KINGBOARD COPPER FOIL HOLDINGS LIMITED
(Incorporated in Bermuda)
(Company Registration No. 26998)

RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE ANNOUNCEMENT IN RELATION TO LITIGATION IN BERMUDA

The board of directors (the "**Board**") of Kingboard Copper Foil Holdings Limited (the "**Company**") refers to the Company's announcement dated 12 November 2015 (the "**Previous Announcement**")in relation to the petition made by Annuity & Re Life Ltd (the "**Petitioner**") to the Supreme Court of Bermuda (the "**Court**"), which names the Company and a number of its shareholders (the "**Petition**"), and would like to provide its responses to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in its email of 12 November 2015.

Unless otherwise defined, capitalised terms in this announcement shall have the same meanings given to them in the Previous Announcement.

SGX-ST's Query 1:

Please provide details and the implications in relation to the Petition which was proved in part.

Company's Response:

The Court found that:

(a) the allegations that the terms of the previous interested person transaction sales constituted preferential transfer pricing which was prejudicial to minority shareholders were not proved;

(b) the allegations that the terms of the License Agreement were wholly uncommercial and that Harvest Resource Management Limited was a "sham" were also not proved;

(c) although the License Agreement achieved a better commercial result for all shareholders than ceasing 90% of its operations altogether, was a plausibly reasonable short-term measure and generated valuable cash flow, the Company ceased paying dividends and the Kingboard group benefitted more by largely being able to continue business as usual, while the Company was left in a state of limbo; and

(d) the Petitioner would have had no seriously arguable complaint under section 111 of the Companies Act 1981 of Bermuda had the Company's management decided to implement the License Agreement on a transparent basis as a truly interim measure and promptly initiated *bona fide* open negotiations in which commercially reasonable proposals were openly tabled with a view to persuading minority shareholders to approve the IPT Mandate on even marginally more favourable terms. However, as the majority shareholders failed to promptly initiate negotiations with the minority shareholders with a view to resolving the impasse and take into account the interests of shareholders as a whole following the blocking of the IPT Mandate, the License Agreement was a commercially prejudicial means of enabling the Company to circumvent the Petitioner's legitimate exercise of its right to veto the IPT Mandate.

The Chief Justice's conclusion can be found in paragraphs 183 and 184 of the Judgment, a copy of which is available at the following link:

http://www.gov.bm/portal/server.pt/gateway/PTARGS_0_2_10809_204_226633_43/http%3B/ptpublisher.gov.bm%3B7087/publishedcontent/publish/non_ministerial/judiciary/judgments_2015/judgment_annuity_v_kingboard_final.pdf

Please refer to the Company's response to the SGX-ST's Query 2 below for the implications of the above findings.

SGX-ST's Query 2:

We note that the Court found that the License Agreement was a commercially prejudicial means of enabling the Company to circumvent the Petitioner's legitimate exercise of its right to veto the IPT Mandate. Please elaborate on the implications of this finding.

Company's Response:

The Court ruled that the Petitioner would not be entitled to relief in respect of the shares of the Company acquired by the Petitioner after 3 August 2011, being the date of the announcement of the License Agreement and the date the Petition was filed.

As a result of the findings of the Court, the Company's Bermuda counsel is of the view that it is likely that the majority shareholders will be the ones to bear any relief ordered by the Court and such relief will involve the majority shareholders being ordered to buy-out the shares held by the minority shareholders, at a market price to be determined with reference to when the prejudicial effect of the License Agreement began. If the parties fail to agree on a buy-out price, it would be necessary to schedule a hearing to determine such price. However, it was agreed by the parties that the questions of 'liability' and 'relief' shall be dealt with separately, therefore the precise relief to be afforded to the minority shareholders will be determined by the Court at a later date to be fixed. The Court has invited counsel to apply for specific directions in relation to the relief to be granted and will hear counsel on such date.

At the same time, the Company has been informed by the majority shareholders that they have instructed Bermuda counsel to appeal against the Judgment, and this is expected to be heard within the next 12 months. The determination of the relief may have to be stayed pending the result of the appeal.

The Company will make further announcements as and when necessary to keep shareholders informed of material developments in this matter.

By Order of the Board

Lam Ka Po
Chairman

16 November 2015