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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 EXECUTION OF US\$22 MILLION LONG-TERM FACILITY AGREEMENT WITH DEUTSCHE INVESTITIONS UND ENTWICKLUNGSGESELLSCHAFT GMBH

The Board is pleased to announce that on 24 December 2013 Fujian Rongping Chemical Co., Ltd., a wholly-owned subsidiary of the Company as borrower, and Deutsche Investitions und Entwicklungsgesellschaft GmbH as lender entered into the Facility Agreement, whereby Fujian Rongping will be granted a loan facility in the sum of US\$22 million with a repayment term of 7 years due by 15 November 2020. The interest rate is determined with reference to the six-month LIBOR plus 4.0%.

This voluntary announcement is made by the Company for the purpose of providing the shareholders and potential investors of the Company with information related to the latest development of the Group.

The Board is pleased to announce that on 24 December 2013 Fujian Rongping as borrower, and DEG as lender entered into the Facility Agreement, whereby Fujian Rongping will be granted a facility loan in the sum of US\$22 million with a repayment term of 7 years due by 15 November 2020. The interest rate is determined with reference to the six-month London Interbank Offered Rate (“LIBOR”) plus 4.0%.

Upon the execution and implementation of the Facility Agreement, the Group is expected to cut its interest expenses, enhance its financial flexibility, and further improve its financial position. The Group will utilize a portion of the fund to repay its current bank loans charged at a relatively high interest rate, and the remaining portion will be used as the capital expenditure and general working capital of the Group.

Information about the Company

The Company is a leading provider engaged in water treatment and eco-friendly products by producing and selling eco-friendly products related to water treatment in the PRC.

Information about DEG

DEG is a German development finance institution which is specialized in financing private sectors in developing and transition countries in order to contribute to sustainable progress. DEG is a wholly owned subsidiary of the German KfW banking group and is one of the largest European development finance institutions. German KfW banking group is a joint venture established by German federal government and Bavaria State, in which the federal government owns 80% and the state government owns 20%.

DEG was founded in 1962 and is headquartered in Cologne, Germany.

Definition

Terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	China First Chemical Holdings Limited, a 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
“DEG”	Deutsche Investitions und Entwicklungsgesellschaft GmbH
“Director(s)”	director(s) of the Company
“Facility Agreement”	the facility agreement entered into between Fujian Rongping and DEG on 24 December 2013 in relation to a loan facility of US\$22 million
“Fujian Rongping”	Fujian Rongping Chemical Co., Ltd., a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company together with its subsidiaries
“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“US\$” United States dollars, the lawful currency of the United States

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

PRC, 24 December 2013

As at the date of this announcement, 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, Mr. Kou Huizhong and Mr. Li Junfa.