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The information included in this announcement is subject to amendment and finalisation and approval of the Prospectus (as defined herein). In addition, unless otherwise stated, the historical financial information in this announcement is unaudited and may differ from the audited financial information which will be included in the Prospectus. Shareholders of, and prospective investors in, the securities of the Company should therefore exercise extreme caution in interpreting this information and when dealing in such securities.

KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(stock code: 148)

DISCLOSEABLE TRANSACTION IN RELATION TO THE SEPARATE LISTING OF KINGBOARD LAMINATES HOLDINGS LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

DETAILS OF THE PREFERENTIAL OFFER

Sole Sponsor to Kingboard Laminates

[illegible]

PREFERENTIAL OFFER

[illegible] 22 [illegible] 5:00 [illegible]

Shareholders and potential investors should note that the Proposed Spin-off and the Global Offering, which are subject to a number of conditions, may or may not proceed. In particular, there is no assurance that approval from the Stock Exchange will be granted or that the underwriters' obligations under the underwriting agreements will become unconditional or that the underwriting agreements will not be terminated. Accordingly, Shareholders and potential investors are urged to exercise extreme caution when dealing in the securities of the Company.

PREFERENTIAL OFFER

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Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman

, 20 b 2006

As at the date of this announcement, the board of Directors consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Lam Ka Po, Cheung Kwong Kwan, Cheung Kwok Wa, Cheung Kwok Ping, Cheung Kwok Keung, 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.***