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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)

Discloseable Transaction

Acquisition of 30% of the equity of Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd (“Acquisition”)

The board of Directors is pleased to announce that the Company entered into the Shareholders’ Joint Venture Agreement with the Vendor on 12 April 2013 to acquire 30% of the equity of Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd (“Sichuan Minjiang Snow”) at a consideration of RMB Nil.

As the relevant percentage ratios set out in the Rule 14.07 of the Listing Rule and more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company is subject to the notification and announcement requirement set out in Chapter 14 of the Listing Rules.

The completion of the Acquisition is subject to the fulfillment of certain conditions, and the Acquisition may or may not proceed. The shareholders and the potential investors of the Company shall exercise cautions when dealing with the securities of the Company.

INTRODUCTION

The board of Directors is pleased to announce that the Company entered into the Shareholders’ Joint Venture Agreement with the Vendor on 12 April 2013, pursuant to which, the Company agreed to acquire 30% of the equity of Sichuan Minjiang Snow from the Vendor, subject to certain conditions, at a consideration of RMB Nil.

DETAILS OF THE SHAREHOLDER’S JOINT VENTURE AGREEMENT

Parties

- (1) Chengdu Huaxi Hope Group Co., Ltd (“Vendor”)
- (2) The Company (“Purchaser”)

Equity to be acquired

30% of the equity of Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd.

Consideration

The aggregated consideration for the Acquisition amounts to RMB Nil.

Basis of consideration

The acquisition consideration has been determined by taking into account the net assets amounting to RMB4,401,000 of Sichuan Minjiang Snow as at 31 December 2012 assessed by an independent third party under the fair negotiation with the Vendor at arm’s length.

INFORMATION OF SICHUAN MINJIANG SNOW

Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd, a subsidiary of Chengdu Huaxi Hope Group Co., Ltd, established in 2008. With its production base located in the Mao county, Aba prefecture of Sichuan Province, Sichuan Minjiang Snow principally engages in the production and development of a series of chlorate products such as sodium chlorate and potassium perchlorate.

With the ample hydroelectric resources in Aba prefecture and the full support from Chengdu Huaxi Hope Group Co., Ltd., its holding subsidiary, Sichuan Minjiang Snow has experienced rapid growth since its establishment. It currently possesses a combined production capacity of 180,000 tons of chlorate per annum, its production capacity of sodium chlorate is approximately two times of our production capacity of sodium chlorate. It is now the largest sodium chlorate production base in the PRC with its production capacity ranked number one across Asia.

It adheres to its economic development philosophy of being “environmentally friendly, energy-saving, low carbon emitting and recycling” with an emphasis on the operations concept of being “safe, environmental conservative, qualified and efficient”.

The Company’s three projects, being the low temperature vacuum evaporation and crystallization technology, the recycle of waste salts in the production of potassium perchlorate and the integrated use of heat energy of the heat-conducting oil in the production of potassium perchlorate, have passed the examination carried out by a professional examination committee, of which the results of the low temperature vacuum evaporation and crystallization technology has been registered with the National Scientific and Technological Achievements System (國家成果登記系統).

Based on the audited financial statements of Sichuan Minjiang Snow for the years ended 31 December 2012 and 31 December 2011, its loss before tax were approximately RMB80.7 million and RMB95.7 million respectively, and its loss after tax were approximately RMB80.2 million and RMB86.5 million respectively. The cause of the losses incurred in 2011 and 2012 were attributed to: (1) the accident of mud slide; and (2) the production capacity is not fully released in trial production period due to commencement of its production facilities, the production costs and the quality of products yet to achieve the desired results.

According to an assets evaluation report prepared by a third party, the total carrying amount of the assets and the net assets of Sichuan Minjiang Snow amounted to approximately RMB1,118.3 million and approximately RMB4.4 million, respectively as at 31 December 2012.

CONDITIONS AND COMPLETION

The completion of the Shareholders' Joint Venture Agreement is subject to the fulfillment of, among others, the following conditions:

- (a) the representation and warranty of the Vendor shall be true and accurate as at the date of closing and the performance of all obligations under the Shareholders' Joint Venture Agreement on or before the date of closing by the Vendor;
- (b) there are no applicable laws or statutory orders prohibiting or causing a delay to the closing of the Shareholders' Joint Venture Agreement and the transaction contemplated thereof;
- (c) no litigation or proceeding is instituted by the Vendor which delays and restricts the Acquisition;
- (d) Sichuan Minjiang Snow has obtained all the required statutory permits and licenses necessary for its normal operations without any conditions which may have adverse impact to the closing of the Shareholders' Joint Venture Agreement, and Sichuan Minjiang Snow has obtained all the tax-paid certification issued by the relevant taxation authority;
- (e) there shall be no significant adverse changes on the trading and financial position of Sichuan Minjiang Snow;
- (f) Sichuan Minjiang Snow has obtained all the consents and approvals required from the board of Directors and the shareholders; and
- (g) the parties have obtained all statutory consents required under the Shareholders' Joint Venture Agreement.

The directors presently anticipate that the Acquisition shall be completed within 30 days, otherwise the parties have the right to terminate the Shareholders' Joint Venture Agreement unless otherwise stated.

INFORMATION OF THE PARTIES

The Company principally engages in the production and sales of bleaching and disinfectant chemicals, foaming agents and other specialty chemicals.

To the best of the Directors' knowledge, belief and information having made all reasonable enquiries, the Vendor and the ultimate beneficial owner of the Vendor are third party independent of, and not connected with, the Company and its connected persons.

THE REASON FOR THE ACQUISITION

One growth strategy of the Company is to consolidate its leading position in the bleaching and sterilizing product industry and through the acquisition of the equity of target enterprises which have the significant advantages in terms of cost and scale, then contributes the Company's technological and brand advantages to fully capitalize its competitiveness and profitability. With its competitive edges and profitability brought into full play, the Company strengthens its market shares and geographical distributions in China for its special chemicals such as sodium chlorate so as to improve its overall business performance.

Since Sichuan Minjiang Snow has just commenced production for a short time, its production capacity has not come into full swing. Upon the completion of the Acquisition, the Company will unleash its production capacity with technological and branding advantages, so as to reduce its costs, enhance its product quality, and strengthen its competitive edge and profitability.

Sichuan Minjiang Snow is a sodium chlorate enterprise under Chengdu Huaxi Hope Group Co., Ltd, which has the largest sodium chlorate production base in the PRC and production capacity of sodium chlorate in Asia. With its production base located in the Mao county, Aba prefecture of Sichuan Province where ample hydroelectric resources are available, it is able to continue to maintain a competitive edge of power supply at a lower price. The board of Directors considers that the Acquisition represents an important step for the Company to implement industry consolidation and expansion strategy. Upon the completion of the Acquisition, the Company will contribute its technological and brand advantages so as to benefit from the complementary advantages with the domestic enterprises having the largest production capacity, continuing to boost its competitive edges and influence in the domestic and global markets.

The directors consider that the terms of the Acquisition are in accordance with normal commercial terms, and are fair and reasonable. Therefore, the Acquisition is in the interest of the Company and the Shareholders as a whole.

THE IMPLICATIONS OF THE LISTING RULES

The Company and the Vendor have not entered into any transaction which shall be consolidated with the acquisitions pursuant to the Rule 14.22 of the Listing Rules.

As the relevant percentage ratios set out in the Rule 14.07 of the Listing Rule and more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company is subject to the notification and announcement requirement set out in Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings:

“Company”	means 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
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
”Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China

By order of the board of Directors
China First Chemical Holdings Limited
Liem Djiang Hwa
Chairman and non-executive Director

Fujian, The PRC, 12 April 2013

As at the date of this announcement, the board of Directors 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 Mr. Chen Xiao, Mr. Kou Huizhong and Mr. Li Junfa.

香港交易及結算所有限公司及香港聯合交易所有限公司對本公告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本公告全部或任何部份內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。



CHINA FIRST CHEMICAL HOLDINGS LIMITED

一化控股(中國)有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：2121)

須予披露交易

收購四川岷江雪鹽化有限公司30%股權(「收購交易」)

董事會欣然宣佈，本公司已於2013年4月12日與賣方訂立了《股東合資協議》，收購四川岷江雪鹽化有限公司(「四川岷江雪」)30%股權，收購價款為人民幣零元。

由於《上市規則》第14.07條所列的各個相關百分比率超過5%但不超過25%，根據《上市規則》第14章，收購交易構成本公司的須予披露交易，須遵守申報與發出公告的規定。

收購交易須待若干條件達成後才能完成，因此收購交易未必一定能夠完成。本公司股東與有意投資者在買賣本公司證券時，務必審慎行事。

介紹

董事會欣然宣佈，本公司已於2013年4月12日與賣方訂立了《股東合資協議》。根據該協議，本公司同意在符合若干條件的前提下，向賣方收購四川岷江雪30%股權，收購價款為人民幣零元。

《股東合資協議》的詳細內容

訂約方

- (1) 成都華西希望集團有限公司(「賣方」)
- (2) 本公司(「買方」)

將予收購的權益

四川岷江雪鹽化工有限公司30%股權

價款

收購交易的總價款為人民幣零元。

定價的基礎

收購交易的總價款已考慮四川岷江雪截至2012年12月31日的經獨立第三方評估的資產淨值人民幣4,401,000元，並與賣方經公平磋商後釐定。

四川岷江雪的資料

四川岷江雪鹽化有限公司是成都華西希望集團有限公司的下屬公司，成立於2008年。生產基地位於四川省阿壩州茂縣，主要從事氯酸鈉、高氯酸鉀等氯酸鹽系列產品的生產和開發。

依托阿壩州豐富的水電資源以及成都華西希望集團有限公司的強勢支撐，其控股子公司四川岷江雪自成立以來高速成長。公司目前擁有總計氯酸鹽產能18萬噸/年的生產線，其氯酸鈉的產能是本公司氯酸鈉產能的兩倍，現為中國最大的氯酸鈉生產基地，產能位居亞洲第一。

公司秉承「綠色、節能、低碳、循環」的經濟產業發展理念，堅持「安全、環保、質量、效益」的經營思想。

公司擁有的低溫真空蒸發結晶技術工藝、高氯酸鉀生產中廢鹽的回收使用、高溫導熱油在高氯酸鉀生產過程中熱能的綜合利用三個項目已通過專家鑒定委員會的鑒定，其中低溫真空蒸發結晶技術工藝已在國家成果登記系統中進行了成果登記。

根據四川岷江雪截至2012年12月31日及2011年12月31日止年度的經審核財務報表，其稅前虧損分別約為人民幣80.7百萬元及約人民幣95.7百萬元，以及其稅後虧損分別約為人民幣80.2百萬元及約人民幣86.5百萬元。造成四川岷江雪2011年和2012年分別虧損的原因：(1)泥石流事故；及(2)產能設施投產不久，在試生產過程中產能未完全釋放，生產成本和產品品質未達理想效果。

根據第三方出具的資產評估報告，截至2012年12月31日，四川岷江雪的資產賬面總值約人民幣1,118.3百萬元，其資產賬面淨值約人民幣4.4百萬元。

條件及交割

下列條件(其中包括)必須達成，本公司才會完成《股東合資協議》：

- (a) 賣方的陳述與保證在交割日必須真實準確，並且賣方已在交割日或之前履行完畢其根據《股東合資協議》應履行的全部義務；
- (b) 沒有任何適用法律或政府命令阻止或延遲完成《股東合資協議》及根據其進行的交易；
- (c) 賣方未被提起任何可延遲或限制其進行收購交易的訴訟或程序；
- (d) 四川岷江雪已經取得日常業務經營所需的一切必要的政府許可和執照，而且沒有附加任何可能對完成《股東合資協議》有不利影響的條件，且四川岷江雪已取得相關稅務部門出具的所有完稅證明；
- (e) 四川岷江雪的業務或財務狀況沒有重大不利變更；
- (f) 四川岷江雪已取得其必須從董事會及股東取得的全部同意及批准；及
- (g) 各方已取得《股東合資協議》所需的一切政府批准。

董事目前預期收購交易將於30天內完成，否則，除非訂約方另有議定，訂約方有權終止《股東合資協議》。

訂約方的資料

本公司主要在中國從事漂白消毒化學品，發泡劑及其他特種化學產品的生產及銷售。

董事在作出一切合理查詢後，盡其所知所信及所得的資料，賣方和賣方最終的受益人是獨立於本公司及其關連人士的第三方，與本公司及其關連人士並無關連。

進行收購交易的理由

本公司的一個增長策略是鞏固其在漂白消毒化學品行業的領導地位，並通過對擁有明顯成本和規模優勢的目標企業進行股權收購，之後注入本公司的技術和品牌優勢，充分發揮其競爭力和盈利能力，以加強本公司在中國的氯酸鈉等特種化學品行業的市場份額和區域佈局，繼而提升本公司整體業務表現。

四川岷江雪產能設施投產不久，生產能力尚未完全釋放。收購交易完成之後，本公司將注入技術和品牌優勢，充分挖掘其生產能力，降低成本，提升產品品質，充分發揮其競爭力和盈利能力。

四川岷江雪是成都華西希望集團有限公司下屬的氯酸鹽企業，是中國最大氯酸鈉生產基地及亞洲氯酸鈉產能最大的企業。生產基地位於四川省阿壩州茂縣，當地水電資源豐富，可持續保持較低價格的電力供應，具有成本優勢。董事會認為收購交易是本公司落實行業整合及擴張策略的重要一步，收購交易完成之後，本公司將注入技術和品牌的優勢，讓本公司得以與國內產能規模最大的企業實現優勢互補，繼續提升在中國和國際市場的競爭力及影響力。

董事認為收購交易的條款屬於正常商業條款，是公平合理的，因此收購交易符合本公司與其股東的整體利益。

《上市規則》的影響

公司與賣方之前沒有任何交易須根據《上市規則》第14.22條與收購交易合併計算。

由於《上市規則》第14.07條所列的各個相關百分比率超過5%但不超過25%，根據《上市規則》第14章，收購交易構成本公司的須予披露交易，須遵守申報與發出公告的規定。

釋義

本公告所用詞匯具有下列涵義：

「本公司」	指	一化控股(中國)有限公司，一家於開曼群島註冊成立的獲豁免有限公司，其股份於聯交所主板上市
「關連人士」	指	具有上市規則賦予該詞的涵義
「董事」	指	本公司董事
「香港」	指	中國香港特別行政區
「上市規則」	指	香港聯合交易所有限公司證券上市規則(經不時修訂)
「中國」	指	中華人民共和國

承董事會命
一化控股(中國)有限公司
主席兼非執行董事
林強華

福建，中國，二零一三年四月十二日

於本公告日期，董事會包括主席兼非執行董事林強華先生、執行董事陳洪先生、繆妃女士、林維華先生及獨立非執行董事陳曉先生、寇會忠先生及李君發先生。