The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. KINGBOARD CHEMICAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

Voluntary conditional cash offers by



CLSA Limited on behalf of

ABLE CAPITAL INVESTMENTS LIMITED,

an indirectly wholly-owned subsidiary of Kingboard Chemical Holdings Limited,

to acquire all of the issued shares in the capital of, and for cancellation of all outstanding options of,

SUWA INTERNATIONAL HOLDINGS LIMITED

(other than those already owned by the Offeror or parties acting in concert with it)

Joint Financial Advisors to

Kingboard Chemical Holdings Limited



CLSA Equity Capital Markets Limited

Arranger

CAPITAI

feror announces that it intends to make a voluntary conditional cash offer to acquire all the issued shares in the share capital of Suwa (other than those owned by the Offeror or parties acting in concert with it) and a voluntary conditional cash offer for cellation of all Suwa Options. The Offeror annot

The Share Offer shall be HK\$0.45 in cash for each Suwa Share representing a premium of approximately 36 per cent to the closing price of HK\$0.33 per Suwa Share as quoted on the Stock Exchange on 21 August 2003, being the last day on which Suwa Shares were traded prior to the publication of this announcement and a premium of approximately 50 per cent over the average closing price of approximately HK\$0.30 per Suwa Share for the last 10 trading days up to and including 21 August 2003. The Option Offer shall be HK0.001 cent in cash for each Suwa Option.

The Offers will be conditional (see "Conditions of the Offers" below). The Share Offer will be subject to and conditional, among other things, upon valid acceptances having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date in respect of Suwa Shares which, together with the Suwa Shares held by the Offeror and parties acting in concert with it, constitute more than 50.0 per cent of the entire issued share capital of Suwa as at the Closing Date, such Suwa Shares carrying more than 50.0 per cent of the voting rights normally exercisable at general meetings of Suwa. The Option Offer will be subject to and conditional upon the Share Offer becoming unconditional in all respects.

The Offeror and the Vendors have entered into the Undertaking Agreement dated 27 August 2003 pursuant to which and subject to the terms and conditions therein the Vendors have irrevocably undertaken to accept the Share Offer in respect of an aggregate of 80,000,000 Suwa Shares currently owned by the Vendors, representing approximately 17.17 per cent of the existing issued share capital of Suwa, and to accept the Option Offer in relation to an aggregate of 12,000,000 Suwa Options, being all the Suwa Options held by the Vendors.

As at the date of this announcement, Mr. Cheung, a director of the Offeror and Chairman of Kingboard, is the beneficial owner of 5,088,000 Suwa Shares. Consequently as the directors of Kingboard may face a conflict of interest in deciding to make the Offers, pursuant to Rule 2.4 of the Takeovers Code, Kingboard has appointed AMS as its independent financial advisor to advise its board of directors as to whether the making of the Offers is in the interests of the shareholders of Kingboard.

AMS is of the opinion that the making of the Offers is in the interests of Kingboard and its shareholders taken as a whole. A copy of AMS's written advice will be sent to the shareholders of Kingboard within 21 days from the date of publication of this

Kingboard has applied to the Executive for a waiver from strict compliance with the provisions of Rule 2.4 of the Takeovers Code regarding the requirements that the making of the Offers be subject to approval by Kingboard's shareholders in general meeting and to send AMS's advice in writing to the shareholders of Kingboard together with the notice of such meeting.

The Offeror will despatch a formal offer document setting out the terms and other details of the Offers, together with acceptance and transfer forms, within 21 days of the date of this announcement.

Trading in the shares of Kingboard was suspended at the request of Kingboard with effect from 9:30 a.m. on 25 August 2003 pending the issue of this announcement. Application has been made by Kingboard to the Stock Exchange for the resumption of trading in the shares of Kingboard with effect from 9:30 a.m. on 29 August 2003.

Shareholders and investors of Kingboard should exercise caution when dealing in the shares of Kingboard

The Offeror announces that it intends to make, through CLSA Limited, a voluntary conditional cash offer to acquire all the issued shares in the share capital of Suwa (other than those already owned by the Offeror or parties acting in concert with it) and a voluntary conditional cash offer for the cancellation of all outstanding Suwa Options.

The Offeror and the Vendors have entered into the Undertaking Agreement dated 27 August 2003 pursuant to which and subject The Offeror and the Vendors have entered into the Undertaking Agreement dated 27 August 2003 pursuant to which and subject to the terms and conditions therein the Vendors have irrevocably undertaken to accept the Share Offer in respect of an aggregate of 80,000,000 Suwa Shares currently owned by the Vendors, representing approximately 17.17 per cent of the existing issued share capital of Suwa and to accept the Option Offer in relation to an aggregate of 12,000,000 Suwa Options, being all the Suwa Options held by the Vendors. The number of Suwa Shares subject to the undertaking was determined by the Vendors and the Offeror after arm's length negotiation. Mr. Chan was only prepared to give an irrevocable undertaking to accept the Share Offer in respect of 30,000,000 Suwa Shares.

As at the date of this announcement, Mr. Chan is the registered and beneficial owner of 34,480,000 Suwa Shares, representing approximately 7.40 per cent of the existing issued share capital of Suwa and is a holder of 6,000,000 Suwa Options. Earnwell Limited, a company which is the trustee of a discretionary trust of which Mr. Chan and his family are discretionary objects, is the registered and beneficial owner of 48,754,417 Suwa Shares, representing approximately 10.46 per cent of the existing issued share capital of Suwa. Mr. Lau is the registered and beneficial owner of 68,078,000 Suwa Shares, representing approximately 14.61 per cent of the existing issued share capital of Suwa and is a holder of 6,000,000 Suwa Options.

After the acceptance of the Share Offer by Mr. Chan and Mr. Lau as required under the Undertaking Agreement, Mr. Chan will retain 4,480,000 Suwa Shares, Earnwell Limited's shareholding will remain unchanged and Mr. Lau will retain 18,078,000 Suwa Shares. There is no arrangement between the Vendors and the Offeror as to the Vendors' retained Suwa Shares.

As at the date of this announcement, Mr. Cheung, an executive director of the Offeror and Chairman and an executive director of Kingboard, is the beneficial owner of 5,088,000 Suwa Shares, representing approximately 1.09% of the entire issued share capital of Suwa. Pursuant to the Takeovers Code, as a joint financial advisor to Kingboard and the Offeror, CLSA Limited is deemed to be acting in concert with the Offeror for the purpose of the Offers. A director of CLSA Limited, in her personal capacity, is a shareholder of Suwa and currently holds a total of 4,406,000 Suwa Shares, representing approximately 0.5% of the entire issued share capital of Suwa. Save as aforesaid, the Offeror and parties acting in concert with it do not own any Suwa Shares as at the date hereof.

THE OFFERS Offers

Subject to the grant of the Waiver by the Executive, the Offers, comprising the Share Offer and the Option Offer, will be made in compliance with the Takeovers Code on the following basis:

For each Suwa Share HK\$0.45 in cash. For each Suwa OptionHK0.001 cent in cash.

Save for the Suwa Options, there are currently no other options, warrants or other securities issued by Suwa that carry a right to subscribe for or which are convertible into Suwa Shares.

A resolution was passed at a special general meeting of Suwa held on 28 August 2003 to cancel all the Suwa Options. If all the Suwa Options are cancelled by agreement between Suwa and the grantees of the Suwa Options before the posting of the Offer Document, there will be no Option Offer.

Comparisons of value

Suwa recorded an audited consolidated profit attributable to Suwa Shareholders of approximately HK\$3,315,000 for the year ended 31 March, 2003, compared to an audited consolidated loss attributable to Suwa Shareholders of approximately HK\$25,505,000 for the year ended 31 March 2002.

The highest and lowest price at which Suwa Shares were traded on the Stock Exchange in the six month period immediately prior 22 August 2003, being the last day on which trading in Suwa Shares took place immediately prior to publication of this nouncement, was HK\$0.34 on 10 June 2003 and HK\$0.15 from 26 February to 19 March 2003 respectively. to 22 August 2003, be

The Share Offer Price represents:

- a premium of approximately 36 per cent. over the closing price of HK\$0.33 per Suwa Share as quoted on the Stock Exchange on 21 August 2003, being the last day on which Suwa Shares were traded prior to the publication of this (a) announcement:
- a premium of approximately 50 per cent. over the average closing price of approximately HK\$0.30 per Suwa Share for the last 10 trading days up to and including 21 August 2003; (b)
- premium of approximately 55 per cent. over the average closing price of approximately HK\$0.29 per Suwa Share for he last 30 trading days up to and including 21 August 2003; (c) (d)
- a premium of approximately 61 per cent. over the average closing price of approximately HK\$0.28 per Suwa Share for the three months up to and including 21 August 2003; (e)
- a premium of approximately 96 per cent. over the average closing price of approximately HK\$0.23 per Suwa Share for the six months up to and including 21 August 2003;
- a premium of approximately 45 per cent. over the net tangible asset value per Suwa Share of approximately HK\$0.31 as at 31 March, 2003 (based on net tangible assets of approximately HK\$144,232,000 and 466,013,785 Suwa Shares in issue (f) at 31 March 2003).

Each Suwa Option confers on the grantee thereof the right to subscribe for one new Suwa Share at HK\$0.50, subject to adjustment. The Share Offer Price represents a discount of 10% to the Option Exercise Price. The Option Offer Price represents a nominal consideration for the cancellation of each Suwa Option.

The Share Offer Price, the Option Offer Price and the terms of the Offers were arrived at after arm's length negotiations between the Offeror and the Vendors

Total Consideration On the basis of the Share Offer Price of HK\$0.45 per Suwa Share, pursuant to the Share Offer, the entire issued share capital of Suwa is valued at approximately HK\$209.71 million. The consideration payable by the Offeror pursuant to the Share Offer and the Option Offer, if the Offers are accepted in full, is approximately HK\$207.42 million and HK\$180.50, respectively.

CLSA Equity Capital Markets Limited and Access Capital Limited are satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the Offers. The Offers will be financed by way of a combination of credit facilities available to Kingboard and internal resources.

Terms of the Offers

Under the terms of the Share Offer, Suwa Shares will be acquired with all rights attached thereto as at the date on which the Share Offer is made, i.e. the date of posting of the Offer Document, or subsequently becoming attached thereto and free of all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the Option Offer, the Suwa Options together with all rights attaching thereto will be entirely cancelled and

Payment

Payment in cash in respect of acceptances of the Offers will be made within 3 days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid or of the Unconditional Date, whichever is the later.

Stamp Duty Sellers' ad valorem stamp duty for Suwa Shares registered on the Hong Kong branch register arising in connection with acceptance of the Share Offer will be payable by each Suwa Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Suwa Shares and will be deducted from the cash amount due to such person under the Share Offer. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting shareholders in respect of the Suwa Shares accepted under the Share

THE UNDERTAKING AGREEMENT

Under the Undertaking Agreement, subject to the grant of the Waiver by the Executive, the Offeror has agreed to make the Share Offer and the Option Offer. Each Vendor has irrevocably and unconditionally undertaken to the Offeror that he will accept the Share Offer and the Option Offer on or before 2:30 p.m. (Hong Kong time) (or such other time as the parties may agree) on the second business day after the Offer Document is posted in respect of the Subject Shares and the Subject Options.

INFORMATION ON THE SUWA GROUP Suwa was incorporated in Bermuda with limited liability and its shares have been listed on the Main Board of the Stock Exchange since 31 January 1990. Suwa is an investment holding company and its subsidiaries are principally engaged in the manufacture, in the People's Republic of China and trading mainly in Europe, of printed circuit boards. Further business information in relation to Suwa will be included in the Offer Document.

The current shareholding structure of Suwa is summarised as follows (all percentages are approximations):

	Existing shareholding structure	
	Number of Suwa Shares	Percentage shareholding
Mr. Chan	34,480,000	7.40%
Mr. Lau	68,078,000	14.61%
Earnwell Limited (Note 1)	48,754,417	10.46%
Easy Gain Limited (Note 2)	47,984,416	10.30%
Daisho Denshi Company Limited (Note 3)	50,000,000	10.73%
Mr. Cheung	5,088,000	1.09%
Public (other than Mr. Cheung)	211,628,952	45.41%
Total	466,013,785	100.00%

Notes

1 Mr. Chan and his family are the objects of a discretionary trust which has appointed Earnwell Limited as its trustee

Mr. Young Kai Tai is the sole beneficial owner of Easy Gain Limited. Easy Gain Limited and Mr. Young Kai Tai are not connected with the directors, chief executive or substantial shareholders of Kingboard or any of its subsidiaries or any of their respective associates as defined under the Listing Rules. 2.

A company established in Japan and a strategic investor in Suwa. Daisho Denshi Company Limited is not connected with the directors, chief executive or substantial shareholders of Kingboard or any of its subsidiaries or any of their respective associates as directors, chief executive or sub defined under the Listing Rules.

Resp financial information of Suwa Group Based on the audited annual report of Suwa published on 17 July 2003, the audited consolidated turnover and profit/(loss) recorded by the Suwa Group for the two years ended 31 March 2003 were as follows:

	Year ended 31 March	
	2003	2002
	HK\$'000	HK\$'000
Turnover	237,840	181,511
Profit/(loss) before tax	3,315	(25,505)
Tax	0	0
Profit/(loss) before minority interests	3,315	(25,505)
Minority interests	0	0
Net profit/(loss) attributable to Suwa Shareholders	3,315	(25,505)
Based on the aforesaid audited annual report of Suwa, the audited total	l assets and total liabilities of the	Suwa Group as at 31

March 2002 and 31 March 2003 were as follows:

		As at 31 March	
	2003	2002	
	HK\$'000	HK\$'000	
Total assets	262,896	262,174	
Total liabilities	118,664	120,755	
Net tangible assets	144,232	141,419	

INFORMATION ON THE OFFEROR The Offeror is a company incorporated in the British Virgin Islands on 8 August 2003 and the directors of the Offeror are Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwok Ping and Cheung Kwok Wa. The Offeror is an indirect wholly-owned subsidiary of Kingboard, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The Offeror is an investment holding company purposely set up for making the Offers. The Offers will not affect the shareholding structure of Kingboard.

The Kingboard Group is principally engaged in the manufacture and sale of laminates in Hong Kong, Guangdong Province and Jiangsu Province of the People's Republic of China and the manufacture of printed circuit boards in the People's Republic of China for sale mainly to Hong Kong, Japan and Europe.

REASONS FOR THE OFFERS As laminate is one of the raw materials for the manufacture of printed circuit boards, the directors of the Offeror believe that the acquisition of the Suwa Group will create synergies for both the Kingboard Group and the Suwa Group. In view of the strong expertise possessed by the Suwa Group in the manufacture and sale of printed circuit boards, the acquisition of the Suwa Group would also provide a good opportunity for the Kingboard Group to enhance its participation in the printed circuit boards markets of Japan, Hong Kong and Europe.

Since acquiring an interest in Techwise Circuits Company Limited in January 2002, the Kingboard Group has expanded its expertise in managing and operating a printed circuit board factory. According to the latest published audited accounts of the Kingboard Group, sales of printed circuit boards for the nine months ended 31 December 2002 amounted to approximately HK\$651.5 million, representing approximately 25.5% of the Kingboard Group's total sales for that period.

As electronic products, such as mobile phones and computers, continue to become more affordable, electronic pro-increasingly becoming everyday personal essential appliances. Hence, the directors of Kingboard believe that the m electronic products will continue to expand and as a result, the components used in the manufacture of electronic including printed circuit boards, will continue to grow.

OFFEROR'S INTENTION IN RELATION TO SUWA

OFFEROR'S INTENTION IN RELATION TO SUWA Intention regarding Suwa's business It is the intention of the Offeror that Suwa, if the Offers are completed, will continue to carry on the business of manufacture, in the People's Republic of China and sale mainly in Europe, of printed circuit boards and that Suwa's listing on the Main Board of the Stock Exchange will be maintained after the closing of the Offers. The Offeror has undertaken to the Stock Exchange that will procure that each of the new directors that will be appointed to the board of Suwa to undertake to the Stock Exchange that, following the closing of the Offers, appropriate steps will be taken to ensure that not less than 25% of the Suwa Shares will be held by the public.

The Stock Exchange has stated that if, at the closing of the Offers, less than 25% of the Suwa Shares are held by the public or if the Stock Exchange believes that:

a false market exists or may exist in the trading of the Suwa Shares: or

there are insufficient Suwa Shares in public hands to maintain an orderly market,

then it will consider exercising its discretion to suspend trading in the Suwa Shares until a level of sufficient public float is attained. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float in the Suwa Shares and therefore, trading in the Suwa Shares may be suspended until a sufficient level of public float is attained.

If Suwa remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of Suwa. The Stock Exchange has indicated that it has the discretion to require Suwa to issue an announcement and a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of Suwa. The Stock Exchange has the power to aggregate a series of acquisitions or disposals of Suwa and any such transactions may result in Suwa being treated as if it were a new listing applicant and subject to the requirements for new applicants as set out in the Listing Rules. Ownership of Suwa

Ownersnip of Suwa If the Offers become unconditional in all respects and, as a result, the Offeror acquires more than 50 per cent of the entire issued share capital of Suwa, Suwa will become a subsidiary of Kingboard and will be consolidated into the accounts of Kingboard.

DIRECTORS AND MANAGEMENT It is the intention of the Offeror to appoint such number of executive directors to the board of directors of Suwa at a spec general meeting of Suwa to be held as soon as practicable after the Unconditional Date to enable it to exercise control of board of directors of Suwa. The Undertaking Agreement provides that Mr. Lau will resign as a director of Suwa and Mr. Ch will resign as Chairman and Chief Executive Officer (but not as an executive director) of Suwa after the aforesaid special gene meeting. Further details will be set out in the Offer Document.

There is no agreement between the Offeror and the other existing directors of Suwa with regard to their directorships in Suwa. CONDITIONS OF THE OFFERS

The Share Offer will be conditional upon the following:

- the Suwa Shares remaining listed and traded on the Main Board of the Stock Exchange from the date of the Undertaking Agreement to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension of trading of the Suwa Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Suwa Shares on the Stock Exchange is or is likely to be withdrawn; (a)
- no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having taken or instituted any action, proceedings, suit, investigation or enquiry or enacted or made or proposed and there not continuing to be outstanding any statute, regulation or order that would or is likely to make the Offers or any part of them or the acquisition of any of the Suwa Shares by the Offeror and/or cancellation of the Suwa Options void, unenforceable or illegal or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the Offers or any part of them or the acquisition of any of the Suwa Shares and/or cancellation of any Suwa Options; and (b)
- valid acceptances of the Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of the Suwa Shares, which together with the Suwa Shares held by the Offeror and persons acting in concert with it constitute more than 50.0 per cent of the entire issued share capital of Suwa as at the Closing Date, such Suwa Shares carrying more than 50.0 per cent of the voting rights normally exercisable at general meetings of Suwa and for the purposes of this condition, "voting rights normally exercisable at general meetings of Suwa on the unconditional Date and to be issued pursuant to Suwa Options which have been validly exercised by Suwa Option holders prior to the Closing Date. In accordance with the bye-laws of Suwa, all Suwa Shares carry the same voting rights.

In addition to the Conditions, the Share Offer shall also be subject to the terms that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Suwa Shares acquired under the Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities and encumbrances and together with all rights attaching thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including (as appropriate) the right to receive all dividends and distributions declared, made or paid on or after the date on which the Share Offer is made.

The Option Offer will be subject to and conditional upon the Share Offer becoming unconditional in all respects

In addition, the Option Offer will also be subject to the term that acceptance of the Option Offer by any person will be deemed to constitute a warranty by such person or persons to the Offeror that the Suwa Options are free from all third party rights, liens, charges equities and encumbrances and are to be renounced and cancelled together with all rights attaching thereto as at the date on which the Option Offer is made or subsequently becoming attaching to them.

Waiver of the Conditions of the Offers The Offeror reserves the right to waive all or any of the Conditions (except Condition (c) for the Share Offer) in whole or in part on or before the Closing Date.

Offer Document Within 21 days after the release of this announcement (or such later date as the Vendors and the Offeror, with the consent of the Executive, may agree in writing), the Offeror will cause the Offer Document containing the Offers to be despatched to Suwa Shareholders and holders of the Suwa Options.

Lapse of the Offers

Lapse of the Offers The Offers will lapse if the Conditions are not satisfied (or, if applicable, save for Condition (c) in respect of the Share Offer, waived by the Offeror in its sole discretion) on or before the Closing Date or such later date as the parties to the Undertaking Agreement may agree and, if required by the Takeovers Code, the Executive may approve. Except with the consent of the Executive all Conditions must be fulfilled or the Offer must lapse within 21 days of the Closing Date or of the date on which Condition (c) of the Share Offer becomes unconditional, whichever is the later and in any event, except with the consent of the Executive, Condition (c) in respect of the Share Offer may not become or be declared unconditional after midnight on the 60th day after the Offers are made.

In that case, the Offeror will issue a press announcement as soon as practicable thereafter. Under the Takeovers Code, the latest date on which the Offeror can declare the Offers unconditional as to acceptance condition is 60 days after the date of the posting of the Offer Document (or such later date as the Executive may consent to).

SUSPENSION OF TRADING IN SUWA SHARES AND SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

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Trading in the shares of Kingboard was suspended at the request of Kingboard with effect from 9:30 a.m. on 25 August 2003 pending the issue of this announcement. Application has been made by Kingboard to the Stock Exchange for the resumption of trading in the shares of Kingboard with effect from 9:30 a.m. on 29 August 2003.

GENERAL MATTERS RELATING TO THE OFFERS

Availability of the Offers The availability of the Offers to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

Joint Financial Advisors to the Offeror CLSA Equity Capital Markets Limited and Access Capital Limited have been appointed as joint financial advisors to Kingboard and Access Capital Limited is the arranger of this transaction.

Independent Financial Advice

Independent Financial Advice As at the date of this announcement, Mr. Cheung, Chairman of Kingboard and a director of the Offeror, is the beneficial owner of 5,088,000 Suwa Shares. Consequently, as the directors of Kingboard may face a conflict of interest in deciding to make the Offers, pursuant to Rule 2.4 of the Takeovers Code, Kingboard has appointed AMS as its independent financial advisor to advise its board of directors as to whether the making of the Offers is in the interests of the shareholders of Kingboard. AMS is of the opinion that the making of the Offers is in the interests of Kingboard and its shareholders taken as a whole. A copy of AMS's written advice will be sent to the shareholders of Kingboard within 21 days from the date of publication of this announcement.

Application for waiver from strict compliance with Rule 2.4 of the Takeovers Code Kingboard has applied to the Executive for a waiver from strict compliance with the provisions of Rule 2.4 of the Takeovers Code regarding the requirements that the making of the Offers be subject to the approval of Kingboard's shareholders in general meeting and to send AMS's advice in writing to shareholders of Kingboard together with the notice of such meeting. Shareholders and investors of Kingboard should exercise caution when dealing in the shares of Kingboard.

DEFINITIONS

cement, the following expressions have the meanings set out below unless the context requires otherwise. "Able Conitel" on "Offerer" means Able Capital Investments Limited, a company incorporated in the British Virgin Islands

"Able Capital" or "Offeror"	means Able Capital Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 8 August 2003 and is indirectly wholly-owned by Kingboard;
"AMS"	means AMS Corporate Finance Limited, a deemed licensed corporation under the Securities and Futures Ordinance;
"Closing Date"	means the date stated in the Offer Document as the first closing date of the Offers;
"Companies Act"	means the Bermuda Companies Act 1981 of Bermuda (as amended);
"Companies Ordinance"	means the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
"Conditions"	mean the conditions of the Offers, as set out under the paragraph headed "Conditions of the Offers" of this announcement;
"Executive"	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
"HK\$"	means Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"Kingboard"	means Kingboard Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
"Kingboard Group"	means Kingboard and its subsidiaries;
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange;
"Mr. Chan"	means Mr. Chan Sik Ming, Harry, an executive director, chairman and shareholder of Suwa;
"Mr. Cheung"	means Mr. Cheung Kwok Wing, chairman of Kingboard and a director of the Offeror;
"Mr. Lau"	means Mr. Lau Wing Hung, an executive director and shareholder of Suwa;
"Offer Document"	means the document to be issued by or on behalf of the Offeror to all holders of Suwa Shares and Suwa Options in accordance with the Takeovers Code containing, inter alia, details of the Offers, the acceptance and transfer forms, and the terms and conditions of the Offers or, where applicable, the composite document to be issued by or on behalf of the Offeror and Suwa;
"Offers"	means the Share Offer and the Option Offer;
"Offeror"	means Able Capital;
"Option Exercise Price"	means HK\$0.50, subject to adjustment, being the price at which the holders of Suwa Options may subscribe for new Suwa Shares under the terms of the Suwa Options;
"Option Offer"	means the voluntary conditional cash offer at HK0.001 cent for each Suwa Option;
"Option Offer Price"	means the amount of HK0.001 cent payable by the Offeror to holders of Suwa Options for each Suwa Option accepted under the Option Offer;
"SFC"	means the Securities and Futures Commission of Hong Kong;
"Share Offer"	means the voluntary conditional cash offer at the Share Offer Price for Suwa Shares (other than those already owned by the Offeror or parties acting in concert with it);
"Share Offer Price"	means the amount of HK\$0.45 payable by the Offeror to holders of Suwa Shares for each Suwa Share accepted under the Share Offer;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subject Shares"	means an aggregate of 80,000,000 Suwa Shares representing approximately 17.17 per cent of the entire issued share capital of Suwa as at the date of the Undertaking Agreement and which are legally and beneficially owned by the Vendors (out of the 80,000,000 Suwa Shares, 50,000,000 Suwa Shares are owned by Mr. Lau and 30,000,000 Suwa Shares are owned by Mr. Chan);
"Subject Options"	means an aggregate of 12,000,000 Suwa Options granted to the Vendors (out of the 12,000,000 Suwa Options, 6,000,000 Suwa Options were granted to Mr. Lau and 6,000,000 Suwa Options were granted to Mr. Chan);
"subsidiaries"	shall have the same meaning ascribed to it in Section 2 of the Companies Ordinance;
"Suwa"	means Suwa International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
"Suwa Group"	means Suwa and its subsidiaries;
"Suwa Options"	means an aggregate of 18,050,000 outstanding options granted by Suwa under the share option scheme of Suwa adopted on 18 February 2000 each conferring on the grantee thereof the right to subscribe for one new Suwa Share at the Option Exercise Price;
"Suwa Shares"	means shares of HK\$0.10 each in the issued share capital of Suwa;
"Suwa Shareholder(s)"	means registered holder(s) for the time being of Suwa Shares;
"Takeovers Code"	means The Code on Takeovers and Mergers;
"Unconditional Date"	means the date on which the Offers become or are declared unconditional;
"Undertaking Agreement"	means the agreement entered into between the Offeror and the Vendors on 27 August 2003 in connection with the Offers;
"Vendors"	means Mr. Lau and Mr. Chan, each of them referred to as a "Vendor"; and
"Waiver"	means a waiver to be granted by the Executive from strict compliance with the provisions of Rule 2.4 of the Takeovers Code regarding the requirements that the making of the Offers be subject to the approval of Kingboard's shareholders in general meeting and to send AMS's advice in writing to shareholders of Kingboard together with the notice of such meeting.

By Order of the Board KINGBOARD CHEMICAL HOLDINGS LIMITED Chan Wing Kwan Managing Director

Hong Kong, 28 August 2003

The directors of Kingboard Chemical Holdings Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.