KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(stock code: 148)

DISCLOSEABLE TRANSACTION IN RELA

DETERMINATION OF OFFER PRICE

Further to the announcements of the Company dated 2 November 2006, 17 November 2006 and 20 November 2006 respectively in relation to, among other things, the Proposed Spin-off and the Global Offering (the "**Announcements**"), the Company wishes to announce that the international purchase agreement in relation to the International Placing and the price determination agreement in relation to the Offer Price were entered into by the Company, Jamplan (BVI) and the Global Coordinator (on behalf of the International Purchasers) on 1 December 2006. The Offer Price is determined at HK$7.73 (excluding brokerage fee, SFC transaction levy and the Stock Exchange trading fee), being the maximum Offer Price as stated in the Prospectus.

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