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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 IN RELATION TO THE ACQUISITION OF 70% EQUITY INTEREST AND SHAREHOLDER'S LOAN OF SICHUAN MINJIANG SNOW SALT CHEMICAL INDUSTRY CO., LTD**

#### **THE ACQUISITION**

The board of Directors is pleased to announce that Fuzhou Yihua Chemical Stock Co., Ltd. (the “**Purchaser**”) entered into the Equity Transfer and Loan Assignment Agreement with Chengdu Huaxi Hope Group Co., Ltd (the “**Vendor**”) on 17 December 2014 to acquire 70% of the equity of Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd (the “**Target Company**”) together with the outstanding shareholders loan owed by the Target Company to the Vendor at a total consideration of RMB250 million (the “**Acquisition**”).

#### **IMPLICATIONS UNDER 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 requirements set out in Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 10 June 2014 in respect of the entering into of the framework agreement between the Company and the Vendor for the possible acquisition of 70% equity interest in the Target Company.

The Board wishes to announce that on 17 December 2014 (after trading hours), the Purchaser and the Vendor entered into the Equity Transfer and Loan Assignment Agreement, in which the Purchaser agreed to acquire and the Vendor agreed to sell 70% equity interest of the Target Company and Shareholder Loan, totaling an amount of RMB250 million. Upon completion of the Acquisition, the Target Company will become wholly-owned by the Purchaser and an indirect wholly-owned subsidiary of the Company.

## **THE EQUITY TRANSFER AND LOAN ASSIGNMENT AGREEMENT**

The principal terms of the Equity Transfer and Loan Assignment Agreement are set out below:

### **Date**

17 December 2014

### **Parties**

Purchaser : Fuzhou Yihua Chemical Stock Co., Ltd. (福州一化化學品股份有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company

Vendor : Chengdu Huaxi Hope Group Co., Ltd (成都華西希望集團有限公司), a company established under the laws of the PRC which as at the date of this announcement, directly holds 70% equity interest in the Target Company

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be acquired**

The Vendor agreed to sell and the Purchaser agreed to purchase 70% equity interest of the Target Company at the consideration of RMB30 million and the Shareholder Loan in the amount of RMB220 million, amounting to a total of RMB250 million in accordance with the terms and conditions of the Equity Transfer and Loan Assignment Agreement.

### **Total consideration**

The total consideration of RMB250 million shall be payable by the Purchaser to the Vendor.

## **Basis of determining the consideration**

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to, among others, the face value of the shareholder loan, the respective paid-up capital in relation to 70% of the equity interest of the Target Company. Based on a special audit report prepared by an independent auditor, the total carrying amount of the assets and the net liabilities of the Target Company amounted to approximately RMB572 million and approximately RMB216 million, respectively as at 30 September 2014.

## **Obligations in relation to completing registration of the equity transfer and assignment of the Shareholder Loan**

The Vendor shall be responsible for completing the registration of the transfer of the equity interest to the Purchaser pursuant to the Acquisition with relevant industry and commerce bureau within 20 working days upon payment of the Consideration.

The Vendor shall deliver the notice regarding assignment of the Shareholder Loan to the Purchaser within 5 working days upon payment of the Consideration.

Upon completion of the Acquisition, the Purchaser will directly hold 100% equity interest in the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company.

## **Termination**

The Directors presently anticipate that the Acquisition shall be completed within 2 months, the parties have the right to terminate the Equity Transfer and Loan Assignment Agreement unless otherwise agreed.

## **INFORMATION OF THE COMPANY**

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

## **INFORMATION OF THE VENDOR**

The Vendor is a company established under the laws of the PRC and is a holding company of a group engaged in a number of businesses such as animal feed, food, dairy products, production of chemical products, etc. in the PRC.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a subsidiary of the Vendor, and was established in 2008. As at the date of the announcement, the Vendor and the Company owns 70% and 30% of the equity interest of the Target Company respectively. With its production base located in the Mao county, Aha prefecture of Sichuan Province, the Target Company principally engages in the production and sales of eco-friendly bleaching and disinfectant products, such as sodium chlorate.

According to a special audit report prepared by an independent auditor, the total carrying amount of the assets and the net liabilities of the Target Company amounted to approximately RMB572 million and approximately RMB216 million, respectively as at 30 September 2014.

The audited consolidated financial information of the Target Company for the two years ended 31 December 2013 and 31 December 2012 prepared in accordance with the generally accepted accounting principles in the PRC are set out below:

	<b>For the year ended 31 December</b>	
	<b>2013</b>	<b>2012</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	334,825	167,395
Gross Profit	43,034	1,925

The audited consolidated financial information of the Target Company for the nine months ended 30 September 2014 prepared in accordance with the generally accepted accounting principles in the PRC by an independent auditor in a special audit report are set out below:

	<b>For the nine months ended 30 September 2014</b>
	<i>RMB'000</i>
Revenue	157,064
Gross Profit	45,558

Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The production base of the Target Company 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 considers that the Acquisition represents an important step for the Company to implement industry consolidation and expansion strategy. The Acquisition is expected to add to the Company's market share and strengthen its regional distribution of its eco-friendly bleaching and disinfectant products, such as sodium chlorate in the PRC, and to boost its competitive edges and profitability in the domestic and global markets.

Since August 2013, the Target Company began the large-scale technical reformation as well as equipment maintenance and upgrading in respect of the production facilities at its production base. All technical reformation works were completed in April 2014. Due to the extensive technical reformation, the production of the Target Company was disrupted, resulting in a loss in Year 2013 for the Target Company.

With the completion of the technical reformation work, the Target Company restarted its production in May 2014. As prepared in accordance with the generally accepted accounting principles in the PRC, the audited revenue and profit after tax of the Target Company in the nine months ended 30 September 2014 were RMB157.06 million and RMB3.83 million respectively.

The terms of the Equity Transfer and Loan Assignment Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Equity Transfer and Loan Assignment Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon the completion of the Acquisition, the Company will capitalize on its competitive edge in brand name, channels and technologies etc, and will adhere to its operation philosophy of technological advancement, innovation as well as all-round services, to apply eco-friendly treatment technologies, both chemical and physical, to formulate comprehensive eco-friendly treatment solutions addressing specific sectors such as paper manufacturing, dyeing, tanning and treatment of wastewater of high salinity and high concentration as well as urban sewage. The Company is committed to becoming a leading service provider of water treatment technology solutions in the PRC.

## **IMPLICATIONS UNDER THE LISTING RULES**

As some of the applicable percentage ratios (as defined under the Listing Rules) under Chapter 14 of the Listing Rules in relation to the Acquisition exceed 5% but are less than 25%, the Acquisition contemplated under the Equity Transfer and Loan Assignment Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of 70% equity interest in the Target Company and the Shareholder Loan by the Purchaser under the Equity Transfer and Loan Assignment Agreement
“Board”	the board of Directors
“Company”	China First Chemical Holdings Limited (一化控股(中國)有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange under the stock code of 2121
“Consideration”	the total consideration payable by the Purchaser for the Acquisition pursuant to the terms of the Equity Transfer and Loan Assignment Agreement

“Director(s)”	the director(s) of the Company
“Equity Transfer and Loan Assignment Agreement”	the sale and purchase agreement dated 17 December 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and is(are) not connected person(s) (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Fuzhou Yihua Chemical Stock Co., Ltd. (福州一化化學品股份有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Loan”	shareholder’s loan in the amount of RMB220 million advanced by the Vendor to the Target Company and remains outstanding immediately before the date of the Equity Transfer and Loan Assignment Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd (四川岷江雪鹽化有限公司), a company established under the laws of the PRC, of which 70% and 30% of the equity interest are beneficially owned by the Vendor and the Company respectively as at the date of this announcement

“Vendor”

Chengdu Huaxi Hope Group Co., Ltd (成都華西希望集團有限公司), a company established under the laws of the PRC which as at the date of this announcement, directly holds 70% equity interest in the Target Company

“%”

percent

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

Fujian, the PRC, 17 December 2014

*As at the date of this announcement of the Company, 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.*

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任，對其準確性及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分內容而產生或因依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）

#### 有關收購 四川岷江雪鹽化有限公司 70% 股權及股東貸款的 須予披露交易

#### 收購事項

董事會欣然宣佈，福州一化化學品股份有限公司（「買方」）與成都華西希望集團有限公司（「賣方」）已於二零一四年十二月十七日訂立股權暨債權轉讓協議書，以收購四川岷江雪鹽化有限公司（「目標公司」）的70%股權，連同目標公司結欠賣方的未償還股東貸款，總代價為人民幣250百萬元（「收購事項」）。

#### 上市規則的涵義

由於上市規則第14.07條項下相關百分比率超過5%但不多於25%，收購事項構成本公司的須予披露交易，須遵守上市規則第14章項下的申報及公告規定。

#### 介紹

茲提述本公司日期為二零一四年六月十日之公告，內容有關本公司與賣方就可能收購目標公司70%股權訂立框架協議。



董事會謹此宣佈，於二零一四年十二月十七日(交易時段後)，買方與賣方訂立股權暨債權轉讓協議書，據此，買方同意收購而賣方同意出售目標公司的70%股權及股東貸款，合共為人民幣250百萬元。收購事項完成後，目標公司將由買方全資擁有，並成為本公司的間接全資附屬公司。

## 股權暨債權轉讓協議書

股權暨債權轉讓協議書的主要條款載列如下：

### 日期

二零一四年十二月十七日

### 訂約方

買方：福州一化化學品股份有限公司，為根據中國法例成立的公司，並為本公司的間接全資附屬公司

賣方：成都華西希望集團有限公司，為根據中國法例成立的公司，於本公告日期直接持有目標公司的70%股權

據董事經作出一切合理查詢後所深知、全悉及確信，賣方與其最終實益擁有人均為獨立第三方。

### 將予收購資產

根據股權暨債權轉讓協議書的條款及條件，賣方同意出售而買方同意購入目標公司的70%股權，作價人民幣30百萬元；以及股東貸款，為數人民幣220百萬元，合共為人民幣250百萬元。

### 總代價

買方須向賣方支付總代價人民幣250百萬元。

## 釐定代價基準

代價由賣方與買方按一般商業條款公平磋商而釐定，並主要經參考（其中包括）股東貸款的面值及目標公司之70%股權之相關實繳股本。根據獨立核數師所編製特別審核報告，目標公司於二零一四年九月三十日的資產總值及淨負債分別約為人民幣572百萬元及約為人民幣216百萬元。

## 有關完成登記股權暨債權轉讓的責任

賣方須負責於支付代價起計20個營業日內，向相關工商部門完成登記根據收購事項向買方轉讓股權。

賣方須於支付代價起計5個營業日內向買方發送有關指讓股東貸款的通知。

收購事項完成後，買方將直接持有目標公司全部股權，而目標公司將成為本公司的間接全資附屬公司。

## 終止

目前，董事預期收購事項將於兩個月內完成，除非另有協定，否則訂約各方有權終止股權暨債權轉讓協議書。

## 有關本公司的資料

本公司是中國領先的水處理環保產品供應商，生產及銷售水處理相關的環保產品。

## 有關賣方的資料

賣方為根據中國法例成立的公司，並為於中國從事多種業務的集團的控股公司，其業務包括動物飼料、食品、乳製品、生產化學產品等。

## 有關目標公司的資料

目標公司是賣方的附屬公司，成立於二零零八年。於本公告日期，賣方及本公司分別擁有目標公司的70%及30%股權。目標公司的生產基地位於四川省阿壩州茂縣，主要從事氫酸鈉等環保型漂白消毒化學品的生產和銷售。

根據獨立核數師所編製特別審核報告，目標公司於二零一四年九月三十日的資產總值及淨負債分別約為人民幣572百萬元及約為人民幣216百萬元。

根據中國公認會計原則編製的目標公司於截至二零一三年十二月三十一日及二零一二年十二月三十一日止兩個年度的經審核綜合財務資料載列如下：

	截至十二月三十一日止年度	
	二零一三年 人民幣千元	二零一二年 人民幣千元
收入	334,825	167,395
毛利	43,034	1,925

特別審核報告所載由獨立核數師根據中國公認會計原則編製的目標公司於截至二零一四年九月三十日止九個月的經審核綜合財務資料載列如下：

	截至
	二零一四年 九月三十日 止九個月 人民幣千元
收入	157,064
毛利	45,558

完成後，目標公司將成為本公司的間接全資附屬公司。

### 進行收購事項的理由及裨益

目標公司的生產基地位於四川省阿壩州茂縣，當地水電資源豐富，可長期保持較低價格的電力供應，具有顯著的成本優勢。董事會認為收購事項是本公司落實行業整合及擴張策略的重要一步，預期收購事項能加強本公司在中國的氯酸鈉等環保型漂白消毒產品的市場份額和區域布局，提升本公司在中國和國際市場的競爭力及盈利能力。

從二零一三年八月開始目標公司對其生產基地內的產能設施開展大規模技術改造、設備維修及升級，全部技改工作於二零一四年四月結束。由於大規模的技術改造，導致目標公司未能實現持續生產，造成目標公司於二零一三年全年虧損。

技改工作結束後，目標公司於二零一四年五月恢復生產。根據中國公認會計原則編製的目標公司於截至二零一四年九月三十日止九個月的經審核收入和除稅後純利分別為人民幣157.06百萬元和人民幣3.83百萬元。

股權暨債權轉讓協議書的條款由訂約各方經公平磋商而定，董事認為股權暨債權轉讓協議書的條款為一般商業條款，屬公平合理，且符合本公司及股東整體利益。

收購事項完成後，本公司將依托品牌、渠道和技術等領先優勢，秉持技術進步、技術創新及全面服務的經營理念，全面應用化學法及物理法等環保治理技術，特別是針對造紙、印染、皮革、高鹽份高濃度廢水，以及城鎮污水處理等領域，制定各類涉及環保治理的整體技術解決方案，致力於成為中國領先的水處理整體技術解決方案服務商。

## 上市規則的涵義

由於上市規則第14章項下有關收購事項的若干適用相關百分比率(定義見上市規則)超過5%但不多於25%，故根據上市規則第14章，於股權暨債權轉讓協議書項下擬進行的收購事項構成本公司的須予披露交易，須遵守上市規則第14章項下的申報及公告規定，惟獲豁免遵守股東批准規定。

## 釋義

除另有指明者外，本公告所用詞彙具有下列涵義：

「收購事項」	指	買方根據股權暨債權轉讓協議書收購目標公司70%股權及股東貸款
「董事會」	指	董事會
「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有限公司，其股份於聯交所主板上市，股份代號為2121
「代價」	指	買方根據股權暨債權轉讓協議書的條款就收購事項應付的總代價

「董事」	指	本公司董事
「股權暨債權 轉讓協議書」	指	買方與賣方就收購事項所訂立日期為二零一四年十二月十七日的買賣協議
「香港」	指	中華人民共和國香港特別行政區
「獨立第三方」	指	獨立於本公司且並非本公司關連人士(定義見上市規則)的第三方
「上市規則」	指	聯交所證券上市規則
「中國」	指	中華人民共和國，就本公告而言，不包括香港、中華人民共和國澳門特別行政區及台灣
「買方」	指	福州一化化學品股份有限公司，根據中國法例成立的公司，為本公司的間接全資附屬公司
「人民幣」	指	中國法定貨幣人民幣
「股份」	指	本公司股本中每股面值0.01港元的股份
「股東」	指	股份持有人
「股東貸款」	指	由賣方向目標公司墊付的股東貸款人民幣220百萬元，緊接股權暨債權轉讓協議書日期前尚未償還
「聯交所」	指	香港聯合交易所有限公司
「目標公司」	指	四川岷江雪鹽化有限公司，根據中國法例成立的公司，於本公告日期分別由賣方及本公司實益擁有70%及30%股權

「賣方」 指 成都華西希望集團有限公司，根據中國法例成立的公司，於本公告日期直接持有目標公司的70%股權

「%」 指 百分比

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

中國福建，二零一四年十二月十七日

於本公司公告日期，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、繆妃女士及林維華先生及獨立非執行董事陳曉博士、寇會忠博士及李君發先生。