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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) UPDATE ON 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;
(2) DELAY IN THE PUBLICATION OF THE 2019 INTERIM RESULTS;
(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, 26 April 2019 and 31 May 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 and the 2018 Annual Report; and (2) 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 31 May 2019.

UPDATE ON THE PUBLICATION OF THE 2018 INTERIM RESULTS AND THE 2018 ANNUAL RESULTS AND THE DESPATCH OF THE 2018 INTERIM REPORT AND 2018 ANNUAL REPORT AND THE DELAY IN PUBLICATION OF THE 2019 INTERIM RESULTS

As announced by the Company on 31 May 2019, the publication of the 2018 Interim Results and the 2018 Annual Results and the despatch of the 2018 Interim Report and 2018 Annual Report have been delayed pending the results of the Independent Investigation.

In view of the delay in 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, the publication of the interim results of the Group for the six months ended 30 June 2019 (“**2019 Interim Results**”) have also been delayed pending the results of the Independent Investigation.

The Board acknowledges that the delay in the publication of the 2019 Interim Results constitutes non-compliance of Rule 13.49(6) of the Listing Rules.

As at the date of this announcement, the Independent Investigation may take longer than expected. During the week of 19 August 2019, representatives of Grant Thornton visited the headquarters of the Group with a view to making arrangements for the Group to provide relevant information and documents in relation to the Independent Investigation. 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.

Following the appointment of Mr. Lam Tak Yam as an independent non-executive director and chairman of audit committee of the Company who has the appropriate professional qualifications or accounting or related financial management expertise, the Company had complied with the requirement of Rules 3.10, 3.10A and 3.21 of the Listing Rules and the terms of reference of the Audit Committee of the Company. Details of the education and working experience of Mr. Lam are set out in the announcement of the Company dated 11 July 2019.

The Company expects that upon completion of the Independent Investigation, the Company will proceed to the publication of the 2018 Interim Results, the 2018 Annual Results and the 2019 Interim 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.

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, the 2018 Annual Results and the 2019 Interim 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 economic restructuring of the PRC, coupled with the current complicated global trading conditions, has been affecting the foreign markets in which the Group operates, and has led to a decline in our exporting business. Trading in our Shares has not been resumed since it was suspended on 31 August 2018, attracting the attention of upstream and downstream enterprises and the relevant financial institutions. In the meantime, we are reviewing the terms of the relevant contracts. In addition to focusing on the production and operation of our main production base in Fujian, we will put various capital investments on hold, and actively replenish the working capital of the Group.

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, 30 August 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

Mr. Lam Tak Yam