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KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(Incorporated in the Cayman Islands with limited liability)

(stock code: 148)

NOTICE OF EXPIRY OF SUBSCRIPTION RIGHTS ATTACHING TO THE 2006 WARRANTS

Subscription rights attaching to the 2006 Warrants will expire after the close of business on Frida , 29 December 2006.

Trading in the 2006 Warrants will cease after 12.30 p.m. on Frida , 22 December 2006.

Listing of the 2006 Warrants will be withdrawn from the Stock Exchange from the close of business on Frida , 29 December 2006.

Holders of the 2006 Warrants who wish to exercise the subscription rights attaching to the 2006 Warrants must lodge the relevant documents with the Registrar at the address below not later than 4.00 p.m. on Frida , 29 December 2006.

Application will be made for the listing of the 2006 Warrants on the Stock Exchange to be withdrawn with effect from the close of business on Frida , 29 December 2006.

Reference is made to the announcement of Kingboard Chemical Holdings Limited ("Compan ") dated 16 August 2004 and the circular of the Compan dated 7 September 2004 ("Circular") in relation to the bonus issue of the 2006 Warrants (as defined below). As set out in the Circular, an subscription rights attaching to the 2006 Warrants which have not been exercised on or before 31 December 2006 will thereafter lapse and the 2006 Warrants will cease to be valid for an purpose. This announcement serves as a reminder to the holders of the 2006 Warrants of the above and the following arrangements of the 2006 Warrants.

The board of directors of the Compan wishes to remind holders of its warrants carr ing rights to subscribe in cash for new shares of HK$0.10 each ("Shares") in the capital of the Compan at an initial subscription price of HK$20 per Share (subject to adjustment) from 7 October 2004 to 31 December 2006 (both da s inclusive) ("2006 Warrants"), that according to terms and conditions of the 2006 Warrants, after the close of business on Frida , 29 December 2006, an subscription rights attaching to the 2006 Warrants which have not been exercised will lapse and the 2006 Warrants will cease to be valid for an purpose. New Shares which ma fall to be issued on the exercise of the subscription rights attaching to the 2006 Warrants will rank *pari passu* in all respects with the full paid Shares then in issue on the relevant date of subscription in accordance with the terms as defined in the deed poll executed b the Compan on 30 September 2004 creating the 2006 Warrants ("Instrument").

The following arrangements have been made in respect of dealing in, transfer of and exercise of the subscription rights attaching to the 2006 Warrants.

4. Subscription forms and the relevant accompanying documentation lodged with the Registrar after 4:00 p.m. on Friday, 29 December 2006 will not be accepted.

Under the terms of the Instrument, new Shares which will rank *pari passu* in all respects with fully paid Shares then in issue will be allotted and issued within 28 days after the relevant subscription date.

The closing prices of the Shares and the 2006 Warrants as quoted on the Stock Exchange on 11 December 2006 were HK$33.10 and HK$12.90 respectively.

A circular relating to the arrangements of the 2006 Warrants will be posted to the holders of the 2006 Warrants and, for information only, to the shareholders of the Company as soon as practicable.

Holders of the 2006 Warrants who are in doubt as to their position or to the actions to be taken should consult their stockbrokers or other registered dealers in securities, bank managers, solicitors, professional accountants or other professional advisers.

By order of the board of
Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman

Hong Kong, 11 December 2006

As at the date of this announcement, the board of directors of the Company consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Cheung Kwong Kwan, Chang Wing Yiu and Mok Cham Hung, Chadwick, being the executive directors and Messrs. Cheng Ming Fun, Paul, Tse Kam Hung and Henry Tan, being the independent non-executive director