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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 DELAY OF PUBLICATION OF
2018 INTERIM RESULTS, 2018 ANNUAL RESULTS,
2019 INTERIM RESULTS AND 2019 ANNUAL RESULTS
AND DESPATCH OF 2018 INTERIM REPORT,
2018 ANNUAL REPORT,
2019 INTERIM REPORT AND 2019 ANNUAL REPORT;**
- (2) PROGRESS ON APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR AND THE
COMPLIANCE WITH RULES 3.10, 3.10A AND 3.21
OF THE LISTING RULES;**
- (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 and the Inside Information Provisions under Part XIVA of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong).

- (1) UPDATE ON DELAY OF PUBLICATION OF 2018 INTERIM RESULTS, 2018 ANNUAL RESULTS, 2019 INTERIM RESULTS AND 2019 ANNUAL RESULTS AND DESPATCH OF 2018 INTERIM REPORT, 2018 ANNUAL REPORT, 2019 INTERIM REPORT AND 2019 ANNUAL REPORT**

References are made to the announcements of the Company dated 31 August 2018, 30 October 2018, 9 November 2018, 5 December 2018, 20 December 2018, 11 January 2019, 1 February 2019, 28 February 2019, 31 May 2019, 30 August 2019, 6 September 2019 and 20 December 2019 (the “**Announcements**”) relating to, among other things, (1) the delay of publication of the 2018 Interim Results, 2018 Annual Results, and 2019 Interim Results and the despatch of the 2018 Interim Report, 2018 Annual Report and 2019 Interim Report (“**Relevant Results and Reports**”); (2) the progress on the appointment of investigating accountant in respect of the Independent Investigation; (3) the business update of the Group; and (4) the Resumption Guidance.

Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcements.

As announced by the Company on 20 December 2019, the publication and despatch of the Relevant Results and Reports have been delayed pending the results of the Independent Investigation.

In view of the delay in the publication and despatch of the Relevant Results and Reports, the publication of the annual results of the Company for the year ended 31 December 2019 (“**2019 Annual Results**”) and the annual report of the Company for the year ended 31 December 2019 (“**2019 Annual Report**”) will also be delayed pending the results of the Independent Investigation.

The Board acknowledges that the delay in the publication and despatch of the Relevant Results and Reports, 2019 Annual Results and 2019 Annual Report constitutes non-compliance of Rules 13.46(2)(a), 13.48(1), 13.49(1) and 13.49(6) of the Listing Rules.

As at the date of this announcement, given the outbreak of the Coronavirus disease (COVID-19) in the PRC, currently, the Company tries its best to organize the manufacture of disinfecting products such as hydrogen peroxide under the request of the government to curb the epidemic and crisis. The epidemic makes us unable to effectively cooperate with relevant investigating authority, and the Independent Investigation may take longer than expected. The Company will continue to work closely with Grant Thornton to complete the Independent Investigation and to publish the announcement of the findings of the Independent Investigation and take remedial actions as soon as practicable.

The Company expects that upon completion of the Independent Investigation, the Company will proceed to the publication and despatch of the Relevant Results and Reports, 2019 Annual Results and 2019 Annual Report.

Attention was brought to the Board that the Audit Committee lacks an independent non-executive Director with appropriate professional qualification or accounting or related financial management expertise following the resignation of Mr. Lam on 28 October 2019, and therefore the Audit Committee will be unable to carry out normal operation within the 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 date of publication and despatch of the Relevant Results and Reports, 2019 Annual Results and 2019 Annual Report as well as any other material information as and when appropriate.

(2) PROGRESS ON APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND THE COMPLIANCE WITH RULES 3.10, 3.10A AND 3.21 OF THE LISTING RULES

As disclosed above, following resignation of Mr. Lam on 28 October 2019, the number of independent non-executive Directors and the composition of the Audit Committee fail to meet the requirements of Rules 3.10, 3.10A and 3.21 of the Listing Rules. In accordance with Rule 3.11 of the Listing Rules, the Company shall appoint an

appropriate independent non-executive Director within three months upon resignation of Mr. Lam to comply with the requirements of the Listing Rules. As at the date of this announcement, the Company has not identify suitable candidate to fill the vacancy. The Company will make its best endeavours to identify a suitable candidate to fill the vacancy as soon as practicable.

(3) BUSINESS UPDATE

The Company continues to engage in the sales and manufacturing business of bleaching, disinfectant and other chemicals. Operation contracts due to the constraints on macroeconomic condition and cash flow. The Group is constantly to work on a solution to generate additional cash flow to improve the Group's financial condition.

(4) 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.

As at the date of this announcement, the Company still fails to resolve the issues causing the suspension of trading in the Shares and fully complies with the Listing Rules to the Stock Exchange's satisfaction. On 2 March 2020, the Company received a letter from the Stock Exchange stating that the Listing Division of the Stock Exchange will recommend the Listing Committee to cancel the listing status of the Company under Rule 6.01A of the Listing Rules. The Listing Committee will make its decision after considering, among other matters, the recommendation from the Listing Division.

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, 4 March 2020

As at the date of this announcement, the Directors 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