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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 FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION

On 10 June 2014, the Company entered into a framework agreement (the “**Framework Agreement**”) with Chengdu Huaxi Hope Group Co., Ltd. in relation to a proposed acquisition of 70% equity interest in Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd. (the “**Target Company**”), which is located in Mao Xian, Aba Zhou, Sicuan Province and principally engaged in production and sale of eco-friendly bleaching and disinfectant products, such as sodium chlorate (the “**Proposed Acquisition**”).

The entering into of the Framework Agreement does not constitute any legally binding obligations on the parties in respect of the Proposed Acquisition and the completion of which is subject to, among other things, the satisfaction of due diligence results of the Target Company and the entering into formal share sale and purchase agreement between the parties.

REASON FOR ENTERING INTO THE FRAMEWORK AGREEMENT

Proposed Acquisition would enable the Company to enhance its market share and geographical network in the eco-friendly bleaching and disinfectant products, such as sodium chlorate in the PRC, and thus, to improve the performance of the existing water treatment-related eco-friendly bleaching and disinfectant chemicals business.

Shareholders of the Company and the potential investors are reminded that the Proposed Acquisition may or may not materialise. Once materialised, the Proposed Acquisition may constitute a notifiable transaction of the Company pursuant to Chapter 14 and/or Chapter 14A of the Listing Rules, and the Company shall comply with the relevant disclosure and shareholders’ approval requirements (if applicable) of the Listing Rules. **Shareholders of the Company and the potential investors shall exercise caution in dealing with the shares of the Company.**

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 TARGET COMPANY

The Target Company, 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, the Target Company principally engages in the production and sales of eco-friendly bleaching and disinfectant products, such as sodium chlorate.

GENERAL INFORMATION

Save for the terms in relation to the exclusivity period, confidentiality, governing law and disputes resolution contained in the Framework Agreement, the Framework Agreement is not legally binding or enforceable. The final terms of the Proposed Acquisition, including but not limited to the amount of the consideration, have yet to be determined and shall be set out in the formal share sale and purchase agreement. Further announcement will be made if and when required.

DEFINITIONS

Terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	China First Chemical Holdings Limited, an exempted 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
“Director(s)”	director(s) 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 (as amended from time to time)
“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, 10 June 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.