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KB

KINGBOARD CHEMICAL HOLDINGS LIMITED

建滔化工集團*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

**ANNOUNCEMENT
PROPOSED DISCLOSEABLE TRANSACTION BY WAY OF SPIN-OFF
AND SEPARATE LISTING OF
HEBEI COALCHEM HOLDINGS LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

Sole Sponsor to Hebei CoalChem

BofA Merrill Lynch

ISSUE OF WEB PROOF INFORMATION PACK

Proposed Spin-Off

Further to the Spin-off Announcement, Hebei CoalChem proposes to post a WPIP on the website of the Stock Exchange on 18 January 2010.

* For identification purpose only

Reference is made to the announcements of Kingboard Chemical Holdings Limited (“**Company**”) dated 23 October 2009 and 14 January 2010 respectively in relation to the proposed spin-off and separate listing of Hebei CoalChem Holdings Limited (“**Spin-off Announcements**”). Terms defined in the Spin-off Announcements have the same meanings when used herein unless otherwise define.

PROPOSED SPIN-OFF

In connection with the Proposed Spin-off, pursuant to the requirement of the Joint Policy Statement of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Securities and Futures Commission dated 5 November 2007, Hebei CoalChem has submitted a web proof information pack (“**WPIP**”) to the Stock Exchange for posting on the Stock Exchange’s website. The Company expects the WPIP can be viewed and downloaded from the website of the Stock Exchange at <http://www.hkex.com.hk> commencing from 9:00am on Monday, 18 January 2010.

As the listing of the Hebei CoalChem Shares pursuant to the Proposed Spin-off is subject to, among other things, the approval of the Listing Committee, the Proposed Spin-off may or may not occur. Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
Kingboard Chemical Holdings Limited
Lo Ka Leong
Company Secretary

Hong Kong, 15 January 2010

As at the date hereof, the Board consists of Messrs. Cheung Kwok Wing, Chan Wing Kwan, Chang Wing Yiu, Cheung Kwong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie and Mok Cham Hung, Chadwick, being the executive Directors, and Messrs. Cheng Wai Chee, Christopher, Henry Tan, Lai Chung Wing, Robert and Tse Kam Hung, being the independent non-executive Directors.