
DEFINITIONS

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this prospectus.

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| “Application Form(s)” | white application form(s), yellow application form(s) and green application form(s), or where the context so requires, any of them that is used in connection with the Hong Kong Public Offering |
| “Articles of Association” or “Articles” | the articles of association of our Company, conditionally adopted on November 16, 2011, and as amended from time to time |
| “Board of Directors” or “Board” | our board of Directors |
| “business day” | any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business |
| “BVI” | British Virgin Islands |
| “CAGR” | compound annual growth rate |
| “Capitalization Issue” | the issue of Shares to be made upon capitalization of the share premium account of our Company as referred to in the section entitled “Statutory and General Information — Further information about our Group — Resolutions in writing of the Sole Shareholder of our Company passed on June 10, 2011, June 12, 2011 and November 16, 2011” in Appendix VI to this prospectus |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “CCASS Clearing Participant” | a person admitted to participate in CCASS as a direct participant or a general clearing participant |
| “CCASS Custodian Participant” | a person admitted to participate in CCASS as a custodian participant |
| “CCASS Investor Participant” | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation |
| “CCASS Participant” | a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant |
| “CCBI” | CCB International Capital Limited |
| “China” or the “PRC” | the People’s Republic of China excluding, except where the context otherwise requires and only for the purpose of this prospectus, Hong Kong, Macau and Taiwan |

DEFINITIONS

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| “China Yihua” | China Yihua Holdings Pte. Ltd., a limited exempt private company incorporated in Singapore on October 19, 2007, and wholly owned by Mr. Liem, one of our Controlling Shareholders |
| “Chinese Government” or “PRC government” | the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them |
| “Companies Law” | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time |
| “Companies Ordinance” | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| “Company,” “Group,” “our,” “us” and “we” | China First Chemical Holdings Limited (一化控股 (中國) 有限公司), incorporated as an exempted company with limited liability in the Cayman Islands on November 24, 2010 and, unless the context otherwise requires, all of its subsidiaries, or where the context refers to any time prior to its incorporation, the business in which the predecessors of its present subsidiaries were engaged and which were subsequently assumed by such subsidiaries pursuant to the Reorganization |
| “Controlling Shareholders” | Parent Company, Yihua Crown and Mr. Liem |
| “Dacheng” | Fuzhou Yihua Dacheng Investments Management Co., Ltd (福州一化大成投資管理有限公司), a limited liability company established under the laws of the PRC on August 28, 2003, and an Independent Third Party |
| “Deed of Non-competition” | a deed of non-competition dated November 16, 2011 given by our Controlling Shareholders in favor of our Company |
| “Director(s)” | the director(s) of our Company as of the date of this prospectus |
| “Frost & Sullivan” | Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party |
| “Frost & Sullivan Report” | a report dated November 24, 2011 prepared by Frost & Sullivan and commissioned by us. The report analyzes, among other things, the market conditions for sodium chlorate, hydrogen peroxide and ADC foaming agent |

DEFINITIONS

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| “Fujian Fuwen” | Fujian Fuwen Chemical Co. Limited (福建富文化工有限公司), a limited liability company established under the laws of the PRC on February 27, 1997, most of the equity interests in which were state-owned interests, and the predecessor of Fujian Rongchang |
| “Fujian Pingnan” | Fujian Pingnan Rongping Jointly-Operated Chemical Plant (福建省屏南榕屏聯營化工廠), a limited liability enterprise established under the laws of the PRC on February 29, 1992, owned by Fuzhou Yihua and Pingnan Electricity, as to 70% and 30%, respectively, upon its establishment, and the predecessor of Fujian Rongping |
| “Fujian Rongchang” | Fujian Rongchang Chemical Co., Ltd. (福建榕昌化工有限公司) (formerly known as Fujian Fuwen), an indirectly wholly owned subsidiary of our Company and a limited liability company established under the laws of the PRC on February 27, 1997 |
| “Fujian Rongping” | Fujian Rongping Chemical Co., Ltd. (福建省(屏南)榕屏化工有限公司) (formerly known as Fujian Pingnan), an indirectly wholly owned subsidiary of our Company and a limited liability company established under the laws of the PRC on December 26, 2002 |
| “Fuzhou Yihua” | Fuzhou Yihua Chemical Stock Co., Ltd. (福州一化化學品股份有限公司), a limited liability company established under the laws of the PRC on June 7, 2003, and is owned as to 97.27% by Fujian Rongchang and as to 2.73% by Fujian Dajia Investments Co., Ltd. (福建大家投資有限公司), an Independent Third Party |
| “GDP” | gross domestic product (all references to GDP growth rates are to real as opposed to nominal rates of GDP growth) |
| “Global Offering” | the Hong Kong Public Offering and the International Offering |
| “Green application form” | the application form(s) to be completed by the HK eIPO White Form Service Provider designated by our Company |
| “HK\$” or “Hong Kong dollars” or “HK dollars” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HK eIPO White Form” | the application process for Hong Kong Offer Shares with applications issued in the applicant’s own name and submitted online through the designated website of www.hkeipo.hk |
| “HK eIPO White Form Service Provider” | The Bank of East Asia, Limited |

DEFINITIONS

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| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “HKSCC Nominees” | HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Offer Shares” | 20,000,000 Offer Shares being initially offered pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section entitled “Structure and Conditions of the Global Offering” in this prospectus |
| “Hong Kong Public Offering” | the offer for subscription or for sale of Offer Shares to the public in Hong Kong (subject to adjustment as described in the section entitled “Structure and Conditions of the Global Offering”) at the Offer Price (plus brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) and on and subject to the terms and conditions described in this prospectus and the Application Forms, as further described in the section entitled “Structure and Conditions of the Global Offering” in this prospectus |
| “Hong Kong Share Registrar” | Tricor Investor Services Limited |
| “Hong Kong Underwriters” | the underwriters of the Hong Kong Public Offering whose names are set out in the section entitled “Underwriting — Hong Kong Underwriters” in this prospectus |
| “Hong Kong Underwriting Agreement” | the underwriting agreement dated November 28, 2011 relating to the Hong Kong Public Offering entered into among our Company, the Controlling Shareholders, and the Hong Kong Underwriters |
| “IFRS” | International Financial Reporting Standards |
| “Independent Third Party(ies)” | a person(s) or company(ies) who/which is or are independent of and not connected with our Company and our connected persons within the meaning under the Listing Rules |
| “International Offer Shares” | 180,000,000 Offer Shares being initially offered pursuant to the International Offering, together with any additional Shares offered pursuant to any exercise of the Over-allotment Option, subject to reallocation as described in the section entitled “Structure and Conditions of the Global Offering” in this prospectus |
| “International Offering” | the offer of International Offer Shares outside the United States to institutional and professional investors in offshore transactions as defined in and in accordance with Regulation S, and in the United States to QIBs in reliance on Rule 144A, as further described in the section entitled “Structure and Conditions of the Global Offering” in this prospectus |

DEFINITIONS

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| “International Underwriters” | the underwriters of the International Offering and parties to the International Underwriting Agreement as described in the section entitled “Underwriting — International Offering” in the prospectus |
| “International Underwriting Agreement” | the underwriting agreement relating to the International Offering, which is expected to be entered into among our Company, the Controlling Shareholders, and the International Underwriters on or around December 2, 2011 |
| “ISO14001:2004” | a standard of the ISO14000 series, which specifies a framework of control for an environmental management system against which an organization can be certified by a third party |
| “ISO9001:2008” | a standard of the ISO9000 quality management series, which specifies the requirements for a quality management system where an organization demonstrates its ability to consistently provide products that meet customer and applicable statutory and regulatory requirements |
| “Joint Bookrunners” or “Joint Lead Managers” | Morgan Stanley and CCBI |
| “Latest Practicable Date” | November 21, 2011, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus |
| “Listing Date” | the date expected to be on or about December 9, 2011, on which the Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| “Longpower” | Longpower Corporation Limited, a company incorporated in Hong Kong on December 3, 2009, and our indirectly wholly owned subsidiary |
| “Macau” | the Macau Special Administrative Region of the PRC |
| “Main Board” | the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange |
| “Memorandum” or “Memorandum of Association” | the memorandum of association of our Company, conditionally adopted on November 16, 2011 and as amended from time to time |

DEFINITIONS

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| “Ministry of Environmental Protection” or “MEP” | the Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部) |
| “Ministry of Finance” or “MOF” | the Ministry of Finance of the PRC (中華人民共和國財政部) |
| “Ministry of Land and Resources” | the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) |
| “MOFCOM” | the Ministry of Commerce of the PRC (中華人民共和國商務部) |
| “Morgan Stanley” | Morgan Stanley Asia Limited |
| “Mr. Liem” | Mr. Liem Djiang Hwa (林強華), the chairman and non-executive Director and one of our Controlling Shareholders |
| “NDRC” | the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) |
| “NPC” or “National People’s Congress” | the National People’s Congress of the PRC (中華人民共和國全國人民代表大會) and its Standing Committee |
| “Offer Price” | the final price per Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering, to be determined as further described in the section entitled “Structure and Conditions of the Global Offering — Determining the Offer Price” in this prospectus |
| “Offer Shares” | the Hong Kong Offer Shares and the International Offer Shares, together, where relevant, with any additional Shares issued pursuant to the Over-allotment Option |
| “Over-allotment Option” | the option granted by us to the Sole Global Coordinator on behalf of the International Underwriters exercisable by the Sole Global Coordinator in consultation with CCBI pursuant to the International Underwriting Agreement, to be exercisable at any time from the date of the International Underwriting Agreement until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to an aggregate of 30,000,000 additional Offer Shares representing approximately 15% of the initial Offer Shares, at the same price per Share under the International Offering to cover, among other things, over-allocation in the International Offering, if any |
| “Parent Company” | China First Chemical Ltd. (中国一化有限公司), an exempted company with limited liability incorporated in the Cayman Islands on January 28, 2010, and one of our Controlling Shareholders |

DEFINITIONS

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| “PBOC” | the People’s Bank of China (中國人民銀行), the central bank of the PRC |
| “Pingnan Electricity” | Pingnan Electricity Company (屏南縣電力公司), an Independent Third Party |
| “Poly Gain” | Poly Gain Group Limited (多得集團有限公司), a company incorporated in the BVI on November 8, 2007, and is wholly owned by Ms. Chau Wai Man, a relative of Mr. Liem |
| “Pre-IPO Share Option Scheme” | the pre-IPO share option scheme our Company conditionally adopted on June 10, 2011 (and confirmed in the written resolutions of the Shareholder dated June 12, 2011), the principal terms of which are summarized in the section entitled “Statutory and General Information — E. Pre-IPO Share Option Scheme” in Appendix VI to this prospectus |
| “Price Determination Date” | the date, expected to be on or around December 2, 2011 but no later than December 8, 2011, on which the Offer Price is to be fixed by agreement between our Company and the Sole Global Coordinator for the purposes of the Global Offering |
| “QIB” | a “qualified institutional buyer” within the meaning of Rule 144A |
| “Regulation S” | Regulation S under the U.S. Securities Act |
| “Reorganization” | the reorganization arrangements we have undergone in preparation for the listing of Shares on the Stock Exchange which are more particularly described in the sections entitled “History and Reorganization” in this prospectus |
| “RMB” or “Renminbi” | Renminbi, the lawful currency of the PRC |
| “Rongchang Trading” | Fuzhou Rongchang Trading Co., Ltd. (福州榕昌貿易有限公司), a limited liability company established under the laws of the PRC on July 6, 2007 and an Independent Third Party |
| “Rule 144A” | Rule 144A under the U.S. Securities Act |
| “SAFE” | the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) |
| “SAT” | the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局) |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |

DEFINITIONS

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| “Shareholders” | holders of Shares |
| “Share Option Scheme” | the share option scheme our Company conditionally adopted on June 10, 2011 (and confirmed in the written resolutions of the Shareholder dated June 12, 2011), the principal terms of which are summarized in the section entitled “Statutory and General Information — D. Share Option Scheme” in Appendix VI to this prospectus |
| “Share(s)” | ordinary share(s) in the share capital of our Company with a nominal value of HK\$0.10 each |
| “Sole Global Coordinator” or “Sole Sponsor” | Morgan Stanley |
| “Stabilizing Manager” | Morgan Stanley |
| “State Council” | the State Council of the PRC (中華人民共和國國務院) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Sun Champ” | Sun Champ Group Holdings Limited (耀昌控股集團有限公司), a company incorporated in Hong Kong on March 18, 2010 and a wholly owned subsidiary of our Company |
| “Track Record Period” | the period comprising the three financial years ended December 31, 2010 and the six months ended June 30, 2011 |
| “Trophy Group” | Trophy Group Limited, a company incorporated in the BVI on September 28, 2009, and is wholly owned by China Harvest Fund II, L.P., a limited partnership |
| “Underwriters” | the Hong Kong Underwriters and the International Underwriters |
| “Underwriting Agreements” | the Hong Kong Underwriting Agreement and the International Underwriting Agreement |
| “United States” or “U.S.” | the United States of America |
| “U.S. dollars” or “US\$” | United States dollars, the lawful currency of the United States |
| “U.S. Exchange Act” | the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder |
| “U.S. or Canadian Person” | any national or resident of the United States or Canada, or any corporation, pension, profit-sharing or other trust or other entity organized under the laws of the United States or Canada or of any political subdivision thereof (other than a branch located outside the United States and Canada of any United States or Canadian Person), and shall include any United States or Canadian branch of a person who is otherwise not a United States or Canadian Person |

DEFINITIONS

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| “U.S. Securities Act” | the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder |
| “Yihua Alpha” | Yihua Sub-Holding Alpha (BVI) Limited, a company incorporated in the BVI on December 3, 2010, and is our wholly owned subsidiary |
| “Yihua Beta” | Yihua Sub-Holding Beta (BVI) Limited, a company incorporated in the BVI on December 3, 2010, and is our wholly owned subsidiary |
| “Yihua Crown” | Yihua Crown Limited, a company incorporated in the BVI on January 19, 2011, and is wholly owned by Mr. Liem |
| “Yihua Fortune” | Yihua Fortune Limited, a company incorporated in the BVI on January 19, 2011, and is wholly owned by Mr. Lam Wai Wah, our executive Director |
| “Yuhang” | Fuzhou Yihua Yuhang New Materials Co., Ltd. (福州一化宇航新材料有限公司), a limited liability company established under the laws of the PRC on September 22, 2003 and an Independent Third Party |

Unless expressly stated or the context otherwise requires, all data in this prospectus are as of the Latest Practicable Date.

In this prospectus, the terms “associate,” “connected person,” “connected transaction,” “subsidiary” and “substantial shareholder” shall have the meanings ascribed to them under the Listing Rules, unless the context otherwise requires.

Unless otherwise specified, all references to any shareholdings in our Company assume no exercise of the Over-allotment Option.

If there is any inconsistency between the official Chinese name of the PRC laws or regulations or the PRC government authorities or the PRC entities mentioned in this prospectus and their English translation, the Chinese version shall prevail. English translations of official Chinese names are for identification purposes only.