

Unless otherwise defined in this announcement, terms defined in the prospectus dated November 29, 2011 (the “**Prospectus**”) issued by China First Chemical Holdings Limited (the “**Company**”) have the same meanings when used in this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares.

The information contained in this announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia). These materials do not constitute or form a part of any offer for sale of or solicitation to purchase or subscribe for securities in the United States. The Shares mentioned herein have not been, and will not be, registered under the United States Securities Act 1933, as amended (the “**U.S. Securities Act**”). The Shares mentioned herein may not be offered or sold in the United States except pursuant to registration or an applicable exemption from registration requirements under the U.S. Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and will contain detailed information about the company and its management and financial statements. No public offering of the Offer Shares will be made in the United States.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), Hong Kong Securities Clearing Company Limited (“**HKSCC**”) and the Securities and Futures Commission of Hong Kong (the “**SFC**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA FIRST CHEMICAL HOLDINGS LIMITED

一化控股（中國）有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2121)

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION STABILIZATION ACTIONS END OF STABILIZATION PERIOD

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option referred to in the Prospectus was partially exercised by the Sole Global Coordinator on behalf of the International Underwriters on December 30, 2011 requiring the Company to issue and allot 2,191,000 additional Shares (the “**Over-allotment Shares**”), representing approximately 1.10% of the Offer Shares initially being offered under the Global Offering before any exercise of the Over-allotment Option.

The Over-allotment Shares will be issued and allotted by the Company at HK\$2.70 per Share (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering.

END OF STABILIZATION PERIOD

The Company announces that the stabilization period in connection with the Global Offering ended on January 1, 2012.

STABILIZATION ACTIONS

The stabilization actions undertaken during the stabilizing period were:

- (1) over-allocations of an aggregate of 12,398,000 Shares in the International Offering;
- (2) the borrowing of an aggregate of 12,398,000 Shares from China First Chemical Ltd. pursuant to the Stock Borrowing Agreement;
- (3) successive market purchases of an aggregate of 10,207,000 Shares at a price in the range of HK\$2.32 to HK\$2.70 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) on the Stock Exchange; and
- (4) the partial exercise of the Over-allotment Option in respect of an aggregate of 2,191,000 Shares at HK\$2.70 per Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering, by the Sole Global Coordinator on behalf of the International Underwriters on December 30, 2011 to facilitate the return to China First Chemical Ltd. of 2,191,000 Shares lent by China First Chemical Ltd. to the Stabilizing Manager.

The last purchase made by the Stabilizing Manager on the market during the course of the stabilization period was on December 30, 2011 at the price of HK\$2.65 per Share.

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option has been partially exercised by the Sole Global Coordinator on behalf of the International Underwriters on December 30, 2011 to require the Company to issue and allot 2,191,000 additional Shares, representing approximately 1.10% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option.

The Over-allotment Shares will be issued and allotted by the Company at HK\$2.70 per Share (excluding brokerage of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Global Offering. The Over-allotment Shares will be used to, among other things, cover over-allocations in the International Placing.

Pursuant to the Stock Borrowing Agreement, Morgan Stanley & Co. International plc has borrowed 12,398,000 Shares from China First Chemical Ltd. to cover over-allocations in the International Offering. The Over-allotment Shares will be used to facilitate the return of the 2,191,000 Shares to China First Chemical Ltd..

Listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in such Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on January 5, 2012.

The shareholding structure of the Company immediately before and immediately after the issue and allotment of the Over-allotment Shares by the Company is as follows:

Shareholders	Immediately before the issue and allotment of the Over-allotment Shares		Immediately after the issue and allotment of the Over-allotment Shares	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
China First Chemical Ltd.	419,920,000	52.49%	419,920,000	52.35%
Trophy Group	180,080,000	22.51%	180,080,000	22.45%
Public Shareholders	200,000,000	25%	202,191,000	25.20%
Total	800,000,000	100%	802,191,000	100%

The additional net proceeds to be received by the Company upon issue and allotment of the Over-allotment Shares are estimated to be approximately HK\$5.91 million which will be used by the Company for the same purposes on a pro-rata basis as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The Company continues to observe the public float requirements under Rule 8.08(1)(a) of the Listing Rules immediately after the issue and allotment of the Over-allotment Shares.

END OF STABILIZATION PERIOD

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilization period in connection with the Global Offering ended on January 1, 2012, being the 30th day after the last date for the lodging of applications under the Hong Kong Public Offering.

STABILIZATION ACTIONS

The stabilization actions undertaken during the stabilization period were:

- (1) over-allocations of an aggregate of 12,398,000 Shares in the International Offering;
- (2) the borrowing of an aggregate of 12,398,000 Shares from China First Chemical Ltd. pursuant to the Stock Borrowing Agreement;
- (3) successive market purchases of an aggregate of 10,207,000 Shares at a price in the range of HK\$2.32 to HK\$2.70 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee) on the Stock Exchange; and
- (4) the partial exercise of the Over-allotment Option in respect of an aggregate of 2,191,000 Over-allotment Shares by the Sole Global Coordinator on behalf of the International Underwriters on December 30, 2011 to facilitate the return to China First Chemical Ltd. of 2,191,000 Shares lent by China First Chemical Ltd. to the Stabilizing Manager.

The last purchase made by the Stabilizing Manager on the market during the course of the stabilization period was on December 30, 2011 at the price of HK\$2.65 per Share.

By order of the Board of
China First Chemical Holdings Limited
Mr. Liem Djiang Hwa
Chairman

Hong Kong, January 3, 2012

As of the date of this announcement, the executive Directors are Mr. CHEN Hong, Ms. MIAO Fei and Mr. LAM Wai Wah, the non-executive Director and Chairman is Mr. LIEM Djiang Hwa and the independent non-executive Directors are Mr. CHEN Xiao, Mr. KOU Huizhong and Mr. LI Junfa.