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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

Financial Highlights	For the six months ended 30 June		Growth %
	2012 RMB'000	2011 RMB'000	
Revenue	857,765	715,316	19.9%
Gross profit	268,669	227,983	17.8%
Profit attributable to equity holders of the Company	152,134	132,185	15.1%
Earnings per share			
– Basic (RMB)	19 cents	29 cents	(34.5)%
– Diluted (RMB)	19 cents	29 cents	(34.5)%

The board (the “Board”) of directors (the “Directors”) of China First Chemical Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 June 2012 together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Note	For the six months ended 30 June	
		2012 RMB'000 (Unaudited)	2011 RMB'000 (Audited)
Revenue	5	857,765	715,316
Cost of sales	8	<u>(589,096)</u>	<u>(487,333)</u>
Gross profit		268,669	227,983
Selling and marketing expenses	8	(18,995)	(15,200)
Administrative expenses	8	(30,763)	(27,071)
Other income	6	571	3,511
Other (losses)/gains-net		<u>(116)</u>	<u>350</u>
		219,366	189,573
Operating profit			
Finance income		3,023	1,127
Finance costs	7	(17,338)	(13,523)
Finance costs – net		<u>(14,315)</u>	<u>(12,396)</u>
Profit before income tax		205,051	177,117
Income tax expense	9	(52,380)	(43,927)
Profit and total comprehensive income for the period		<u>152,671</u>	<u>133,250</u>
Attributable to:			
– Equity holders of the Company		152,134	132,185
– Non-controlling interests		<u>537</u>	<u>1,065</u>
		<u>152,671</u>	<u>133,250</u>
Earnings per share attributable to the equity holders of the Company (RMB)			
– Basic	10	<u>0.19</u>	<u>0.29</u>
– Diluted	10	<u>0.19</u>	<u>0.29</u>
Dividends	11	<u>40,697</u>	<u>100,374</u>

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2012

		As at 30 June 2012 <i>RMB'000</i> (Unaudited)	As at 31 December 2011 <i>RMB'000</i> (Audited)
	<i>Note</i>		
ASSETS			
Non-current assets			
Land use rights		76,449	77,331
Property, plant and equipment		777,693	773,606
Deferred income tax assets		–	170
Prepayment for property, plant & equipment		26,185	1,834
		<u>880,327</u>	<u>852,941</u>
Current assets			
Inventories		105,893	101,056
Trade and other receivables	12	329,331	341,963
Restricted cash		60,041	37,692
Cash and cash equivalents		1,023,710	926,148
		<u>1,518,975</u>	<u>1,406,859</u>
Total assets		<u>2,399,302</u>	<u>2,259,800</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		65,346	65,168
Reserves		790,697	784,936
Retained earnings		677,291	565,854
		<u>1,533,334</u>	<u>1,415,958</u>
Non-controlling interests		–	10,402
Total equity		<u>1,533,334</u>	<u>1,426,360</u>

		As at 30 June 2012	As at 31 December 2011
	<i>Note</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		137,310	137,310
Deferred income		14,629	14,743
		<u>151,939</u>	<u>152,053</u>
Current liabilities			
Trade and other payables	13	368,080	310,732
Current income tax liabilities		28,497	29,319
Borrowings		317,452	341,336
		<u>714,029</u>	<u>681,387</u>
Total liabilities		<u>865,968</u>	<u>833,440</u>
Total equity and liabilities		<u>2,399,302</u>	<u>2,259,800</u>
Net current assets		<u>804,946</u>	<u>725,472</u>
Total assets less current liabilities		<u>1,685,273</u>	<u>1,578,413</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2012

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 24 November 2010, and was listed on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange”) on 9 December 2011. The address of its registered office is P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is a leading specialty chemicals provider in China specializing in bleaching and disinfectant chemicals and foaming agent.

This condensed consolidated interim financial information is presented in thousands of Renminbi (“RMB’000”), unless otherwise indicated, and approved for issue on 28 August 2012 by the Board of Directors.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2011, unless otherwise stated.

There are no amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

There are certain new standards and amendments to standards which have been issued but are not yet effective for the year beginning 1 January 2012 and have not been early adopted by the Company in the unaudited condensed interim financial information. Management expected the adoption of the above would not have significant impact on the Group.

4. SEGMENT INFORMATION

The Group is principally engaged in the chemical products business in the PRC. Separate individual financial information of the three locations where the principal operations of the Group is located are presented to the chief operating decision maker (the Board) who reviews the internal reporting in order to assess performance and allocate resources. Due to the similarities in economic characters, nature of products and production, customers, etc, they are aggregated into a single reportable segment. Majority of the Group’s products are sold to customers in the PRC. The Group has a large number of customers, which are widely dispersed within the PRC and Southeast Asia, no single customer accounted for more than 10% of the Group’s total revenues for the six months ended 30 June 2012.

5. REVENUE

	For the six months ended	
	30 June	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Bleaching and disinfectant chemicals	307,338	269,051
Foaming agent	414,994	329,333
Other specialty chemicals	135,433	116,932
	<u>857,765</u>	<u>715,316</u>

6. OTHER INCOME

	For the six months ended	
	30 June	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Profit from sales of raw materials	–	2,444
Subsidy income granted by government	571	1,067
	<u>571</u>	<u>3,511</u>

7. FINANCE COSTS

	For the six months ended	
	30 June	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Interest expenses:		
– Bank borrowings	12,835	12,663
– Discount interest for bill receivables	3,823	2,544
– Other charges	2,235	2,371
	<u>18,893</u>	<u>17,578</u>
Less: Interest capitalised in property, plant and equipment	(1,101)	–
	<u>17,792</u>	<u>17,578</u>
Exchange gains	(454)	(4,055)
	<u>17,338</u>	<u>13,523</u>

8. EXPENSES BY NATURE

The Group's cost of sales, selling and marketing expenses and administrative expenses represent the following items:

	For the six months ended	
	30 June	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Raw materials used and changes in inventories	391,922	307,084
Depreciation of property, plant and equipment	32,815	29,078
Electricity and other utility fees	141,739	129,838
Employee benefit expenses	33,174	28,500
Transportation and related charges	13,994	10,835
Taxes and levies on main operations	7,606	7,709
Amortization of land use rights	882	882
Office and entertainment expenses	4,145	3,975
Operating lease expenses	625	528
Property insurance fee	1,471	1,137
Travelling expenses	1,047	962
Repairs and maintenance	3,844	3,953
Auditors' remuneration	500	73
Other expenses	5,090	5,050
	<u>638,854</u>	<u>529,604</u>

9. INCOME TAX EXPENSES

	For the six months ended	
	30 June	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Current income tax – PRC enterprise income tax	52,210	43,594
Deferred income tax charge	170	333
	<u>52,380</u>	<u>43,927</u>

Hong Kong profits tax has not been provided for as the Group has no assessable profit derived from Hong Kong.

The provision for PRC enterprise income tax is based on the statutory rate of 25% on the basis of the profit for the statutory financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purpose.

10. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the six months ended 30 June attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period of six months ended 30 June. In determining the weighted average number of ordinary shares in issue during the period of six months ended 30 June 2011, the 1 share issued and allotted on 24 November 2010, the 1 share issued and allotted on 3 December 2010, the 1 share issued and allotted on 7 April 2011, the 1 share issued and allotted on 14 June 2011 and the 599,999,996 shares issued and allotted through capitalisation of the share premium account arose from the Listing of the Company on 9 December 2011 have been regarded as if 450,000,000 shares were in issue since 1 January 2010, 150,000,000 shares were in issue since 14 June 2011.

	For the six months ended	
	30 June	
	2012	2011
	(Unaudited)	(Audited)
Profit attributable to equity holders of the Company (RMB'000)	152,134	132,185
Weighted average number of ordinary shares in issue (thousand)	802,125	463,151
Basic earnings per share (RMB yuan)	<u>0.19</u>	<u>0.29</u>

(b) Diluted

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company after adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The pre-IPO share options granted by the Company are taken into the consideration when the Company calculates the diluted earnings per share. The average market price of the shares for the period from 1 January 2012 to 30 June 2012 is lower than the exercise price of the pre-IPO share options, the pre-IPO share options is not included in the diluted earnings per share calculation. The diluted earnings per share are same with the basic earnings per share.

11. DIVIDEND

	For the six months ended	
	30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Dividend	40,697	100,374

On 29 April 2011, the Company declared a dividend of HK\$0.27 per share totalled to HK\$120 million to the shareholders of the Company. In determining the number of ordinary shares as at 29 April 2011, the 1 share issued and allotted on 24 November 2010, the 1 share issued and allotted on 3 December 2010, the 1 share issued and allotted on 7 April 2011, and the 599,999,996 shares issued and allotted through capitalisation of the share premium account arose from the Listing of the Company on 9 December 2011 have been regarded as if 450,000,000 shares were in issue since 1 January 2010, and 150,000,000 shares were in issue since 14 June 2011. Therefore, the dividend per share was calculated based on 450,000,000 shares. Such dividend was paid in April 2011.

The final dividend for the year ended 31 December 2011 amounting to RMB40,697,000 was paid in April 2012.

The Board of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2012.

12. TRADE AND OTHER RECEIVABLES

	As at 30 June	As at 31 December
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables (a)	327,906	336,813
Prepayments	–	4,095
Other receivables	1,425	1,055
	329,331	341,963

- (a) The outstanding balances are within credit terms of between 30 days and 90 days for both domestic customers and overseas customers.

As at 30 June 2012 and 31 December 2011, the aging analysis of the trade receivables is set out as follows:

	As at 30 June	As at 31 December
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 3 months	325,559	336,160
Between 4 and 6 months	2,267	639
Between 7 and 12 months	80	14
	327,906	336,813

13. TRADE AND OTHER PAYABLES

	As at 30 June 2012 <i>RMB'000</i> (Unaudited)	As at 31 December 2011 <i>RMB'000</i> (Audited)
Trade payables (a)	84,475	100,871
Bills payable (b)	205,927	135,772
Other payables and accrual (c)	77,678	74,089
	368,080	310,732

(a) Details of ageing analysis of trade payables are as follows:

	As at 30 June 2012 <i>RMB'000</i> (Unaudited)	As at 31 December 2011 <i>RMB'000</i> (Audited)
Within 3 months	83,938	100,611
Between 4 and 6 months	278	240
Between 7 and 12 months	259	20
	84,475	100,871

(b) As at 30 June 2012 and 31 December 2011, the entire balances of bills payable were secured by restricted cash of RMB60,041,000 and RMB37,692,000 respectively.

(c) Details of other payables and accrual are as follows:

	As at 30 June 2012 <i>RMB'000</i> (Unaudited)	As at 31 December 2011 <i>RMB'000</i> (Audited)
Advance from customers	460	629
Payable for IPO expenses	16,148	22,266
Auditors' remuneration	500	2,200
Payable for property, plant and equipment purchases	11,907	3,530
Freight charges	13,606	12,954
Water and electricity	12,847	13,147
Salary and welfare payable	5,743	7,549
Taxes	12,108	8,131
Others	4,359	3,683
	77,678	74,089

MANAGEMENT DISCUSSION AND ANALYSIS

China First Chemical Holdings Limited and its subsidiaries (together the “Group”) are going to celebrate the 1st anniversary of its shares successfully listed on the main board of The Stock Exchange of Hong Kong Limited on 9 December 2011 which marked an important milestone for the Group. During this period, a number of measures have been launched which strengthened our leading position in the PRC market and further expanded our production capacity.

During the period under review, the revenue of the Group was approximately RMB857.8 million, representing an increase of approximately 19.9% from the revenue of approximately RMB715.3 million for the corresponding period of 2011. The gross profit increased by 17.8% to approximately RMB268.7 million from the same period of 2011. The net profit attributable to the equity holders of the Company and the basic earnings per share were approximately RMB152.1 million and approximately RMB0.19, representing an increase of approximately 15.1% and a decrease of approximately 34.5% as compared with the corresponding period last year.

Business Review

In 2012, under multiple influences initiated by the prolonged European debt crisis and the sluggish global economy, the growth momentum of the macro economy in the PRC has been slowing down. The GDP growth rate in the first half of the year achieved 7.8%. The overall domestic economic was sound and maintained a steady growth while the living standards of people continued to improve.

In the first half of 2012, the Group captured the opportunity of economic conditions and market trend, and fully capitalized on the product quality advantage, production scale, cost advantage of our own hydroelectricity power plant and integrated production chain, so as to ensure product quality and cater to market demand, and to encourage the implementation of technological advancement and process innovation, which increased the overall operating efficiency. In the first half of 2012, the price of the Group’s major products like hydrogen peroxide and foaming agent was slightly dropped due to the slowdown of the economic growth while sodium chlorate recorded a slight rise thanks to the favourable effect brought by a rise in export price.

Following the completion and operation of production facilities for foaming agent of 5,000 tons in September 2011, the Group has increased more efforts on the research and production of the modified and special foaming agents. In addition, through the efforts and contribution of the Group’s research and development (“R&D”) team and employees, the technology upgrade for the electrolyzers in our existing plants was completed in February 2012, which increased the annual production capacity for sodium chlorate by 10,000 tons. In the first half of 2012, active planning for locations of and land requisition for new plants was made and it is expected that construction will be commenced in this year.

Future Prospects

In the second half of 2012, under the influence of unanticipated issues, the PRC economic trend was unforeseeable. Nevertheless, it is certain that China economy will continue to grow in the coming years, and the Group will proactively capture market opportunities and cope with market changes. The Group will complete the technology upgrade projects of the existing plants in the second half of 2012, estimated capital expenditures to be approximately RMB490.0 million, in bid to expand production capacity and lower production cost. In addition, the Group will continue to conduct R&D by own efforts, so as to enhance the core competitiveness of the Group; keep stringent production cost control to improve operating efficiency; optimize product design to enhance product quality; implement strategies of talent recruitment and training, so as to fortify a solid foundation for future technological R&D and business development; reinforce the safety and environmental protection work to further improve the introduction of environmental management facilities; maintain stringent supervision and management, and fulfill hierarchical responsibility, so as to ensure “zero accident” regarding plant safety and environmental protection.

The Group will continue to capitalize on its competitive advantage and prominent position in the industry, in order to consolidate and enhance business of the Group, and maximize the return to shareholders.

FINANCIAL REVIEW

Revenue

Revenue for the period under review was approximately RMB857.8 million, representing an increase of approximately RMB142.5 million or 19.9% from approximately RMB715.3 million for the corresponding period last period. The increase was mainly attributable to the increase in the sales of bleaching and disinfectant chemicals and foaming agent during the period.

The table below sets out our revenue by product groups for the year under review:

	For the six months ended 30 June			
	2012		2011	
	Amount	% of Revenue	Amount	% of Revenue
Revenue (RMB'000)				
Bleaching and disinfectant chemicals	307,338	35.8%	269,051	37.6%
Foaming agent	414,994	48.4%	329,333	46.0%
Other specialty chemicals	135,433	15.8%	116,932	16.4%
Total	<u>857,765</u>	<u>100.0%</u>	<u>715,316</u>	<u>100.0%</u>

Bleaching and disinfectant chemicals

This segment mainly consists of sodium chlorate and hydrogen peroxide, which are two of our largest sales generating products. Sodium chlorate and hydrogen peroxide are the principal chemicals used in the elemental chlorine free (“ECF”) and total chlorine free (“TCF”) pulp bleaching process by our downstream customers, respectively.

During the period under review, the total revenue for the bleaching and disinfectant chemicals was RMB307.3 million, representing an increase of approximately 14.2% or RMB38.2 million from the corresponding period last year. The increase in revenue was mainly attributable to the increase in selling price for the export of sodium chlorate, sales of sodium chlorate increased by approximately 44.9% to RMB182.9 million, and increasing its average selling price by approximately 2.2%.

Foaming agent

This segment mainly consists of basic and modified grades of foaming agent. Foaming agent is primarily used in the production of foamed plastics as an additive by the downstream customers of the Group, which is widely applied in the footwear industry, building materials industry, automobile upholstery and furniture and home decoration materials industry.

During the period under review, the total revenue for the foaming agent was RMB415.0 million, representing an increase of approximately 26.0% or RMB85.7 million from the corresponding period last year. The increase was mainly attributable to: (1) the production capacity and sales volumes were increased after the upgrade of our production facilities; and (2) the increase in the usage of self-produced raw materials, for example caustic soda and biurea.

Other specialty chemicals

This segment mainly consists of potassium chlorate, sodium perchlorate, potassium perchlorate, caustic soda, biurea and others.

During the period under review, the total revenue for other specialty chemicals was RMB135.4 million, representing an increase of approximately 15.8% or RMB18.5 million from the corresponding period last year. The increase was mainly attributable to the average selling price of other specialty chemicals agent increasing by approximately 6.8% due to the strong demand from the downstream industries, the sales of caustic soda increased by approximately 56.4% to RMB51.7 million.

Cost of sales

Our cost of sales primarily consists of raw materials used and changes in inventories, electricity and other utility fees, depreciation of property, plant and equipment, employee benefit expenses, transportation and related charges, repairs and maintenance, taxes and levies on main operations, office and entertainment expenses, traveling expenses and other expenses. Raw materials used and changes in inventories, including foaming agent sourced from third parties, is the largest component of our cost of sales, representing 66.5% and 63.0% of our total cost of sales in the period ended 30 June 2012 and 2011, respectively.

During the period under review, our cost of sales increased by approximately RMB101.8 million or 20.9% to RMB589.1 million from RMB487.3 million in the corresponding period last year, which was primarily due to the increase in sales volume of both bleaching and disinfectant chemicals and foaming agent. The percentage for cost of sales to revenue was 68.7% and 68.1% for the six months ended 30 June 2012 and 2011, respectively, reflecting efficient cost control.

Gross profit and gross margin

Our gross profit increased by approximately RMB40.7 million or 17.9% to RMB268.7 million for the period under review from RMB228.0 million for the corresponding period last year. The overall gross margin slightly decreased from 31.9% for the six months ended 30 June 2012 to 31.3% for the six months ended 30 June 2011, which was primarily due to faster increase in sales of foaming agent which had lower margin.

The table below sets out our approximately gross margins by product groups for the period under review:

Gross margin (%)	For the six months ended 30 June		Change
	2012	2011	
Bleaching and disinfectant chemicals	37.6%	40.3%	(6.7%)
Foaming agent	23.0%	23.7%	(3.0%)
Other specialty chemicals	42.5%	35.5%	19.7%
Overall	<u>31.3%</u>	<u>31.9%</u>	<u>(1.9%)</u>

Bleaching and disinfectant chemicals

The gross margin of bleaching and disinfectant chemicals decreased from 40.3% for the six months ended 30 June 2011 to 37.6% for the six months ended 30 June 2012, which was primarily attributable to: (1) the decrease in average selling price of hydrogen peroxide as a result of market condition; and (2) the decrease was partially offset by the increase in average selling price of sodium chlorate as a result of increase in average selling price for export.

Foaming agent

The gross margin of foaming agent decreased from 23.7% for the six months ended 30 June 2011 to 23.0% for the six months ended 30 June 2012, which was primarily attributable to: (1) the decrease in average selling price of foaming agent as a result of market condition; and (2) the upgrade of our production facilities and the increase in the usage of self-produced raw materials, for example caustic soda and biurea had mitigated the impact of decrease of average selling price.

Other specialty chemicals

The gross margin of other specialty chemicals increased from 35.5% for the six months ended 30 June 2011 to 42.5% for the six months ended 30 June 2012, which was primarily attributable to: (1) higher margin of caustic soda by applying the ion membrane production method which is of higher quality and demanded a higher selling price; and (2) the continuous growth in the demand from downstream customers increasing average selling price.

Selling and marketing expenses

Selling and marketing expenses primarily consist of transportation and related charges for the transport of our products, sales taxes such as urban maintenance and construction tax, educational surtax, and other selling and marketing expenses including travelling expenses. The selling and marketing expenses of the Group increased by 25.0% to RMB19.0 million for the six months ended 30 June 2012 from RMB15.2 million for the six months ended 30 June 2011, which was primarily attributable to: (1) increase in the urban maintenance and construction tax and educational surtax as a result of increase of proportion of domestic sales; (2) the expansion of sales by the Group resulting in higher selling expenses.

Administrative expenses

Administrative expenses primarily consist of depreciation of property, plant and equipment, employee benefit expenses and office and entertainment expenses. The administrative expenses of the Group increased by 13.7% to RMB30.8 million for the six months ended 30 June 2012 from RMB27.1 million for the six months ended 30 June 2011, which was primarily attributable to increase in business activities and growth of operation.

Other income

Other income primarily consists of profit from sales of raw materials and government subsidies. The other income of the Group decreased to RMB0.6 million for the six months ended 30 June 2012 from RMB3.5 million for the six months ended 30 June 2011, which was primarily attributable to the decrease in the sales of raw materials.

Other (losses)/gains, net

Other (losses)/gains, net, mainly consists of the net gain or loss from the disposal of property, plant and equipment. The Group recorded the other losses, net of RMB0.1 million for the six months ended 30 June 2012 as compared to the gains, net of RMB0.4 million for the six months ended 30 June 2011, which was primarily attributable to the increase in net losses arising from the disposal of property, plant and equipment.

Finance income

Finance income relates primarily to interest earned on our bank deposits. The finance income of the Group increased by 172.7% to RMB3.0 million for the six months ended 30 June 2012 from RMB1.1 million for the six months ended 30 June 2011, which was primarily attributable to the increase in interest earned on our bank deposits.

Finance costs

Finance costs primarily consist of interest expenses on bank borrowings, discount interest for bill receivables and other finance charges, less interest capitalized in property, plant and equipment and foreign exchange gains. The finance costs of the Group increased by 28.1% to RMB17.3 million for the six months ended 30 June 2012 from RMB13.5 million for the six months ended 30 June 2011, which was primarily attributable to absence of exchange gains from related party loans during the period.

Income tax expense

The Group is subject to PRC enterprise income tax rate of 25% for all our PRC subsidiaries. The income tax expense of the Group increased by 19.4% to RMB52.4 million for the six months ended 30 June 2012 from RMB43.9 million for the six months ended 30 June 2011. The effective tax rate increased to 25.5% for the six months ended 30 June 2012 from 24.8% for the six months ended 30 June 2011 as a result of adjustments for income and expenses items which were not assessable or deductible for income tax purpose.

Profit for the period

As a result of the foregoing factors, the profit attributable to the equity holders of the Company increased by 15.1% to RMB152.1 million for the six months ended 30 June 2012 from RMB132.2 million for the six months ended 30 June 2011.

Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Company decreased by 54.5% to RMB0.5 million for the six months ended 30 June 2012 from RMB1.1 million for the six months ended 30 June 2011, which was primarily attributable to acquisition of whole non-controlling interests of Fuzhou Yihua by Fujian Rongping during the period.

LIQUIDITY AND CAPITAL RESOURCES

Financial position and bank borrowings

The Group has historically funded our cash requirements principally from cash generated from our operations and bank borrowings, as well as equity financing through shareholders.

The balance of the Group's cash and cash equivalents amounted to approximately RMB1,023.7 million as at 30 June 2012 (31 December 2011: approximately RMB926.1 million), most of which were denominated in Renminbi. As at 30 June 2012, the interest bearing bank borrowings of the Group amounted to approximately RMB454.8 million (31 December 2011: approximately RMB478.6 million).

As at 30 June 2012, the Group's current ratio (calculated as current assets divided by current liabilities) was 2.13 (31 December 2011: 2.06). The Group was in a net cash position as at 30 June 2012 and 31 December 2011. Such significant improvement in our financial position primarily reflected the increase in net profit and cash flow for the period.

Working capital

Inventories were approximately RMB105.9 million in total as at 30 June 2012, as compared with approximately RMB101.1 million as at 30 June 2011. The increase was primarily due to higher utilization rate of our production capacity. Average inventory turnover days were 32 days for the six months ended 30 June 2012 (for the six months ended 30 June 2011: 39 days).

As at 30 June 2012, trade receivables amounted to approximately RMB327.9 million in total, as compared with approximately RMB336.8 million as at 30 June 2011. The decrease was primarily attributable to continuous growth in our sales against the prudent collection of trade receivables. The average trade receivables turnover days were 70 days for the six months ended 30 June 2012 (for the six months ended 30 June 2011: 67 days).

As at 30 June 2012, trade and bills payables amounted to approximately RMB290.4 million in total, as compared with approximately RMB236.6 million as at 30 June 2011. The increase was mainly due to the increase in the sales during the period by the Group. The average trade and bills payables turnover days were 80 days for the six months ended 30 June 2012 (for the six months ended 30 June 2011: 84 days).

Use of net proceeds from the initial public offering

The net proceeds estimated to have been raised by the Company through the issue of 200,000,000 new shares and 2,191,000 new shares, at an offer price of HK\$2.7 per share upon the listing on the Stock Exchange on 9 December 2011, and upon the exercise of over-allotment option on 3 January 2012, respectively, after deducting brokerage and other costs and expenses payable by the Company, amounted to approximately HK\$449.3 million (equivalent to approximately RMB366.0 million). The use of the net proceeds from the initial public offering by the Group was consistently the same as those set out in the section headed “Use of Proceeds” in the prospectus of the Company dated 29 November 2011. For the six months ended 30 June 2012, the net proceeds were applied in the following manner:

Use of proceeds	Net proceeds from initial public offering (HK\$ million)		
	Available	Applied	Not yet applied
To be used for the upgrade and expansion of existing production facilities	292.1	126.8	165.3
To be used in merger and acquisition	112.3	–	112.3
To be used for general working capital	44.9	44.9	–
Total	<u>449.3</u>	<u>171.7</u>	<u>277.6</u>

To the extent that the net proceeds were not yet applied as at 30 June 2012, the Company had deposited the same into short term bank deposits or term deposits at licensed banks in Hong Kong or the PRC.

Capital commitments

As at 30 June 2012, the capital commitments of the Group were approximately RMB79.5 million, which were mainly related to the construction of additional production lines and the purchases of equipment for the upgrade of existing production facilities.

Contingent liabilities

As at 30 June 2012, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor is our Group aware of any pending or potential material legal proceedings involving the Group.

OTHER INFORMATION

Corporate Governance

The Company has adopted the code provisions in the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance. The Board considers that up to the date of this interim results announcement, the Company has complied with all the code provisions of the CG Code.

Model Code for Securities Transactions by Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules as its model code for securities transactions by Directors and senior management. Having made specific enquiry, all the Directors confirmed that they have complied with the Model Code during the six months ended 30 June 2012.

Audit Committee

The Audit Committee reviewed the analysis on the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2012, the accounting principles and practices adopted by the Group, and the Group’s internal control functions.

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2012.

Publication of Interim Results and Interim Report

The interim results and the interim report for the six months ended 30 June 2012 containing all relevant information as prescribed by the Listing Rules shall be published on the Stock Exchange's website (www.hkexnews.com.hk) and the Company's website (www.chinafirstchemical.com) in due course.

By order of the Board of
China First Chemical Holdings Limited
Mr. Liem Djiang Hwa
Chairman

28 August 2012

As at the date of this announcement, the Board comprises the Chairman and the 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)

截至二零一二年六月三十日止六個月之 中期業績公告

財務摘要	二零一二年 六月三十日 人民幣千元	二零一一年 六月三十日 人民幣千元	增長率 %
收入	857,765	715,316	19.9%
毛利	268,669	227,983	17.8%
本公司權益持有人應佔利潤	152,134	132,185	15.1%
每股收益			
—基本(人民幣)	19仙	29仙	(34.5)%
—稀釋(人民幣)	19仙	29仙	(34.5)%

一化控股(中國)有限公司(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(「本集團」)截至二零一二年六月三十日止六個月之未經審核簡明合併業績，連同二零一一年同期可比較數據如下：

簡明合併綜合收益表

截至二零一二年六月三十日止六個月

	附註	截止六月三十日止六個月	
		二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
收入	5	857,765	715,316
銷售成本	8	(589,096)	(487,333)
毛利		268,669	227,983
銷售及市場推廣費用	8	(18,995)	(15,200)
行政費用	8	(30,763)	(27,071)
其他收益	6	571	3,511
其他(虧損)/盈利淨額		(116)	350
		219,366	189,573
經營利潤			
財務收益		3,023	1,127
財務費用	7	(17,338)	(13,523)
財務費用-淨額		(14,315)	(12,396)
除所得稅前利潤		205,051	177,117
所得稅費用	9	(52,380)	(43,927)
本期利潤及總綜合收益		152,671	133,250
利潤歸屬於：			
—本公司權益持有人		152,134	132,185
—非控制權益		537	1,065
		152,671	133,250
本公司權益持有人應佔利潤的每股 收益(人民幣元)			
—基本每股收益	10	0.19	0.29
—稀釋每股收益	10	0.19	0.29
股利	11	40,697	100,374

簡明合併資產負債表
於二零一二年六月三十日

	附註	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
資產			
非流動資產			
土地使用權		76,449	77,331
不動產、工廠及設備		777,693	773,606
遞延所得稅資產		—	170
預付不動產，工廠及設備		26,185	1,834
		<u>880,327</u>	<u>852,941</u>
流動資產			
存貨		105,893	101,056
應收賬款及其他應收款	12	329,331	341,963
受限制現金		60,041	37,692
現金及現金等價物		1,023,710	926,148
		<u>1,518,975</u>	<u>1,406,859</u>
總資產		<u>2,399,302</u>	<u>2,259,800</u>
權益			
歸屬於本公司所有者			
股本		65,346	65,168
其他儲備		790,697	784,936
留存收益		677,291	565,854
		<u>1,533,334</u>	<u>1,415,958</u>
非控制權益		—	10,402
總權益		<u>1,533,334</u>	<u>1,426,360</u>

		於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
負債			
非流動負債			
借款		137,310	137,310
遞延收入		14,629	14,743
		<u>151,939</u>	<u>152,053</u>
流動負債			
應付賬款及其他應付款	13	368,080	310,732
當期所得稅負債		28,497	29,319
借款		317,452	341,336
		<u>714,029</u>	<u>681,387</u>
總負債		<u>865,968</u>	<u>833,440</u>
總權益及負債		<u>2,399,302</u>	<u>2,259,800</u>
流動資產淨額		<u>804,946</u>	<u>725,472</u>
總資產減流動負債		<u>1,685,273</u>	<u>1,578,413</u>

未經審核簡明合併中期財務資料附註

截至二零一二年六月三十日止六個月

1. 一般資料

本公司於二零一零年十一月二十四日在開曼群島註冊成立，於二零一一年十二月九日在香港聯合交易所有限公司（「香港聯交所」）主板上市。其註冊辦事處位於P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。

本公司是領先的中國特種化學品提供商，專門供應漂白消毒化學品和發泡劑。

本簡明合併中期財務資料以人民幣千元列報（除非另有說明）。本簡明合併中期財務資料已經由董事會在二零一二年八月二十八日批准刊發。

2. 編製標準

截至二零一二年六月三十日止六個月的簡明合併中期財務資料乃根據國際會計準則第34號「中期財務報告」編製。本簡明合併中期財務資料應與按國際財務報告準則所編製的截至二零一一年十二月三十一日止年度的年度財務報表一併閱讀。

3. 會計政策

除另有說明外，編製本簡明合併中期財務資料所採用之會計政策與編製截至二零一一年十二月三十一日止年度之年度財務報表所採納者一致。

沒有在本中期期間首次生效的修改準則或解釋預期會對本集團造成重大影響。

若干已頒佈的新準則及準則修改尚未於二零一二年一月一日開始之年度生效且未獲本公司提早採納於本簡明合併中期財務資料中。管理層預計其不會對本集團造成重大影響。

4. 分部資料

本集團主要於中國從事化工產品業務。本集團三個主要運營所在地的獨立個別財務資料呈遞予主要經營決策者（董事會），其審閱內部報告以評估表現及分配資源。由於經濟特點、產品及生產性質、客戶等類似，故匯總為單一可呈報分部。本集團大部份產品售予中國客戶。本集團客戶眾多，遍佈中國及東南亞，截至二零一二年六月三十日止六個月概無單一客戶佔本集團總收益10%以上。

5. 收入

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
漂白消毒化學品	307,338	269,051
發泡劑	414,994	329,333
其他特種化學品	135,433	116,932
	<u>857,765</u>	<u>715,316</u>

6. 其他收益

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
原材料銷售的盈利	-	2,444
政府給予的補貼收益	571	1,067
	<u>571</u>	<u>3,511</u>

7. 財務費用

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
利息開支：		
— 銀行借款	12,835	12,663
— 應收票據的貼現利息	3,823	2,544
— 其他支出	2,235	2,371
	<u>18,893</u>	<u>17,578</u>
減：不動產、工廠及設備之利息資本化	(1,101)	-
	<u>17,792</u>	<u>17,578</u>
匯兌收益	(454)	(4,055)
	<u>17,338</u>	<u>13,523</u>

8. 按性質分類的費用

本集團之銷售成本、銷售及市場推廣費用及行政費用指下列項目：

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
所使用的原材料及存貨變動	391,922	307,084
不動產、工廠及設備折舊	32,815	29,078
電費及其他水電費	141,739	129,838
僱員福利開支	33,174	28,500
運輸及有關支出	13,994	10,835
主要經營業務的稅項及徵費	7,606	7,709
土地使用權攤銷	882	882
辦公及應酬開支	4,145	3,975
經營租賃開支	625	528
財產保險費	1,471	1,137
差旅費用	1,047	962
維修及保養	3,844	3,953
核數師薪酬	500	73
其他開支	5,090	5,050
	<u>638,854</u>	<u>529,504</u>

9. 所得稅費用

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
當期所得稅—中國企業所得稅	52,210	43,594
遞延所得稅	170	333
	<u>52,380</u>	<u>43,927</u>

由於本集團並無源自香港的應課稅盈利，故並無計提香港利得稅。

中國企業所得稅根據法定財務報告所呈現盈利按法定稅率25%計提撥備，並就毋需繳納所得稅的收入或不可扣除所得稅的開支項目作出調整。

10. 每股收益

(a) 基本

每股基本收益按本公司權益持有人應佔截至六月三十日止六個月的收益除以截至六月三十日止六個月內已發行普通股的加權平均數計算。釐定截至二零一一年六月三十日止六個月已發行普通股的加權平均數時，二零一零年十一月二十四日發行及配發1股股份，二零一零年十二月三日發行及配發1股股份，二零一一年四月七日發行及配發1股股份，二零一一年六月十四日發行及配發1股股份及透過本公司於二零一一年十二月九日上市而將股份溢價賬撥充資本所發行及配發的599,999,996股股份已按猶如450,000,000股股份於二零一零年一月一日起已發行及150,000,000股股份於二零一一年六月十四日起已發行的方式處理。

	截至六月三十日止六個月	
	二零一二年 (未經審核)	二零一一年 (經審核)
本公司權益持有人應佔收益(人民幣千元)	152,134	132,185
已發行普通股加權平均數(千股)	<u>802,125</u>	<u>463,151</u>
每股基本收益(人民幣元)	<u>0.19</u>	<u>0.29</u>

(b) 稀釋

每股稀釋收益乃根據假設在所有潛在稀釋影響的普通股已被轉換之情況下調整已發行普通股加權平均數計算。本公司潛在稀釋影響的普通股包含於其首次公開發售前購股權計劃項下可能發行的股份。二零一二年一月一日至二零一二年六月三十日已發行普通股的平均市場價格低於首次公開發售的價格，首次公開發售前購股權計劃項下未有可稀釋的潛在普通股。每股稀釋收益等同於每股基本收益。

11. 股利

	截至六月三十日止六個月	
	二零一二年 人民幣千元 (未經審核)	二零一一年 人民幣千元 (經審核)
股利	<u>40,697</u>	<u>100,374</u>

二零一一年四月二十九日，本公司向股東宣派股利每股0.27港元，合共120百萬港元。釐定於二零一一年四月二十九日的普通股份額時，二零一零年十一月二十四日發行及配發1股股份，二零一零年十二月三日發行及配發1股股份，二零一一年四月七日發行及配發1股股份及透過本公司於二零一一年十二月九日上市而將股份溢價賬撥充資本所發行及配發的599,999,996股股份，已按猶如450,000,000股股份於二零一零年一月一日起已發行及150,000,000股股份於二零一一年六月十四日起已發行的方式處理。因此，每股股利以450,000,000股股份計算。該等股利已於二零一一年四月派付。

截至二零一一年十二月三十一日止年度的股利已於二零一二年四月派付，合共人民幣40,697,000元。

董事會不建議派付截止二零一二年六月三十日止六個月的中期股利。

12. 應收賬款及其他應收款

	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
應收賬款(a)	327,906	336,813
預付款	-	4,095
其他應收款	<u>1,425</u>	<u>1,055</u>
	<u>329,331</u>	<u>341,963</u>

(a) 國內外客戶未償付結餘的信貸期均介乎30至90天。

於二零一二年六月三十日及二零一一年十二月三十一日，應收賬款的賬齡分析如下：

	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
三個月內	325,559	336,160
四至六個月	2,267	639
七至十二個月	<u>80</u>	<u>14</u>
	<u>327,906</u>	<u>336,813</u>

13. 應付賬款及其他應付款

	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
應付賬款(a)	84,475	100,871
應付票據(b)	205,927	135,772
其他應付款及預提費用(c)	77,678	74,089
	368,080	310,732

(a) 應付賬款的賬齡分析詳情如下：

	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
三個月內	83,938	100,611
四至六個月	278	240
七至十二個月	259	20
	84,475	100,871

(b) 於二零一二年六月三十日及二零一一年十二月三十一日，應付票據的全部結餘分別以受限制現金人民幣60,041,000元及人民幣37,692,000元作抵押。

(c) 其他應付款及預提費用詳情如下：

	於二零一二年 六月三十日 人民幣千元 (未經審核)	於二零一一年 十二月三十一日 人民幣千元 (經審核)
客戶墊款	460	629
應付首次公開發售費用	16,148	22,266
核數師薪酬	500	2,200
購買不動產、工廠及設備應付款項	11,907	3,530
運費	13,606	12,954
水電費	12,847	13,147
應付薪金及福利	5,743	7,549
稅項	12,108	8,131
其他	4,359	3,683
	77,678	74,089

管理層分析與討論

一化控股(中國)有限公司及其附屬公司(本集團)即將邁進本公司股份於二零一一年十二月九日在香港聯合交易所有限公司(聯交所)主板成功上市，此里程碑的一周年。在此期間，我們已透過多項措施鞏固我們在中國市場的領導地位及繼續產能的擴充。

於回顧期內，本集團的收入約為人民幣857.8百萬元，較二零一一年同期的收入約人民幣715.3百萬元增加約19.9%，毛利則較二零一一年同期增加17.8%至約人民幣268.7百萬元。於截至二零一一年六月三十日止六個月期間，本公司權益持有人應佔純利約為人民幣152.1百萬元及每股基本收益約為人民幣0.19，較去年同期分別增加約15.1%及下跌約34.5%。

業務回顧

2012年，在歐債危機持續，全球經濟增長放緩的多重力量作用下，中國宏觀經濟呈現放緩的增長勢頭，上半年GDP增長7.8%，經濟運行總體平穩，保持持續增長，人民群眾生活水平不斷提高。

2012年上半年，本集團抓住經濟和市場發展的機遇，充分發揮產品品質優勢，產業規模優勢，自營水電站和一體化生產的成本優勢，確保產品質量，保障滿足市場需求，鼓勵推行技術進步和工藝創新，提升了整體經營效益。2012年上半年，本集團主要產品雙氧水、發泡劑等產品價格受經濟增長放緩影響小幅下跌，氯酸鈉受益於出口提價的正面影響價格微幅上漲。

2011年9月5,000噸發泡劑生產設施竣工及投產後，本集團加大了研發及生產超細、複配型發泡劑的力度。此外，經本集團研發團隊和工作人員的共同努力，於2012年2月完成對現有工廠電解槽的技術改造，增加氯酸鈉年產能1萬噸。2012年上半年，本集團積極籌備新工廠的選址及徵地事宜，預期年度內將開始新工廠的建設工作。

未來展望

2012年下半年，受不可預期事項之影響，國內經濟走勢將難以預料，儘管如此，可以肯定中國經濟未來幾年仍將持續增長，本集團將積極把握市場機遇及應對市場變化。本集團將在2012年下半年完成公司現有工廠的多項技改項目，預計資本性投入約人民幣490.0百萬元，以擴大產能和技術升級，降低生產成本。此外，本集團將繼續堅持自主研發，提升本集團的核心競爭力；嚴格控制生產成本，提升運營效率；繼續優化產品結構，提升產品品質；實施人才引進和培養戰略，為今後的技術研發和業務發展打下扎實的基礎；加強安全生產和環保工作，進一步完善環保治理設施的投入；嚴格監督管理，層層落實責任，確保實現廠區安全環保「零事故」。

本集團將持續利用競爭優勢及於業內的優越地位，致力於鞏固及提升本集團業務，為股東帶來最大的回報。

財務回顧

收入

回顧期間內收入約為人民幣857.8百萬元，較去年同期的收入約人民幣715.3百萬元，增加約人民幣142.5百萬元或19.9%。收入增加主要是由於漂白消毒化學品及發泡劑的銷售額於期間內增加。

於回顧期間內，按產品組別劃分的收入分析如下：

	截至六月三十日止六個月			
	二零一二年		二零一一年	
	金額	佔收入 百分比	金額	佔收入 百分比
收入(人民幣千元)				
漂白消毒化學品	307,338	35.8%	269,051	37.6%
發泡劑	414,994	48.4%	329,333	46.0%
其他特種化學品	135,433	15.8%	116,932	16.4%
總計	<u>857,765</u>	<u>100.0%</u>	<u>715,316</u>	<u>100.0%</u>

漂白消毒化學品

此分部主要包括氯酸鈉及雙氧水，該兩種產品為本集團對銷售額最高的其中兩種產品。氯酸鈉及雙氧水分別為本公司下游客戶無元素氯技術與全無氯技術紙漿漂白工藝使用的主要化學品。

於回顧期間，漂白消毒化學品的收入總額為人民幣307.3百萬元，較去年同期增加約14.2%或人民幣38.3百萬元。收入增加主要由於受到出口價格的提升，氯酸鈉的平均售價增加約2.2%，使其銷售額增加約44.9%至人民幣182.9百萬元。

發泡劑

此分部主要包括初級及超細型發泡劑。發泡劑為本集團下游客戶作為添加劑用於生產泡沫塑料，廣泛用於製鞋業、建築材料業、汽車內飾與傢具及家居裝飾材料等行業。

於回顧期間，發泡劑的收入總額為人民幣415.0百萬元，較去年同期增加約26.0%或人民幣85.7百萬元。收入增加主要由於：(1)本公司升級生產設施後產能及銷量均有所增加；及(2)增加使用自行生產的原材料(例如燒鹼及聯二脲)。

其他特種化學品

此分部主要包括氯酸鉀、高氯酸鈉、高氯酸鉀、燒鹼、聯二脲及其他產品。

於回顧期間，其他特種化學品的收入總額為人民幣135.4百萬元，較去年同期增加約15.8%或人民幣18.5百萬元。收入增加主要由於受到下游行業的需求殷切所致，其他特種化學品的平均售價增加約6.8%，燒鹼銷售額增加約56.4%至人民幣51.7百萬元。

銷售成本

本公司的銷售成本主要包括所使用的原材料及存貨的變動、電費及其他水電費、不動產、工廠及設備折舊、僱員福利開支、運輸及有關支出、維修及保養、主要經營業務的稅項及徵費、辦公及應酬開支、差旅費用及其他開支。包括從第三方購買的發泡劑，所使用的原材料及存貨的變動佔本公司銷售成本比例最大，截至二零一二年與二零一一年六月三十日止六個月分別佔總銷售成本的66.5%和63.0%。

回顧期間銷售成本為人民幣589.1百萬元，較去年同期人民幣487.3百萬元，增加約人民幣101.8百萬元或20.9%。銷售成本增加主要是由於漂白消毒化學品及發泡劑的銷量增加所致。截至二零一二年及二零一一年六月三十日止六個月銷售成本分別佔收入收益的68.7%及68.1%，反映有效的成本控制。

毛利與毛利率

回顧期間毛利為人民幣268.7百萬元，較去年同期的收益約人民幣228.0百萬元，增加約人民幣40.7百萬元或17.9%。整體毛利率由截至二零一一年六月三十日止六個月的31.9%微跌至截至二零一二年六月三十日止六個月的31.3%，主要是由於毛利率較低的發泡劑的銷售增長更快。

下表載列於各回顧期間內本集團按產品組別劃分的概約毛利率：

毛利率(%)	截止六月三十日止六個月		變動
	二零一二年	二零一一年	
漂白消毒化學品	37.6%	40.3%	(6.7%)
發泡劑	23.0%	23.7%	(3.0%)
其他特種化學品	42.5%	35.5%	19.7%
整體	31.3%	31.9%	(1.9%)

漂白消毒化學品

漂白消毒化學品的毛利率由截至二零一一年六月三十日止六個月的40.3%減少到截至二零一二年六月三十日止六個月的37.6%，主要因素為：(1)雙氧水的平均售價受市場因素有所下調而減少；及(2)部份下跌因氯酸鈉出口價格有所上升而有所抵消。

發泡劑

發泡劑的毛利率由截至二零一一年六月三十日止六個月的23.7%減少到截至二零一二年六月三十日止六個月的23.0%，主要因素為：(1)發泡劑的平均售價受市場因素有所下調而減少；及(2)本公司升級生產設施以及增加使用自行生產的原材料(例如燒鹼及聯二脲)減少了部份因價格下跌的影響。

其他特種化學品

其他特種化學品的毛利率由截至二零一一年六月三十日止六個月的35.5%增加到截至二零一二年六月三十日止六個月的42.1%，主要因素為：(1)使用離子膜法生產更高質量而售價較高的燒鹼，使得毛利率得以提升；及(2)下游客戶需求持續增長令平均售價相應增加。

銷售及市場推廣費用

銷售及市場推廣費用主要包括產品運輸及有關支出、銷售稅(例如城市維護建設稅及教育附加費)以及其他銷售及市場推廣費用(包括差旅費用)。本集團銷售及市場推廣費用由截至二零一一年六月三十日止六個月的人民幣15.2百萬元增加25.0%到截至二零一二年六月三十日止六個月的人民幣19.0百萬元，主要是由於(1)內銷比例增加導致需要繳納城建稅及教育費附加費增加；(2)本集團銷售業務擴大導致銷售費用增加。

行政費用

行政費用主要包括不動產、工廠及設備的折舊、僱員福利開支及辦公及應酬開支。本集團行政開支由截至二零一一年六月三十日止六個月的人民幣27.1百萬元增加13.7%到截至二零一二年六月三十日止六個月的人民幣30.8百萬元，主要是由於業務增加及運營增長所致。

其他收益

其他收益主要包括出售原材料所得盈利及政府補貼。本集團其他收益由截至二零一一年六月三十日止六個月的人民幣3.5百萬元減少至截至二零一二年六月三十日止六個月的人民幣0.6百萬元，主要是由於原材料銷售量減少所致。

其他(虧損)/盈利淨額

其他(虧損)/盈利淨額主要包括出售不動產、工廠及設備所得虧損或收益淨額。本集團其他(虧損)/盈利淨額由截至二零一一年六月三十日止年度的人民幣0.4百萬元其他盈利淨額下跌至截至二零一二年六月三十日止六個月的人民幣0.1百萬元其他虧損淨額，主要是由於源自出售物業、廠房及設備的淨虧損增加所致。

財務收益

財務收益主要指自銀行存款賺取的利息。本集團財務收益由截至二零一一年六月三十日止六個月的人民幣1.1百萬元增加172.7%到截至二零一二年六月三十日止六個月的人民幣3.0百萬元，主要是由於銀行存款的利息收入增加所致。

財務費用

財務費用主要包括銀行借款利息開支、應收票據折現利息、其他財務費用以及外匯收益，扣除撥入不動產、工廠及設備成本的利息。本公司財務費用由截至二零一一年六月三十日止六個月的人民幣13.5百萬元增加28.1%到截至二零一二年六月三十日止六個月的人民幣17.3百萬元，主要是由於期間內無因關聯方借款的匯兌收益所致。

所得稅費用

本集團按25%稅率繳納中國企業所得稅。本集團所得稅開支由截至二零一一年六月三十日止六個月期間的人民幣43.9百萬元上升19.4%到截至二零一二年六月三十日止六個月的人民幣52.4百萬元。實際稅率由截至二零一一年六月三十日止六個月的24.8%上升到截至二零一二年六月三十日止六個月的25.5%，乃因對毋需支付或不可扣除所得稅的收入及開支項目進行調整所致。

本期利潤

基於上述因素，本公司權益持有人應佔利潤由截至二零一一年六月三十日止六個月的人民幣132.2百萬元增加15.1%到截至二零一二年六月三十日止六個月的人民幣152.1百萬元。

非控制權益應佔利潤

本公司非控制權益應佔利潤由截至二零一一年六月三十日止六個月的人民幣1.1百萬元減少54.5%到截至二零一二年六月三十日止六個月的人民幣0.5百萬元，主要是由於期間內福州一化的全數非控制權益被福建榕屏所收購所致。

流動資金與資本資源

財務狀況及銀行借貸

本集團過往主要以運營所得現金、銀行借款及透過股東進行股本融資應付現金需求。

於二零一二年六月三十日，本集團的現金及現金等價物結餘約人民幣1,023.7百萬元(於二零一一年十二月三十一日：約人民幣926.1百萬元)，大部份以人民幣計值。於二零一二年六月三十日，本集團的計息銀行借款約為人民幣454.8百萬元(於二零一一年十二月三十一日：約人民幣478.6百萬元)。

於二零一二年六月三十日，本集團的流動比率(按流動資產除以流動負債計算)為2.13(於二零一一年十二月三十一日：2.06)。本集團於二零一二年六月三十日及二零一一年十二月三十一日均為淨現金結餘。財務狀況顯著改善主要由於該期間的純利及現金流增加。

運營資本

於二零一二年六月三十日，總存貨約為人民幣105.9百萬元，於二零一一年十二月三十一日則為約人民幣101.1百萬元，增加主要是由於提高產能利用率令成品存貨增加。截至二零一二年六月三十日止六個月，平均存貨周轉日數為32日（截至二零一一年六月三十日止六個月：39日）。

於二零一二年六月三十日，總應收賬款約為人民幣327.9百萬元，於二零一一年十二月三十一日則為約人民幣336.8百萬元，減少主要是由於因應不斷增長的銷售而謹慎控制應收賬款所致。截至二零一二年六月三十日止六個月，平均應收賬款周轉日數為70日（截至二零一一年六月三十日止六個月：67日）。

於二零一二年六月三十日，總應付賬款及應付票據約為人民幣290.4百萬元，於二零一一年十二月三十一日則為約人民幣236.6百萬元，增加主要是由於本集團期內銷售額增加。截至二零一二年六月三十日止六個月，平均應付賬款及應付票據周轉日數為80日（截至二零一一年六月三十日止六個月：84日）。

首次公開發售所得款項淨額用途

本公司透過分別於二零一一年十二月九日及二零一二年一月三日在聯交所，按發售價每股2.7港元發行200,000,000股及2,191,000股（行使超額配股權發行的新股）新股份，扣除經紀佣金及本公司就上市應付的其他費用及開支後，籌得的估計所得款項淨額約為449.3百萬港元（折合約人民幣366.0百萬元）。本集團運用首次公開發售的所得款項淨額的方式，與本公司日期為二零一一年十一月二十九日之招股章程中「所得款項用途」一節所載者一致。截至二零一二年六月三十日止六個月，所得款項淨額作以下用途：

所得款項用途	首次公開發售所得款項淨額 (百萬港元)		
	可供動用	已動用	尚未動用
用於擴展及提升現有生產設施	292.1	126.8	165.3
用於並購	112.3	—	112.3
用於一般運營資金	44.9	44.9	—
總計	<u>449.3</u>	<u>171.7</u>	<u>277.6</u>

於二零一二年六月三十日，尚未動用的所得款項淨額已由本公司存放於香港或中國持牌銀行作為短期銀行存款或定期存款。

資本承擔

於二零一二年六月三十日，本集團的資本承擔約人民幣79.5百萬元，主要有關就建設額外產能及提升現有生產設施所購置設備。

或然負債

於二零一二年六月三十日，本集團並無就集團以外任何公司作出任何形式的擔保。本集團並無涉及任何現有重大法律訴訟，本集團亦不知悉涉及本集團的任何待定或潛在重大法律訴訟。

其他資料

企業管治

本公司已採納聯交所證券上市規則(「上市規則」)附錄十四所載企業管治常規守則(「企業管治常規守則」)的守則條文為其本身的企業管治守則。董事會考慮到自本公司股份截至本期間業績公告日期止，董事會認為本公司已遵守企業管治常規守則的所有守則條文。

董事進行證券交易的標準守則

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為其董事及高級管理人員進行證券交易的標準守則。經作出具體查詢後，全體董事確認，彼等於截至二零一二年六月三十日止六個月內一直遵守標準守則。

審核委員會

審核委員會已審閱本集團截至二零一二年六月三十日止六個月之未經審核簡明合併中期財務資料的分析。委員會亦審閱本集團所採納之會計政策及慣例，以及對本集團之內部監控職能的成效作出檢討。

購買、出售及贖回上市證券

於截至二零一二年六月三十日止六個月，本公司或任何附屬公司並無購買、出售及贖回本公司任何上市證券。

刊登中期報告

載有上市規則所規定的一切有關資料的截至二零一二年六月三十日止六個月財務業績和中期報告將適時刊登於聯交所網站(www.hkexnews.hk)及本公司網站(www.chinafirstchemical.com)。

承董事會命
一化控股(中國)有限公司
主席
林強華先生

二零一二年八月二十八日

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、繆妃女士及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。