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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)

**(1) PROGRESS ON APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR;
(2) UPDATE ON THE PUBLICATION OF
THE 2018 INTERIM RESULTS AND
THE 2018 ANNUAL RESULTS
AND THE DESPATCH OF THE 2018 INTERIM REPORT
AND DELAY IN THE DESPATCH OF THE 2018 ANNUAL REPORT;
(3) BUSINESS UPDATE AND
(4) CONTINUED SUSPENSION OF TRADING IN SHARES**

This announcement is made by China First Chemical Holdings Limited pursuant to Rules 13.09(2) and 13.24A of the Listing Rules.

References are made to (1) the announcements of the Company dated 15 August 2018, 21 August 2018, 31 August 2018, 30 October 2018, 5 December 2018, 20 December 2018, 11 January 2019, 1 February 2019, 28 February 2019 and 26 April 2019 respectively, informing the Shareholders of the Company and potential investors, among other things, the continued suspension of trading in the Shares pending the publication of the 2018 Interim Results and the 2018 Annual Results, and the despatch of the 2018 Interim Report, (2) the progress on the appointment of an investigation accountant in relation to the Independent Investigation and the business update of the Group; and the announcement of the Company dated 9 November 2018 in relation to the Resumption Guidance.

Unless otherwise defined, terms used in this announcement are same as those defined in the Company's announcement dated 28 February 2019.

PROGRESS ON APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As announced by the Company on 26 April 2019, after the resignation of Mr. Ng Ka Lok (“**Mr. Ng**”) on 23 April 2019, the Company’s number of independent non-executive directors as well as the composition of the audit committee of the Company (the “**Audit Committee**”) failed to meet the requirements under Rule 3.10, Rule 3.10A and Rule 3.21 of the Listing Rules. Pursuant to Rule 3.11 of the Listing Rules, the Company is required to appoint a suitable independent non-executive director within three months from the date of the resignation of Mr. Ng in order to meet the requirements under the Listing Rules. The Company shall make its best endeavors in identifying suitable candidate to fill the vacancy as soon as practicable, with the relevant appointment to be made by 22 July 2019 to comply with the requirements of the Listing Rules.

UPDATE ON THE PUBLICATION OF THE 2018 INTERIM RESULTS AND THE 2018 ANNUAL RESULTS AND THE DESPATCH OF THE 2018 INTERIM REPORT AND DELAY IN THE DESPATCH OF THE 2018 ANNUAL REPORT

As announced by the Company on 28 February 2019, the publication of the 2018 Interim Results and the 2018 Annual Results and the despatch of the 2018 Interim Report have been delayed pending the results of the Independent Investigation.

In view of the delay in the publication of the 2018 Annual Results, the despatch of the annual report of the Group for the year ended 31 December 2018 (the “**2018 Annual Report**”) will also be delayed pending the results of the Independent Investigation.

The Board acknowledges that the delay in the despatch of the 2018 Annual Report constitutes non-compliance of Rule 13.46(1)(a) of the Listing Rules.

As at the date of the announcement, information needed for the Independent Investigation has been continuously providing to Grant Thornton. The Independent Investigation may take longer than expected. The Company is now working closely with Grant Thornton to complete the Independent Investigation and to publish the announcement of the findings of the Independent Investigation and the remedial actions taken by the Company as soon as practicable.

The Company expects that upon completion of the Independent Investigation, the Company will proceed to the publication of the 2018 Interim Results and the 2018 Annual Results and the despatch of the 2018 Interim Report and the 2018 Annual Report after being audited, and reviewed by the Audit Committee and approved by the Board.

As at the date of this announcement, the Board noted that the Audit Committee does not have an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise after Mr. Ng’s resignation on 23 April 2019 and therefore the Audit Committee has not been able to function as normal in accordance with its terms of reference.

The Company will publish further announcement(s) to inform the Shareholders and potential investors the date of the meeting of the Board and the publication of the 2018 Interim Results and the 2018 Annual Results, the expected date of despatch of the 2018 Interim Report and the 2018 Annual Report as well as any other material information as and when appropriate.

BUSINESS UPDATE

The Company is carrying out business operation as usual. Suspension of trading in the Shares of the Company has not affected the normal operation of the Company.

CONTINUED SUSPENSION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 am on 31 August 2018 and will remain suspended pending satisfaction of the Resumption Guidance.

The Company is taking appropriate steps to resolve the issues causing the suspension of trading in the Shares and to fully satisfy the Resumption Guidance to the Stock Exchange's satisfaction. The Company will seek to resume trading in the Shares as soon as possible.

The Company will keep its shareholders and potential investors informed of any material development in connection with the above matters, including but not limited to any material change to the resumption progress, by way of publication of the quarterly announcements under Rule 13.24A of the Listing Rules and/or further announcements as and when appropriate.

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

The People's Republic of China, 31 May 2019

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

Non-executive director:

Mr. Liem Djiang Hwa (*Chairman*)

Executive directors:

Mr. Chen Hong

Ms. Miao Fei

Mr. Lam Wai Wah

Independent non-executive directors:

Dr. Lin Zhang

Dr. He Peipei