	459,857	1,140,257	1,233,100	913,283	109,243	127,651	570,249	388,673
Profit attributable to equity holders for the year/period	472,366	1,103,845	1,435,809	1,068,807	388,364	1,036,737	1,078,235	803,936	93,108	77,519	372,121	279,580
	As at 31 December (note 3)			As at 30 June 2006	As at 31 December (note 1)			As at 30 June 2006	As at 31 December (note 2)			As at 30 June 2006
	2003	2004	2005	(note 4)	2003	2004	2005	(note 1)	2003	2004	2005	(note 2)
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Consolidated total assets	7,625,277	16,489,146	19,360,822	21,236,916	6,889,840	11,096,383	13,241,970	13,602,061	3,481,173	10,755,482	12,916,138	13,935,241
Consolidated total liabilities	3,421,807	9,345,642	9,714,079	10,520,906	3,969,974	7,035,600	8,193,749	7,886,300	1,161,839	6,088,740	6,467,472	7,273,023
Consolidated net asset value	4,203,470	7,143,504	9,646,743	10,716,010	2,919,866	4,060,783	5,048,221	5,715,761	2,319,334	4,666,742	6,448,666	6,662,218

Notes

1. Extracted from the figures shown in the preliminary draft of the accountants' report of Kingboard Laminates Group which, subject to finalisation, will be included in the Prospectus.

2. Derived from the unaudited management accounts of the Group.

3. Extracted from the audited consolidated accounts of the Group for the three years ended 31 December 2005.

4. Extracted from the unaudited management accounts of the Group for the six months ended 30 June 2006.

Net tangible asset value

Based on the Company's audited consolidated accounts for the year ended 31 December 2005, the audited consolidated net tangible asset value of the Group as at 31 December 2005 was HK$7,985.6 million and the audited net tangible asset value per Share as at that date would be HK$10.20 based on 784,767,161 Shares in issue as at 31 December 2005. The unaudited net tangible assets of Kingboard Laminates Group as at 31 December 2005 represented about 63.2% of the audited consolidated net tangible assets of the Group as at 31 December 2005. The historical consolidated net tangible assets of the Group and the Kingboard Laminates Group are not necessarily indicative of the likely consolidated net tangible assets of the Group and the Kingboard Laminates Group following the

The Board currently expects that the Company will recognise a gain resulting from the Proposed Spin-off. Based on the unaudited consolidated net assets of the Kingboard Laminates Group as at 30 June 2006, the estimated net proceeds from the Global Offering of approximately HK$4,905.5 million (if the Over-allocation Option is not exercised), or approximately HK$5,402.1 million (if the Over-allocation Option is exercised in full) (both calculated based on the mid-point of the indicative price range of HK$5.97 to HK$7.73 per Kingboard Laminates Share under the Global Offering) and the current proposed structure of the Global Offering, the amount of such gain is estimated to be approximately HK$3,900.3 million (if the Over-allocation Option is not exercised), or approximately HK$4,296.3 (if the Over-allocation Option is exercised in full), and represents the difference between the estimated amount of net assets of Kingboard Laminates to be diluted immediately following the completion of the Global Offering and the Company's interest in the net process receivable by the Selling Shareholder and Kingboard Laminates under the Global Offering. However, the actual amount of such gain may differ from the estimated figure as mentioned above depending on the actual pricing and structure of the Global Offering. Assuming that the Proposed Spin-off is completed by the end of December 2006, such gain will be recognised in the results of the Company for the year ending 31 December 2006. The consolidated net assets of the Group will therefore, among other things, be affected by the same amount of such gain.

Profit Forecast

A profit forecast for Kingboard Laminates for the financial year ending 31 December 2006 ("Profit Forecast") have been prepared solely for inclusion in the Prospectus. The directors of Kingboard Laminates estimate that, in the absence of unforeseen circumstances and based on the combined results of the Kingboard Laminates Group for the six months ended 30 June 2006 shown in the accountants' report of the Kingboard Laminates Group included in the Prospectus, the combined results shown in the unaudited combined accounts of the Kingboard Laminates Group for the three

8. LISTING RULES IMPLICATIONS

The Proposed Spin-off, if it proceeds, will not constitute a material dilution of the Company's interest in Kingboard Laminates and Kingboard Laminates will continue to be a major subsidiary of the Company. The Proposed Spin-off, if it proceeds, will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As such, the Proposed Spin-off is subject to the disclosure requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Proposed Spin-off and the Global Offering, which are subject to a number of conditions, may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted or that the underwriters' obligations under the underwriting agreements will become unconditional or that the underwriting agreements will not be terminated in accordance with their respective terms. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of the Company.

9. ADDITIONAL INFORMATION

Your attention is also drawn to the general information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Cheung Kwok Wing
Chairman

1. RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors in the Company and its associated corporations

As at the Latest Practicable Date, the following Directors had interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company or the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange:

(i) Interests in the Company (note 1)

Name of Director	Interest in Shares		Interest in underlying Shares pursuant to share options (note 2)	Interest in underlying Shares pursuant to the Warrants
	Number of Shares	Approximate percentage of shareholding		
Cheung Kwok Wing	3,282,150	0.40	1,145,000	116,816
Chan Wing Kwan	1,399,540	0.17	3,026,000	48,100
Lam Ka Po	750,000	0.09	3,559,000	70,052
Cheung Kwok Keung	917,370	0.11	3,559,000	—
Cheung Kwok Wa	1,582,800	0.19	3,308,000	194,920
Cheung Kwong Kwan	573,200	0.07	3,419,000	102,662
Cheung Kwok Ping	1,900,500	0.23	3,363,000	201,526
Chang Wing Yiu	2,428,500	0.29	3,643,000	248,750
Mok Cham Hung, Chadwick	660,000	0.08	—	—
Cheng Ming Fun, Pa	P r e c t o c 4 7 2 8 (P) 0 . 2 3 4 7 2 8 (P) 0 . 2 3 2 (, 5) 5 . n 1 g (1			

(ii) Interests in associated corporations of the Company (note 1)

Name of Director	Interest in the non-voting deferred shares (note 2)	Interest in share (note 3)		Interest in the underlying shares pursuant to the shares option (note 4)
		No. of shares	Percentage of shareholding	
Cheung Kwok Wing	1,904,400	177,600	0.10%	973,200
Chan Wing Kwan	1,481,200	—	—%	973,200
Lam Ka Po	581,900	—	—%	—
Cheung Kwok Keung	529,000	—	—%	—
Cheung Kwok Wa	1,058,000	278,400	0.16%	973,200
Cheung Kwong Kwan	846,400	—	—%	—
Cheung Kwok Ping	952,200	—	—%	—
Chang Wing Yiu	423,200	—	—%	973,200
Mok Cham Hung, Chadwick	—	74,000	0.04%	973,200

Notes:

(1) Denotes a long position.

(2) It refers to non-voting deferred shares of HK$1.00 each in Kingboard Laminates Limited, a wholly-owned subsidiary of the Company.

(3) It refers to the ordinary shares of S$0.80 each ("EEIC Shares") in EEIC, a non-wholly owned subsidiary of the Company.

(4) The relevant Directors are entitled to subscribe for EEIC Shares at an exercise price of US$2.033 per EEIC Share. The share options are exercisable in whole or in part at the staggered manner within five option periods, commencing on 26 November 2006, 26 November 2007, 26 November 2008, 26 November 2009 and 26 November 2010 respectively and ending on 25 November 2011. Each option period is subject to the fulfillment of certain performance targets.

(b) Interest or short position of entities (other than a Director or chief executive of the Company) in the Shares which is discloseable under Divisions 2 and 3 of the SFO

As at the Latest Practicable Date, the following entities had, directly or indirectly, interests or short position in the Shares and the underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO (other than a Director or chief executive of the Company), or had, directly or indirectly, interests in 10% of more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of shareholder	Name of the company	Interest in underlying shares	Nature of interests	Number of shares held	Approximate percentage of shareholding (%)
Hallgain Management Limited (note 1)	the Company	2,406,340 (note 2)	Beneficial owner	248,574,640	30.10
Gryphon Investment Counsel, Inc.	the Company	409,740 (note 2)	Investment manager	39,308,908	4.76
The Capital Group Companies, Inc (note 3)	the Company	—	Investment manager	79,651,400	9.64
Great Ease Trading Limited (note 4)	Tat Ko Technology Limited	—	Beneficial owner	40,000	25.00
Lee Pui Tak, Stewart	Tat Ko Technology Limited	—	Interest of a controlled corporation	40,000	25.00

Notes:

(1) Messrs. Cheung Kwok Wing, Chan Wing Kwan and Lam Ka Po, all of whom are Directors, are also directors of Hallgain Management Limited.

4. COMPETING INTEREST

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors and their respective associates had any interests in a business which competes with, or may compete with, either directly or indirectly, with the business of the Group, other than those business in which such Directors have been appointed to represent the interests of the Group.

5. DIRECTORS' INTEREST IN SERVICE CONTRACTS

As at the Last Practicable Date, none of the Directors had entered into or is proposing to enter into a service contract with any member of the Group which may not be terminated by the relevant member of the Group within one year without payment of any compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims of material importance involving any members of the Group or pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2005, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. GENERAL

(a) The registered office of the Company is situated at Ground Floor, Caledonian House, P.O. Box 1043, George Town, Grand Cayman, Ca