This announcement does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. In particular, this announcement is not an offer of securities for sale in Hong Kong, the United States or elsewhere. Securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from the issuer or selling security holder and that would contain detailed information about the company and its management, as well as financial statements.

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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