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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 ENTERING INTO “THE STRATEGIC COOPERATIVE FRAMEWORK AGREEMENT ON THE INTEGRATED ENERGY-RELATED CONSTRUCTION PROJECT OF PINGNAN FINE CHEMICAL INDUSTRIAL PARK” WITH THE PEOPLE’S GOVERNMENT OF PINGNAN COUNTY AND FUJIAN BRANCH OF THE STATE POWER INVESTMENT CORPORATION

This voluntary announcement is made by China First Chemical Holdings Limited (the “Company”, together with its wholly-owned subsidiaries the “Group”) for the purpose of providing the shareholders and potential investors of the Company with the latest information on the recent development of the Group.

The Board is pleased to announce that, on 12 July 2016, the Company has entered into “the Strategic Cooperative Framework Agreement on the Integrated Energy-Related Construction Project of Pingnan Fine Chemical Industrial Park” with the People’s Government of Pingnan County and Fujian Branch of the State Power Investment Corporation (the “SPIC”), in respect of the commencement of a comprehensive strategic cooperation in the construction of clean energy project in Pingnan Fine Chemical Industrial Park and in the area of integrated intelligent energy.

The contents of the framework agreement mainly include:

1. The People's Government of Pingnan County and the Company agreed to commence a comprehensive strategic cooperation with the Fujian Branch of the SPIC in respect of the construction of a clean energy project in the park and in the area of integrated intelligent energy field. It is agreed that the Fujian Branch of the SPIC will be responsible for energy planning of the park and its surrounding industrial parks and take a leading role in executing the respective plan; and an integrated energy service platform will be established to provide integrated energy services to the park and its surrounding areas.
2. The Company will further strengthen cooperation with the Fujian Branch of the SPIC to jointly research and develop new and high-tech projects including hydrogen-based energy storage and utilisation of hazardous waste. Cooperative platform will be established to create recurring economies and enhance the level of technological and economic development of the park.

INFORMATION ON THE FUJIAN BRANCH OF THE SPIC

The SPIC is a large state-owned enterprise established under the approval of the Party Central Committee and the State Council and is ranked in the List of Fortune Global 500. As the only integrated energy conglomerate in China that contemporarily holds assets of hydropower, thermal power, nuclear power and new energy, the SPIC's businesses cover power, coal, aluminum, logistics, finance, environmental protection and high-tech industries, etc. As at the end of 2015, the SPIC achieved a total installed capacity of 107 GW, 40% of which is clean energy, ranking first among the top five power generation groups. SPIC has strong comprehensive strengths in design, construction, production and operation in regional electrical project. The Fujian Branch is a tier-2 unit of the SPIC which is responsible for the development and coordination of the SPIC in Fujian.

Capitalized terms used in this announcement shall have the meanings set out below:

“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People's Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of PRC and Taiwan

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

PRC, 12 July 2016

As at the date of this announcement of the Company, the Board comprises the Chairman and the 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. Kou Huizhong, Dr. Wang Xin and Dr. Lin Zhang.