Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

ANNOUNCEMENT

EXPIRY OF 2012 WARRANTS

(Warrant Code: 971)

The subscription rights attaching to the 2012 Warrants will expire immediately after 4:00 p.m. on Wednesday, 31 October 2012.

The last trading day of the 2012 Warrants on the Stock Exchange will be 4:00 p.m. on Friday, 26 October 2012. The latest time to exercise the subscription rights attaching to the 2012 Warrants will be 4:00 p.m. on Wednesday, 31 October 2012.

Application has been made to the Stock Exchange for the withdrawal of listing of the 2012 Warrants with effect from the close of business of the Stock Exchange at 4:00 p.m. on Wednesday, 31 October 2012.

The board of directors (the "**Board**") of Kingboard Chemical Holdings Limited (the "**Company**") wishes to remind holders of the existing outstanding warrants of the Company (warrant code: 971) (the "**2012 Warrants**") issued in accordance with the terms and conditions of the instrument (the "**Instrument**") constituting the 2012 Warrants dated 19 April 2010 and executed by the Company that the subscription rights attaching to the 2012 Warrants will expire immediately after 4:00 p.m. on Wednesday, 31 October 2012. Each 2012 Warrant entitles the holder thereof to subscribe for a new share of HK$0.10 each (the "**Share**") in the issued share capital of the Company at the subscription price of HK$40 per Share (subject to adjustment) during the period commencing on 5 May 2010 and expiring on 31 October 2012 (both days inclusive). Any subscription rights attaching to the 2012 Warrants which have not been exercised by 4:00 p.m. on Wednesday, 31 October 2012 will lapse and the 2012 Warrants certificates will cease to be valid for any purpose.

* *For identification purposes only*

In respect of the expiry of the 2012 Warrants, the Company has made the following arrangements regarding dealings in, transfers of and exercise of the subscription rights attaching to the 2012 Warrants:

1. The last trading day of the 2012 Warrants on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") will be **4:00 p.m. on Friday, 26 October 2012** and trading of the 2012 Warrants on the Stock Exchange will cease after **4:00 p.m. on Friday, 26 October 2012**. The listing of the 2012 Warrants will be withdrawn from the Stock Exchange after the close of business of the Stock Exchange at **4:00 p.m. on Wednesday, 31 October 2012**, and application has been made to the Stock Exchange for such withdrawal.

2. Registered holders of the 2012 Warrants who wish to exercise the subscription rights attaching to the 2012 Warrants must lodge with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited (the "**Registrar**") at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, **not later than 4:00 p.m. on Wednesday, 31 October 2012**:

   (a) the relevant certificate(s) of the 2012 Warrants;
   (b) the duly completed and signed subscription form(s); and
   (c) remittances for the relevant subscription moneys.

3. Holders of the 2012 Warrants who have not registered their holdings in such 2012 Warrants in their own names and wish to exercise the subscription rights attaching thereto must lodge with the Registrar at the abovementioned address **not later than 4:00 p.m. on Wednesday, 31 October 2012**:

   (a) the relevant duly executed and stamped instrument(s) of transfer and/or other document(s) of title;
   (b) the relevant certificate(s) of the 2012 Warrants;
   (c) the duly completed and signed subscription form(s); and
   (d) remittances for the relevant subscription moneys.

Subscription forms lodged with the Registrar later than 4:00 p.m. on Wednesday, 31 October 2012 will not be regarded as valid and will not be accepted. Under the terms of the Instrument, new Shares will be allotted and issued not later than 28 days after the date (the "**Subscription Date**") of exercise of the subscription rights attaching to the 2012 Warrants.

The closing prices of the Shares and the 2012 Warrants as quoted on the Stock Exchange on 19 September 2012 (being the date of this announcement) are HK$19.52 per Share and HK$0.01 per unit of 2012 Warrant respectively. Shares to be issued pursuant to the exercise of the subscription rights attaching to the 2012 Warrants will, when issued, rank pari passu in all respects with the then existing issued Shares (other than the entitlement to any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date).

A circular relating to the expiry of 2012 Warrants will be despatched to holders of 2012 Warrants and, for information only, the shareholders of the Company as soon as practicable.

H[illegible] **2012** [illegible] **I** [illegible] **2012** [illegible] **2012** [illegible], [illegible] **R** [illegible]**: 2980 1333.**

By Order of the Board
K[illegible] **C**[illegible] **H**[illegible] **L**[illegible]
C[illegible] **K**[illegible]
Chairman

Hong Kong, 19 September 2012

As at the date of this announcement, the board of directors of the Company consists of Messrs. Cheung Kwok Wing, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Mok Cham Hung, Chadwick and Chen Maosheng, being the executive directors, Mr. Chan Wing Kwan, being the non-executive director and Messrs. Lai Chung Wing, Robert, Tse Kam Hung, Henry Tan and Dr. Cheng Wai Chee, Christopher, being the independent non-executive directors.