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## 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 Friday, 29 December 2006.

Trading in the 2006 Warrants will cease after 12:30 p.m. on Friday, 22 December 2006.

Listing of the 2006 Warrants will be withdrawn from the Stock Exchange from the close of business on Friday, 29 December 2006.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Application will be made for the listing of the 2006 Warrants on the Stock Exchange to be withdrawn with effect from the close of business on Friday, 29 December 2006.

Reference is made to the announcement of Kingboard Chemical Holdings Limited ("Company") dated 16 August 2004 and the circular of the Company dated 7 September 2004 ("Circular") in relation to the bonus issue of the 2006 Warrants (as defined below). As set out in the Circular, any 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 any 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 Company wishes to remind holders of its warrants carrying rights to subscribe in cash for new shares of HK\$0.10 each ("Shares") in the capital of the Company at an initial subscription price of HK\$20 per Share (subject to adjustment) from 7 October 2004 to 31 December 2006 (both days inclusive) ("2006 Warrants"), that according to terms and conditions of the 2006 Warrants, after the close of business on Friday, 29 December 2006, any subscription rights attaching to the 2006 Warrants which have not been exercised will lapse and the 2006 Warrants will cease to be valid for any purpose. New Shares which may 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 fully paid Shares then in issue on the relevant date of subscription in accordance with the terms as defined in the deed poll executed by the Company 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:

1. The last trading day of the 2006 Warrants on The Stock Exchange of Hong Kong Limited ("Stock Exchange") will be on Friday, 22 December 2006 and the listing of the 2006 Warrants will be withdrawn from the Stock Exchange from the close of business on Friday, 29 December 2006. Application will be made to the Stock Exchange for the withdrawal of the listing of the 2006 Warrants with effect from the close of business on Friday, 29 December 2006 and cessation of trading in the 2006 Warrants with effect from 12:30 p.m. on Friday, 22 December 2006.
2. Registered holders of the 2006 Warrants who wish to exercise in whole or in part of the subscription rights attaching to their 2006 Warrants must lodge with the branch share and warrant registrars of the Company in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong ("Registrar") the following at or before 4:00 p.m. on Friday, 29 December 2006:
  - a) the relevant certificate(s) for the 2006 Warrants;
  - b) the duly completed and signed subscription form(s); and
  - c) the relevant subscription monies.
3. Any persons who have not registered the 2006 Warrants in their names and who wish to exercise in whole or in part of the subscription rights attaching to those 2006 Warrants must lodge with the Registrar at the above-mentioned address the following at or before 4:00 p.m. on Friday, 29 December 2006.
  - a) the duly executed and stamped instrument(s) of transfer(s) and/or other document(s) of title;
  - b) the relevant certificate(s) for the 2006 Warrants;
  - c) the duly completed and signed subscription form(s); and
  - d) the relevant subscription monies.

\* For identification purpose only

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.

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By order of the board of  
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C K W  
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 directors.*

“Please also refer to the published version of this announcement in The Standard.”