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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\$30 MILLION SYNDICATED LOAN AGREEMENT WITH BNP PARIBAS HONG KONG BRANCH AND BANK OF CHINA SEOUL BRANCH

The Board is pleased to announce that recently Fujian Rongchang Chemical Co., Ltd., a wholly-owned subsidiary of the Company as borrower entered into a syndicated loan agreement with BNP PARIBAS Hong Kong Branch and Bank of China Seoul Branch as lenders, whereby Fujian Rongchang was granted a loan facility in the sum of US\$30 million with a repayment term of 3.5 years, the interest rate of which is determined with reference to the three-month LIBOR plus 3.5%.

This voluntary announcement is made by China First Chemical Holdings Limited (the “Company”, together with its wholly-owned subsidiaries as the “Group”) 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 recently Fujian Rongchang as borrower entered into a syndicated loan agreement with BNP PARIBAS Hong Kong Branch and Bank of China Seoul Branch as lenders, under which BNP PARIBAS Hong Kong Branch will provide a loan in the sum of US\$22.5 million and Bank of China Seoul Branch will provide a loan in the sum of US\$7.5 million. Accordingly, Fujian Rongchang was granted a facility loan in the sum of US\$30 million with a repayment term of 3.5 years, the interest rate of which is determined with reference to the three-month London Interbank Offered Rate (“LIBOR”) plus 3.5%.

Upon the execution and implementation of the facility agreement, it is expected that the Group will be able to reduce its interest expenses, enhance its financial flexibility, and further strengthen its financial position. The Group will use these funds for the purposes of setting the capital expenditure and as 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.

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 an exempted limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Fujian Rongchang”	Fujian Rongchang Chemical Co., Ltd., a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“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

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

PRC, 29 July 2014

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, Dr. Kou Huizhong and Mr. Li Junfa.