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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)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE “TECHNOLOGY COOPERATION CONTRACT” WITH FUJIAN NORMAL UNIVERSITY

The Board is pleased to announce that on 7 November 2014, Fuzhou Yihua Chemical Stock Co., Ltd. (“**Fuzhou Yihua**”), a wholly-owned subsidiary of the Company, signed the “Technology Cooperation Contract” with Fujian Normal University (the “**University**”) in connection with the application of such leading edge technology as bipolar membrane in the treatment of wastewater of high salinity and high concentration, pursuant to which the Company will further develop, stockpile and apply the latest water treatment technologies, and provide comprehensive environmental protection solutions for the water treatment industry and industrial enterprises by way of the sale of its eco-friendly water treatment chemicals and coordination of manufacturers of eco-friendly water treatment equipment.

This voluntary announcement is made by China First Chemical Holdings Limited (the “**Company**”) to provide shareholders and potential investors of the Company with an update on the recent development of the Company.

The Board is pleased to announce that on 7 November 2014, Fuzhou Yihua Chemical Stock Co., Ltd. (“**Fuzhou Yihua**”), a wholly-owned subsidiary of the Company, signed the “Technology Cooperation Contract” with Fujian Normal University (the “**University**”) in connection with the application of such leading edge technology as bipolar membrane in the treatment of wastewater of high salinity and high concentration. The bipolar membrane wastewater treatment technology aims at pollution control and recycling by adopting an integrated treatment technology that utilizes bipolar membrane to treat wastewater of high salinity and high concentration and to recycle salinity in the wastewater. At the same time, the chemical oxygen demand (COD) in wastewater will be reduced by an advanced oxidation process that combines oxidative degradation, adsorption and trapping as well as

flocculation and sedimentation. This wastewater treatment technology using bipolar membrane is regarded as the most efficient and cost-effective among other alternatives to-date and one of the key innovative technologies winning state support.

The signing of the “Technology Cooperation Contract” with the University is the Company’s another major step further to the co-establishment of a “Research Centre of Green Chemical Technology” (綠色化工技術研發中心) with Haixi Research Institute of Chinese Academy of Sciences (中國科學院海西研究院), marking the Company’s full commencement of technology cooperation with tertiary institutions and research institutes across the PRC. Pursuant to the “Technology Cooperation Contract”, the Company will further develop, stockpile and apply the latest water treatment technologies, and provide comprehensive environmental protection solutions for the water treatment industry and industrial enterprises by way of the sale of its eco-friendly water treatment chemicals and coordination of manufacturers of eco-friendly water treatment equipment.

Capitalizing on its competitive edge in brand name, channels and technologies etc, adhering to its operation philosophy of technological advancement, innovation as well as all-round services, and taking advantage of the technological cooperation with tertiary institutions and research institutes, the Company is committed to becoming a leading service provider of water treatment technology solutions in the PRC by realizing the full potential of Fujian Chuangyuan Environmental Protection Limited (福建創源環保有限公司), a wholly-owned subsidiary of the Company, as a platform for the application of eco-friendly treatment technologies, both chemical and physical, to formulate comprehensive eco-friendly treatment solutions addressing such sectors as paper manufacturing, dyeing, tanning and treatment of wastewater of high salinity and high concentration as well as urban sewage.

INFORMATION ON THE COMPANY

The Company is a leading supplier of eco-friendly water treatment chemicals in the PRC, principally engaged in the production and sale of eco-friendly water treatment products.

INFORMATION ON THE UNIVERSITY

The University is an integrated tertiary institution jointly established by the Ministry of Education of the PRC and the Fujian Provincial People’s Government. The College of Environmental Science and Engineering under the University (the “**College**”) is one of the pioneers embarking on the teaching, research and social service of environmental protection in Fujian Province. The College is renowned for such topics as “Pollution Control and Recycling of Water Resources”, “Environment Planning and Assessment”, “Environment Restoration and Ecological Rehabilitation of Water Sources”, “Optimization of Solid Resources and Eco-friendly Materials” and “Clean Production and Green Chemical Technology”. The College has long been engaged in the research on the application of electrochemical and membrane exchange technology in the areas of pollution prevention and clean production, having undertaken more than 30 research projects and published nearly 100 articles on bipolar membrane in various domestic and international academic journals of high standing, such as “Journal of Membrane Science” and “Electrochemistry Communications”.

DEFINITIONS

Terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	China First Chemical Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“University”	Fujian Normal University
“College”	the College of Environmental Science and Engineering under the University
“Technology Cooperation Contract”	the technology cooperation contract entered into between Fuzhou Yihua and the University
“bipolar membrane”	a uniquely-structured composite ion exchange membrane consisting of anion exchange membrane and cation exchange membrane, which is widely used in the wastewater treatment and resource recycling sectors owing to its numerous positive features
“Director(s)”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

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

PRC, 7 November 2014

As at the date of this announcement of the Company, the Board comprises the chairman and non-executive director namely Mr. Liem Djiang Hwa; the executive directors namely Mr. Chen Hong, Ms. Miao Fei and Mr. Lam Wai Wah; and the independent non-executive directors namely Dr. Chen Xiao, Dr. Kou Huizhong and Mr. Li Junfa.