

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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)

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGES TO THE COMPOSITION OF BOARD COMMITTEES

The Board announces the following appointment of independent non-executive director and changes to the composition of the Board committees of the Company with effect from 28 August 2015:

- (a) Dr. Wang Xin has been appointed as an independent non-executive director of the Company, and has also been appointed as the chairman of the audit committee; and
- (b) Dr. Kou Huizhong, an independent non-executive director and an existing member of the nomination committee, has been appointed as the chairman of the nomination committee.

The board of directors (the “Board”) of China First Chemical Holdings Limited (the “Company”) is pleased to announce the following appointment of independent non-executive director and changes to the composition of the Board committees of the Company with effect from 28 August 2015:

- (a) Dr. Wang Xin (“Dr. Wang”) has been appointed as an independent non-executive director of the Company, and has also been appointed as the chairman of the audit committee; and
- (b) Dr. Kou Huizhong (“Dr. Kou”), an independent non-executive director and an existing member of the nomination committee, has been appointed as the chairman of the nomination committee.

Dr. Wang, aged 38, is now an associate professor of accounting at the School of Business, The University of Hong Kong (“HKU”). In 2014, Dr. Wang was awarded a tenured position by the HKU due to his excellent academic performance. Dr. Wang received his Ph.D. degree in accounting from Duke University in 2006. Before pursuing the Ph.D. degree, he studied in Tsinghua University for six years and earned both Bachelor’s degree and Master’s degree in accounting respectively in 1999 and 2001. Before he joined HKU, Dr. Wang worked at the Chinese University of Hong Kong until 2011.

Dr. Wang has research interests in the fields of corporate governance, executive compensation, insider trading and financial disclosure quality. His papers were published on the top international academic journals such as Journal of Accounting and Economics, The Accounting Review, and Review of Accounting Studies. Dr. Wang has teaching experience of several accounting courses, including Introductory Financial Accounting, Intermediate Financial Accounting I, and Intermediate Financial Accounting II. He also teaches (as one of co-instructors) the Ph.D. course of Research Methods for Business Studies.

Dr. Wang has entered into a service contract with the Company for a term of 3 years commencing from his appointment date and his appointment would continue thereafter unless and until terminated by either party in accordance with his service contract. Dr. Wang is entitled to receive a director’s fee of HK\$165,000 per annum. Dr. Wang’s remuneration, which is commensurate with his duties and responsibilities held, is approved by the Board with reference to the prevailing market situation for similar appointment. In accordance with Article 16.2 of the Articles of Association of the Company, Dr. Wang who has been appointed to fill a casual vacancy shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. He is subject to retirement by rotation and re-election in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Articles of Association of the Company.

Dr. Wang does not have any interest in any shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He does not have any relationship with any directors or senior management or substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other information which is discloseable pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters relating to the appointment of Dr. Wang that need to be brought to the attention of the shareholders of the Company.

The Board would like to welcome Dr. Wang for joining as a member of the Board.

As disclosed in the Company's announcement dated 18 June 2015, the existing composition of the Board and its committees does not meet the requirements under Rules 3.10, 3.10A, 3.21 and 3.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and code provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules. The Board is in the course of identifying suitable candidates to fill up the vacancies created by the resignation of Dr. Chen Xiao and Mr. Li Junfa and will make further announcement on the appointment of additional independent non-executive director and further changes to the composition of the board committees as and when appropriate.

By Order of the Board
China First Chemical Holdings Limited
Liem Djiang Hwa
Chairman and non-executive director

28 August 2015

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Chen Hong
Ms. Miao Fei
Mr. Lam Wai Wah

Non-executive Director:

Mr. Liem Djiang Hwa (*Chairman*)

Independent non-executive Directors:

Dr. Kou Huizhong
Dr. Wang Xin