

# TARGET

## Intelligence Report

VOLUME XXIII No. 64

T U E S D A Y

March 23, 2021

### **CHINA FIRST CHEMICAL HOLDINGS LTD: 'IF YOU HAVE TEARS, PREPARE TO SHED THEM NOW ...'**

Mr Liem Djiang Hwa (林強華), the Chairman of the now defunct publicly listed company, to wit, China First Chemical Holdings Ltd (一化控股[中國]有限公司) (Code: 2121) (Main Board, The Stock Exchange of Hongkong Ltd), has been sued in the High Court of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** for \$US54,600,862.08 (about \$HK425,886,724.22) plus interest on the sum of \$US36.30 million at the rate of 20 percent per annum from February 6, 2021, interest, and costs of the Action.

The Plaintiff in Action Number 388 of 2021 is Chance Talent Management Ltd.

It is a company, incorporated in the **British Virgin Islands (BVI)** and is a wholly owned subsidiary of China Construction Bank Corporation (中國建設銀行股份有限公司) (Code: 939) (Main Board, The Stock Exchange of Hongkong Ltd).

The Principal Place of business of the Plaintiff in the HKSAR is CCB Tower, Number Three, Connaught Road, Central, Hongkong Island.

The Endorsement of Claim, attached to Writ of Summons, Number 388 of 2021, makes the following claims against Mr Liem Djiang Hwa, the Lone Defendant:

*'The Plaintiff claims against the Defendant for his failure to pay outstanding sum of US\$54,600,862.08 (as of 5 February 2021) plus default interest accruing from 6 February 2021 to the Plaintiff pursuant to an investment agreement dated 25 July 2016 entered into by, among others, China First Chemical Holdings Limited ("**China First Chemical**")', the Plaintiff, and the Defendant, as amended by an amendment agreement entered into by, among others, China First Chemical, the Plaintiff, and the Defendant dated 9 November 2018, relating to the issuance of the following notes and convertible bonds: -*

*'(i) note instrument (No.1), made by China First Chemical by way of deed poll on 26 July 2016, with face value of US\$5,000,000;*

*'(ii) note instrument (No.2), made by China First Chemical by way of deed poll on 26 July 2016, with face value of US\$5,000,000;*

- ‘(iii) note instrument (No.3), made by China First Chemical by way of deed poll on 26 July 2016, with face value of US\$5,000,000;*
- ‘(iv) convertible bond instrument (No.1), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,250,000;*
- ‘(v) convertible bond instrument (No.2), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,250,000;*
- ‘(vi) convertible bond instrument (No.3), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,100,000;*
- ‘(vii) convertible bond instrument (No.4), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,100,000;*
- ‘(viii) convertible bond instrument (No.5), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,100,000;*
- ‘(ix) convertible bond instrument (No.6), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,100,000;*
- ‘(x) convertible bond instrument (No.7), made by China First Chemical by way of deed poll on 17 August 2016, with principal amount of US\$2,100,000;*

*‘And the Plaintiff claims against the Defendant:-*

- ‘1. The sum of US\$54,600,862.08 or its Hong Kong Dollars equivalent at the time of payment;*
- ‘2. Default interest on US\$36,300,000.00 at the rate of 20% per annum from 6 February 2021 to the date of the judgment or at such rates at as this Honourable Court think fit pursuant to this Honourable Court’s equitable jurisdiction and/or section 48 of the High Court Ordinance;*
- ‘3. Interest pursuant to Section 49 of the High Court Ordinance; and*
- ‘4 Costs.’*

**A Little Background Of China First Chemical Holdings Ltd**

About nine years and four months after China First Chemical Holdings Ltd applied and obtained a listing on the premier equity market of the HKSAR, the Listing Committee of The Stock Exchange of Hongkong Ltd cancelled the Company's listing.

In an announcement, signed by Chairman Liem Djiang Hwa, dated Wednesday, March 18, 2020, shareholders were told, inter alia:

***‘CANCELLATION OF LISTING***

*‘On 6 March 2020, the Company received a letter from the Stock Exchange (the “**Letter**”) informing that the Listing Committee decided to cancel the Company’s listing under Rule 6.01A of the Listing Rules. It is stated in the Letter that the last day of listing of the Company’s Shares will be on 20 March 2020 (the “**Last Listing Date**”) and the listing of Shares will be cancelled from 9:00 a.m. on 23 March 2020.’*

On ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers’ views, but reserves the right so to do subject to the laws of libel.*