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If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares or warrants in Kingboard Chemical Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

KB

To the warrantholders and, for information only,
the shareholders of the Company

Dear Sir or Madam,

EXPIRY OF 2012 WARRANTS

(Warrant Code: 971)

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 Warrant certificates will cease to be valid for any purpose.

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 The listing of the 2012 Warrants will be withdrawn from the Stock Exchange after the close of business of the Stock Exchange at 4:00 p.m. on Wednesday, 31 October 2012, and application has been made to the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, by 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 above-mentioned address by 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 latest practicable date before the date of this circular for ascertaining certain information contained herein) were 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).

Holders of the 2012 Warrants who are in doubt as to their positions or as to the actions to be taken should consult their stockbrokers, other registered dealers in securities, bank managers, solicitors, professional accountants or other professional advisers. If holders of the 2012 Warrants have any query on the exercise of the subscription rights of 2012 Warrants, please contact the Registrar at Tel: 2980 1333.

Yours faithfully,
By Order of the Board of
Kingboard Chemical Holdings Limited
Cheung Kwok Wing
Chairman