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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 2013

Financial Highlights (in RMB'000, unless otherwise stated)	For the six months ended 30 June		Growth %
	2013	2012	
Revenue	767,456	857,765	(10.5)%
Gross profit	201,011	268,669	(25.2)%
Profit attributable to equity holders of the Company	104,465	152,134	(31.3)%
Earnings per share			
— Basic (RMB)	0.13	0.19	(31.3)%
— Diluted (RMB)	0.13	0.19	(31.3)%
		As at	
	30 June	31 December	
	2013	2012	
Total equity	1,713,068	1,632,122	5.0%
Net asset per share (RMB)	2.14	2.03	5.0%

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 2013 together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		For the six months ended 30 June	
	<i>Note</i>	2013	2012
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	5	767,456	857,765
Cost of sales	8	(566,445)	(589,096)
Gross profit		201,011	268,669
Selling and marketing expenses	8	(19,053)	(18,995)
Administrative expenses	8	(31,240)	(30,763)
Other income		1,880	571
Other losses — net	6	(12,910)	(116)
		139,688	219,366
Operating profit			
Finance income		20,885	3,477
Finance costs	7	(17,196)	(17,792)
Finance income/(cost) — net		3,689	(14,315)
Share of loss of an associate	12	(2,973)	—
Profit before income tax		140,404	205,051
Income tax expense	9	(35,939)	(52,380)
Profit and total comprehensive income for the period		104,465	152,671
Attributable to:			
— Equity holders of the Company		104,465	152,134
— Non-controlling interests		—	537
		104,465	152,671
Earnings per share attributable to the equity holders of the Company (RMB)			
— Basic	10	0.13	0.19
— Diluted	10	0.13	0.19
Dividends	11	24,692	40,697

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2013

		As at 30 June 2013 <i>RMB'000</i> (Unaudited)	As at 31 December 2012 <i>RMB'000</i> (Audited)
ASSETS			
Non-current assets			
Land use rights		74,685	75,567
Property, plant and equipment		1,212,405	1,064,238
Intangible assets		4,301	4,499
Investment in associate	12	–	–
Deferred income tax assets		4,566	523
Prepayment for property, plant & equipment		1,546	–
		<u>1,297,503</u>	<u>1,144,827</u>
Current assets			
Inventories		159,854	166,148
Trade and other receivables	13	364,129	296,901
Restricted cash		92,670	61,491
Cash and cash equivalents		673,289	778,553
		<u>1,289,942</u>	<u>1,303,093</u>
Total assets		<u><u>2,587,445</u></u>	<u><u>2,447,920</u></u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		65,346	65,346
Reserves		753,514	777,033
Retained earnings		894,208	789,743
		<u>1,713,068</u>	<u>1,632,122</u>
Total equity		<u><u>1,713,068</u></u>	<u><u>1,632,122</u></u>

	<i>Note</i>	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		104,750	90,750
Deferred income		14,757	15,508
Deferred income tax liabilities		743	–
		<u>120,250</u>	<u>106,258</u>
Current liabilities			
Trade and other payables	<i>14</i>	385,361	369,837
Derivative financial instruments	<i>15</i>	15,292	–
Current income tax liabilities		28,216	12,346
Borrowings		325,258	327,357
		<u>754,127</u>	<u>709,540</u>
Total liabilities		<u>874,377</u>	<u>815,798</u>
Total equity and liabilities		<u>2,587,445</u>	<u>2,447,920</u>
Net current assets		<u>535,815</u>	<u>593,553</u>
Total assets less current liabilities		<u>1,833,318</u>	<u>1,738,380</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2013

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 2013 by the Board of Directors.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2013 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 2012, 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 2012, 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 2013 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 2013.

5. REVENUE

	For the six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Bleaching and disinfectant chemicals	301,595	307,338
Foaming agent	335,660	414,994
Other specialty chemicals	130,201	135,433
	<u>767,456</u>	<u>857,765</u>

6. OTHER LOSSES — NET

	For the six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Bargain purchase	2,973	—
Financial liabilities at fair value through profit or loss:		
Fair value losses	(15,292)	—
Loss on disposal of property, plant and equipment	(591)	(116)
	<u>(12,910)</u>	<u>(116)</u>

7. FINANCE COSTS

	For the six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Interest expenses:		
— Bank borrowings	11,912	12,835
— Discount interest for bill payables	5,603	3,823
— Other charges	1,865	2,235
	<u>19,380</u>	<u>18,893</u>
Less: Interest capitalised in property, plant and equipment	(2,184)	(1,101)
	<u>17,196</u>	<u>17,792</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	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Raw materials used and changes in inventories	358,412	391,922
Depreciation of property, plant and equipment	43,666	32,815
Electricity and other utility fees	142,993	141,739
Employee benefit expenses	34,725	33,174
Transportation and related charges	15,907	13,994
Taxes and levies on main operations	3,459	7,606
Amortization of land use rights	882	882
Office and entertainment expenses	3,674	4,145
Operating lease expenses	752	625
Property insurance fee	1,322	1,471
Travelling expenses	715	1,047
Repairs and maintenance	3,005	3,844
Research and development cost	913	–
Amortisation of intangible assets	197	–
Auditors' remuneration	600	500
Other expenses	5,516	5,090
	<u>616,738</u>	<u>638,854</u>

9. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Current income tax		
— PRC enterprise income tax ^(a)	39,017	52,210
— Hong Kong profits tax ^(b)	222	–
Deferred income tax (credit)/charge	(3,300)	170
	<u>35,939</u>	<u>52,380</u>

(a) 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.

(b) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the period ended 30 June 2013.

Dividends derived from the Company's subsidiaries in the PRC earned after 1 January 2008 are subject to withholding tax at the rate of 5%. During the six months ended 30 June 2013 and 2012, the Group reassessed its needs to make distributions out of its subsidiaries in the PRC. As a result, no withholding income tax has been provided for the dividends distributed during the periods and to the extent they are expected to be distributed in future.

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.

	For the six months ended 30 June	
	2013 (Unaudited)	2012 (Unaudited)
Profit attributable to equity holders of the Company (RMB'000)	104,465	152,134
Weighted average number of ordinary shares in issue (thousand)	802,191	802,125
Basic earnings per share (RMB yuan)	0.13	0.19

(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 2013 to 30 June 2013 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	
	2013 RMB'000 (Unaudited)	2012 RMB'000 (Unaudited)
Dividend	24,692	40,697

The final dividend for the year ended 31 December 2012 amounting to RMB24,692,000 was paid in June 2013 (2011: RMB40,697,000).

The Board of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2013 (2012: NIL).

12. INVESTMENT IN ASSOCIATE

	Six months ended 30 June 2013 <i>RMB'000</i> (Unaudited)
Share of net assets, as at 1 January 2013	–
Addition (a)	2,973
Share of loss of an associate	<u>(2,973)</u>
Share of net assets, as at 30 June 2013	<u>–</u>

- (a) On 12 April 2013, the Company acquired 30% of shares in Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd. (“Minjiang Snow”) at nil consideration. As a result, Minjiang Snow became an associate of the Company. Details of Minjiang Snow as at the date of acquisition are as follow:

Provisional fair value on acquisition date <i>RMB'000</i>	Effective equity interest held by the Group	The Group's attributable share of the provisional fair value of the associate <i>RMB'000</i>	Consideration	Bargain purchase <i>RMB'000</i>
9,910	30%	2,973	–	2,973

13. TRADE AND OTHER RECEIVABLES

	As at 30 June 2013 <i>RMB'000</i> (Unaudited)	As at 31 December 2012 <i>RMB'000</i> (Audited)
Trade receivables (a)	338,207	256,144
Prepayments	25,414	40,113
Other receivables	<u>508</u>	<u>644</u>
	<u>364,129</u>	<u>296,901</u>

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

As at 30 June 2013 and 31 December 2012, the ageing analysis of the trade receivables is set out as follows:

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 3 months	335,716	253,653
Between 4 and 6 months	69	12
Between 7 and 12 months	2,422	2,479
	<u>338,207</u>	<u>256,144</u>

14. TRADE AND OTHER PAYABLES

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Trade payables (a)	83,633	67,640
Bills payable (b)	219,272	231,783
Other payables and accrual (c)	82,456	70,414
	<u>385,361</u>	<u>369,837</u>

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

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Within 3 months	78,173	67,640
Between 4 and 6 months	136	–
Between 7 and 12 months	5,324	–
	<u>83,633</u>	<u>67,640</u>

- (b) As at 30 June 2013 and 31 December 2012, the entire balances of bills payable were secured by restricted cash of RMB59,670,000 and RMB61,491,000 respectively.
- (c) Details of other payables and accrual are as follows:

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Advance from customers	2,427	164
Payable for IPO expenses	–	1,517
Auditors' remuneration	600	2,550
Payable for property, plant and equipment purchases	33,409	28,204
Freight charges	11,668	10,082
Water and electricity	14,349	10,880
Salary and welfare payable	7,171	10,499
Taxes	6,673	2,086
Interest payable	1,282	–
Payable for repair and maintenance	1,043	894
Others	3,834	3,538
	<u>82,456</u>	<u>70,414</u>

15. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2013 RMB'000 (Unaudited)	As at 31 December 2012 RMB'000 (Audited)
Financial liability at fair value through profit or loss		
Forward foreign exchange contracts	<u>15,292</u>	<u>–</u>

Forward foreign exchange contracts are classified as a current liability.

For the six months ended 30 June 2013, changes in fair values of financial liability at fair value through profit or loss amounting to RMB15,292,000 (For the six months ended 30 June 2012: Nil) were recorded in “other losses — net”.

MANAGEMENT DISCUSSION AND ANALYSIS

It has been one and a half years since the Company's shares successfully listed on the main board of The Stock Exchange of Hong Kong Limited on 9 December 2011. During this period, a number of measures were launched which had strengthened our leading position in the PRC market and further expanded our market share through further acquisitions over the course of industrial integration.

During the period under review, the revenue of the Group was approximately RMB767.5 million, representing a decrease of approximately 10.5% from the revenue of approximately RMB857.8 million for the corresponding period of 2012. The gross profit decreased by 25.2% to approximately RMB201.0 million from the same period of 2012. During the six months ended 30 June 2013, the net profit attributable to the equity holders of the Company and the basic earnings per share were approximately RMB104.5 million and approximately RMB0.13, representing a decrease of approximately 31.3% and a decrease of approximately 31.3% as compared with the corresponding period last year.

Business Review

As early as the first half of 2012, as the production capacity of major competitors was gradual released, the Group's major products, including bleaching and disinfectant chemicals as well as its foaming agent, were faced against a relatively fierce market competition. Impacted by fierce price wars and the deceleration in growth of downstream industries, the price of the Group's major products started to decline, hitting its lowest point at the end of the fourth quarter of 2012. As a result of these abovementioned factors, the Group's operating results drastically dropped during the second half of 2012.

In 2013, the global economy continues to experience an adjustment period after the financial crisis while the global environment abounds with complexities and uncertainties. As a result of slowing macroeconomic growth trends in China as well as the accelerated adjustment of the economic structure by the Chinese government, the gross domestic product reported a growth of 7.6% in the first half of 2013, and the overall economy achieved a stabilized and accelerated development. During the first half of 2013, the Group and the Haixi Research Institute (海西研究院) of Chinese Academy of Sciences entered into a cooperation agreement of product research. Both parties would build a "Research Centre of Green Chemical Technology" ("綠色化工技術研發中心") and focus on substantial technological problems of industrial by-products during the development of specialty chemicals industries such as bleaching and disinfectant chemicals (sodium chlorate and hydrogen peroxide), foaming agent, chlor-alkali, fluorine chemicals, and their downstream products, such as environmental protection, cleaning and high- efficiency utilization. The products will be refined collectively and an important technological research and development proposal will be implemented so as to facilitate and lead the sound and continuous development of the industry. In addition, as of now, the Group has completed its acquisition of a 30% equity interest in Sichuan Minjiang Snow Salt Chemical Industry Co., Ltd. By acquiring the equity interest in the largest Chinese sodium chlorate production base as well as through mutually-beneficial collaboration with Chengdu Huaxi Hope Group Co., Ltd (a famous private enterprise), the Group fortified its market share and regional deployment in the industry, which focuses on sodium chlorate and other specialty chemicals, thereby improving its result performance in the future.

In the first half of 2013, to seize opportunities arising from market development and industrial integration as well as satisfying and guaranteeing the growing market demand, the Group invested a total of RMB190 million. The Group completed its technological transformation and expansion for 5,000 tons of biurea and 15,000 tons of its foaming agent, thus successfully operating its new production line. Moreover, the Group utilized the abovementioned capital to complete the transformation and upgrade of the major power transfer routes for three factories. With more technological investment, the Group further lowered its energy consumption of each product unit, and improved its overall economic benefits.

Benefiting from industrial integration, more technological investment, and continued efforts taken by its entire employee force, the Group's revenue amounted to approximately RMB767.5 million in the first half of 2013, representing a slight increase of 0.7% as compared with that for the second half year of 2012, while the net profit attributable to the equity holders of the Company was approximately RMB104.5 million, representing a slight increase of 7.1% as compared with that for the second half year of 2012.

Future Prospects

As a result of the 12th Five-year Plan implemented by the Chinese government, the policy of energy conservation and emission reduction is determined as a long-term policy. According to the Plan, the first and second categories out of the five major categories set out by the policy of energy conservation and emission reduction will comprise businesses related "Urban wastewater treatment" and "more effort taken to handle wastewater treatment and technical and technological transformation by focusing on processing industries (pulp and paper production, printing and dyeing, food processing, and agricultural byproducts)". Currently, the government is sorting out an investment plan worth RMB2 trillion for the "wastewater prevention and control campaign" scheme. Owing to the policy guidance and large-scale investments, issues related to the wastewater treatment industry will be resolved, including its constraints on environmental technologies and power to purchase products due to insufficient investments in technological transformation.

In addition, according to the 12th Five-Year Plan for the development of the pulp and paper industry issued by the National Development and Reform Commission in January 2012, specific limitations are imposed on new projects involved in traditional elemental chlorine-bleaching techniques, and current enterprises will promote an elemental chlorine-free technique. By 2015, the adoption rate of the elemental chlorine-free technique adopted in the entire pulp and paper industry across the country is required to reach 40%. This compulsory requirement will promote further growth in the sales of bleaching and disinfectant products of the Group.

According to the Opinions on Accelerating the Development of Energy Conservation and Environmental Protection Industry (hereinafter referred to as the "Opinions") issued by the State Council in August 2013, to accelerate the development of urban environmental infrastructure, the local government bodies and corporate investment serve as major players, while the central government only renders appropriate fiscal support. By 2015, all cities and towns are required to have a daily-centralized sewage treatment capacity of 200 million cubic meters. The Group believes that the ongoing implementation of the abovementioned policies sets a clear course for the government to treat environmental pollution, improve the ecological environment, and sustain economic and social development, thus presenting new development opportunities to the Group.

In the second half of 2013, the Group will continue to implement the turnover and revenue growth program that is planned out at the beginning of this year, and consolidate its leading position in the industry during market integration. The Group has full confidence that there will be growth in the results for the second half of the year, and believes its technological advantages and industrial leadership will continue to generate substantial returns for the shareholders.

FINANCIAL REVIEW

Revenue

Revenue for the period under review was approximately RMB767.5 million, representing A decrease of approximately RMB90.3 million or 10.5% from approximately RMB857.8 million for the corresponding period last year. The decrease was mainly attributable to the decrease 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 period under review:

	For the six months ended 30 June			
	2013		2012	
	Amount	% of Revenue	Amount	% of Revenue
Revenue (RMB'000)				
Bleaching and disinfectant chemicals	301,595	39.3%	307,338	35.8%
Foaming agent	335,660	43.7%	414,994	48.4%
Other specialty chemicals	130,201	17.0%	135,433	15.8%
Total	<u>767,456</u>	<u>100.0%</u>	<u>857,765</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 RMB301.6 million, representing a decrease of approximately 1.9% or RMB5.7 million from the corresponding period last year. The decrease in revenue was mainly attributable to the decrease in average selling price for hydrogen peroxide as a result of market condition, sales of hydrogen peroxide decreased by approximately 7.1% to RMB102.5 million.

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 RMB335.7 million, representing a decrease of approximately 19.1% or RMB79.3 million from the corresponding period last year. The decrease was mainly attributable to the decrease in average selling price for foaming agent as a result of market condition.

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 RMB130.2 million, representing a decrease of approximately 3.9% or RMB5.2 million from the corresponding period last year. The decrease was mainly attributable to the decrease in average selling price for other specialty chemicals as a result of market condition.

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 63.3% and 66.5% of our total cost of sales in the period ended 30 June 2013 and 2012, respectively.

During the period under review, our cost of sales decreased by approximately RMB22.7 million or 3.8% to RMB566.4 million from RMB589.1 million in the corresponding period last year, which was primarily due to the increase in sales volume of both bleaching and disinfectant chemicals. The percentage for cost of sales to revenue was 73.8% and 68.7% for the six months ended 30 June 2013 and 2012, respectively, reflecting efficient cost control.

Gross profit and gross margin

Our gross profit decreased by approximately RMB67.7 million or 25.2% to RMB201.0 million for the period under review from RMB268.7 million for the corresponding period last year. The overall gross margin decreased from 31.3% for the six months ended 30 June 2012 to 26.2% for the six months ended 30 June 2013, 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		
	2013	2012	Change
Bleaching and disinfectant chemicals	30.3%	37.6%	(19.4%)
Foaming agent	19.3%	23.0%	(16.1%)
Other specialty chemicals	34.4%	42.5%	(19.1%)
Overall	26.2%	31.3%	(16.3%)

Bleaching and disinfectant chemicals

The gross margin of bleaching and disinfectant chemicals decreased from 37.6% for the six months ended 30 June 2012 to 30.3% for the six months ended 30 June 2013, which was primarily attributable to the decrease in average selling price of hydrogen peroxide as a result of market condition.

Foaming agent

The gross margin of foaming agent decreased from 23.0% for the six months ended 30 June 2012 to 19.3% for the six months ended 30 June 2013, 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 42.5% for the six months ended 30 June 2012 to 34.4% for the six months ended 30 June 2013, which was primarily attributable to: (1) the decrease in average selling price of other specialty chemicals as a result of market condition ; and (2) higher margin of caustic soda by applying the ion membrane production method which is of higher quality had mitigated the impact of decrease of 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 0.3% to RMB19.1 million for the six months ended 30 June 2013 from RMB19.0 million for the six months ended 30 June 2012, which was primarily attributable to 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 1.6% to RMB31.2 million for the six months ended 30 June 2013 from RMB30.8 million for the six months ended 30 June 2012, which was primarily attributable to effective cost control.

Other income

Other income primarily consists of profit from sales of raw materials and government subsidies. The other income of the Group increased to RMB1.9 million for the six months ended 30 June 2013 from RMB0.6 million for the six months ended 30 June 2012, which was primarily attributable to the increase in the governmental subsidies.

Other losses, net

Other losses, net, mainly consists of the net gain or loss from the disposal of property, plant and equipment. The other losses, net, of the Group increased to RMB12.9 million for the six months ended 30 June 2013 from RMB0.1 million for the six months ended 30 June 2012, which was primarily attributable to fair value losses arising from the derivative financial instrument.

Finance income

Finance income relates primarily to interest earned on our bank deposits and foreign exchange gains. The finance income of the Group increased by 500% to RMB20.9 million for the six months ended 30 June 2013 from RMB3.5 million for the six months ended 30 June 2012, which was primarily attributable to the increase in foreign exchange gains arising from the foreign currency borrowings.

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 decreased by 3.3% to RMB17.2 million for the six months ended 30 June 2013 from RMB17.8 million for the six months ended 30 June 2012, which was primarily attributable to increase in interest capitalised in property, plant and equipment 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 decreased by 31.5% to RMB35.9 million for the six months ended 30 June 2013 from RMB52.4 million for the six months ended 30 June 2012. The effective tax rate increased to 25.6% for the six months ended 30 June 2013 from 25.5% for the six months ended 30 June 2012 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 decreased by 31.3% to RMB104.5 million for the six months ended 30 June 2013 from RMB152.1 million for the six months ended 30 June 2012.

Profit attributable to non-controlling interests

There is no profit attributable to non-controlling interests of the Company for the six months ended 30 June 2013 (for the six months ended 30 June 2012: RMB0.5 million), which was primarily attributed to the acquisition of the non-controlling interest of Fuzhou Yihua Chemical Stock Co., Ltd. (“Fuzhou Yihua”) by Fujian Rongping Chemical Co., Ltd. (“Fujian Rongping”) during the last period. Both Fuzhou Yihua and Fujian Rongping are subsidiaries of the Group.

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 RMB673.3 million as at 30 June 2013 (31 December 2012: approximately RMB778.6 million), most of which were denominated in Renminbi. As at 30 June 2013, the interest bearing bank borrowings of the Group amounted to approximately RMB430.0 million (31 December 2012: approximately RMB418.1 million).

As at 30 June 2013, the Group’s current ratio (calculated as current assets divided by current liabilities) was 1.71 (31 December 2012: 1.84). The Group was in a net cash position as at 30 June 2013 and 31 December 2012. The Group has sufficient and readily available finance resource for both general working capital purpose and foreseeable capital expenditure.

Working capital

Inventories were approximately RMB159.9 million in total as at 30 June 2013, as compared with approximately RMB105.9 million as at 30 June 2012. The increase was primarily due to increase in work in progress namely, working solution to be used to produce hydrogen peroxide. Average inventory turnover days were 53 days for the six months ended 30 June 2013 (for the six months ended 30 June 2012: 42 days).

As at 30 June 2013, trade receivables amounted to approximately RMB338.2 million in total, as compared with approximately RMB327.9 million as at 30 June 2012. The increase was primarily attributable to increased sales in credit term with 90 days. The average trade receivables turnover days were 70 days for the six months ended 30 June 2013 (for the six months ended 30 June 2012: 70 days).

As at 30 June 2013, trade and bills payables amounted to approximately RMB302.9 million in total, as compared with approximately RMB290.4 million as at 30 June 2012. The increase was mainly due to the increase in usage of 90 days letter of credit and bills guaranteed by banks in our payment. The average trade and bills payables turnover days were 96 days for the six months ended 30 June 2013 (for the six months ended 30 June 2012: 80 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 2013, 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	292.1	–
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>337.0</u>	<u>112.3</u>

To the extent that the net proceeds were not yet applied as at 30 June 2013, 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 2013, the capital commitments of the Group were approximately RMB5.9 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 2013, 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 2013.

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 2013, 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 2013.

Publication of Interim Results and Interim Report

The interim results and the interim report for the six months ended 30 June 2013 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 2013

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 Dr. 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)

截至二零一三年六月三十日止六個月之 中期業績公告

財務摘要 (除另有註明外， 以人民幣千元列示)	截至六月三十日止六個月		變動率 %
	二零一三年	二零一二年	
收入	767,456	857,765	(10.5)%
毛利	201,011	268,669	(25.2)%
本公司權益持有人應佔利潤	104,465	152,134	(31.3)%
每股收益			
— 基本(人民幣)	0.13	0.19	(31.3)%
— 稀釋(人民幣)	0.13	0.19	(31.3)%
		於	
	二零一三年	二零一二年	
	六月三十日	十二月三十一日	
權益總額	1,713,068	1,632,122	5.0%
每股資產淨值(人民幣)	2.14	2.03	5.0%

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」)截至二零一三年六月三十日止六個月之未經審核簡明合併業績，連同二零一二年同期可比較數據如下：

簡明合併綜合收益表

截至二零一三年六月三十日止六個月

	附註	截至六月三十日止六個月	
		二零一三年 人民幣千元 (未經審核)	二零一二年 人民幣千元 (未經審核)
收入	5	767,456	857,765
銷售成本	8	(566,445)	(589,096)
毛利		201,011	268,669
銷售及市場推廣費用	8	(19,053)	(18,995)
行政費用	8	(31,240)	(30,763)
其他收益		1,880	571
其他虧損淨額	6	(12,910)	(116)
		139,688	219,366
經營利潤			
財務收益		20,885	3,477
財務費用	7	(17,196)	(17,792)
財務收益/(費用) — 淨額		3,689	(14,315)
享有聯營虧損的份額	12	(2,973)	—
除所得稅前利潤		140,404	205,051
所得稅費用	9	(35,939)	(52,380)
本期利潤及總綜合收益		104,465	152,671
利潤歸屬於：			
— 本公司權益持有人		104,465	152,134
— 非控制權益		—	537
		104,465	152,671
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	0.13	0.19
— 稀釋每股收益	10	0.13	0.19
股利	11	24,692	40,697

簡明合併資產負債表
於二零一三年六月三十日

	附註	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 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		74,685	75,567
不動產、工廠及設備		1,212,405	1,064,238
無形資產		4,301	4,499
於聯營公司的權益	12	-	-
遞延所得稅資產		4,566	523
預付不動產，工廠及設備		1,546	-
		<u>1,297,503</u>	<u>1,144,827</u>
流動資產			
存貨		159,854	166,148
應收賬款及其他應收款	13	364,129	296,901
受限制現金		92,670	61,491
現金及現金等價物		673,289	778,553
		<u>1,289,942</u>	<u>1,303,093</u>
總資產		<u><u>2,587,445</u></u>	<u><u>2,447,920</u></u>
權益			
歸屬於本公司所有者			
股本		65,346	65,346
其他儲備		753,514	777,033
留存收益		894,208	789,743
總權益		<u>1,713,068</u>	<u>1,632,122</u>

		於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
負債			
非流動負債			
借款		104,750	90,750
遞延收入		14,757	15,508
遞延所得稅負債		743	—
		<u>120,250</u>	<u>106,258</u>
流動負債			
應付賬款及其他應付款	14	385,361	369,837
衍生金融工具	15	15,292	—
當期所得稅負債		28,216	12,346
借款		325,258	327,357
		<u>754,127</u>	<u>709,540</u>
總負債		<u>874,377</u>	<u>815,798</u>
總權益及負債		<u>2,587,445</u>	<u>2,447,920</u>
流動資產淨額		<u>535,815</u>	<u>593,553</u>
總資產減流動負債		<u>1,833,318</u>	<u>1,738,380</u>

未經審核簡明合併中期財務資料附註

截至二零一三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二零一三年八月二十八日批准刊發。

2. 編製標準

截至二零一三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二零一二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二零一二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二零一三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，截至二零一三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	
	二零一三年	二零一二年
	人民幣千元	人民幣千元
	(未經審核)	(未經審核)
漂白消毒化學品	301,595	307,338
發泡劑	335,660	414,994
其他特種化學品	130,201	135,433
	<u>767,456</u>	<u>857,765</u>

6. 其他虧損淨額

	截至六月三十日止六個月	
	二零一三年	二零一二年
	人民幣千元	人民幣千元
	(未經審核)	(未經審核)
廉價收購	2,973	-
外匯遠期合約之衍生金融工具之公允價值虧損	(15,292)	-
出售不動產、廠房及設備之淨虧損	(591)	(116)
	<u>(12,910)</u>	<u>(116)</u>

7. 財務費用

	截至六月三十日止六個月	
	二零一三年	二零一二年
	人民幣千元	人民幣千元
	(未經審核)	(未經審核)
利息開支：		
— 銀行借款	11,912	12,835
— 應付票據的貼現利息	5,603	3,823
— 其他支出	1,865	2,235
	<u>19,380</u>	<u>18,893</u>
減：不動產、工廠及設備之利息資本化	(2,184)	(1,101)
	<u>17,196</u>	<u>17,792</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	
	二零一三年 人民幣千元 (未經審核)	二零一二年 人民幣千元 (未經審核)
所使用的原材料及存貨變動	358,412	391,922
不動產、工廠及設備折舊	43,666	32,815
電費及其他水電費	142,993	141,739
僱員福利開支	34,725	33,174
運輸及有關支出	15,907	13,994
主要經營業務的稅項及徵費	3,459	7,606
土地使用權攤銷	882	882
辦公及應酬開支	3,674	4,145
經營租賃開支	752	625
財產保險費	1,322	1,471
差旅費用	715	1,047
維修及保養	3,005	3,844
研發費用	913	–
無形資產攤銷	197	–
核數師薪酬	600	500
其他開支	5,516	5,090
	<u>616,738</u>	<u>638,854</u>

9. 所得稅費用

	截至六月三十日止六個月	
	二零一三年 人民幣千元 (未經審核)	二零一二年 人民幣千元 (未經審核)
當期所得稅		
— 中國企業所得稅 ^(a)	39,017	52,210
— 香港利得稅 ^(b)	222	–
遞延所得稅	(3,300)	170
	<u>35,939</u>	<u>52,380</u>

(a) 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。

(b) 截至二零一三年六月三十日期間，本集團源自香港的應課稅盈利按16.5%計提香港利得稅。

於中國內地成立的企業就二零零八年一月一日後所產生的盈利向海外投資者宣派股息須繳納5%預扣稅。截至二零一三年及二零一二年六月三十日止六個月，由於該等中國子公司的未匯出盈利預期會一直於中國再投資，故並無就預扣稅計提撥備，而是預期在將來進行分派。

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。

	截至六月三十日止六個月	
	二零一三年 (未經審核)	二零一二年 (未經審核)
本公司權益持有人應佔收益(人民幣千元)	104,465	152,134
已發行普通股加權平均數(千股)	<u>802,191</u>	<u>802,125</u>
每股基本收益(人民幣元)	<u>0.13</u>	<u>0.19</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。二零一三年一月一日至二零一三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. 股息

	截至六月三十日止六個月	
	二零一三年 人民幣千元 (未經審核)	二零一二年 人民幣千元 (未經審核)
股息	<u>24,692</u>	<u>40,697</u>

截至二零一二年十二月三十一日止年度的末期股息合共人民幣24,962,000元已於二零一三年六月派付(二零一一年：人民幣40,697,000元)。

董事會不建議派付截至二零一三年六月三十日止六個月的中期股利(二零一二年：無)。

12. 於聯營公司的權益

	截至 二零一三年 六月三十日 止六個月 人民幣千元 (未經審核)
於二零一三年一月一日賬面價值	-
新增投資(a)	2,973
享有聯營虧損的份額	<u>(2,973)</u>
於二零一三年六月三十日賬面價值	<u>-</u>

(a) 於2013年4月12日，本公司收購四川岷江雪鹽化工有限公司(「岷江雪」)30%股權，收購價款為人民幣零元。自此，岷江雪成為本公司的聯營公司。岷江雪於收購日的具體情況詳見下表：

聯營公司 收購日之 公允價值 人民幣千元	本集團 應佔權益	本集團應佔 聯營公司 收購日之 公允價值 人民幣千元	支付對價	廉價收購 人民幣千元
9,910	30%	2,973	-	2,973

13. 應收賬款及其他應收款

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
應收賬款(a)	338,207	256,144
預付款	25,414	40,113
其他應收款	<u>508</u>	<u>644</u>
	<u>364,129</u>	<u>296,901</u>

(a) 國內外客戶未償付結餘的信貸期均介乎30至90天。

於二零一三年六月三十日及二零一二年十二月三十一日，應收賬款的賬齡分析如下：

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
三個月內	335,716	253,653
四至六個月	69	12
七至十二個月	2,422	2,479
	<u>338,207</u>	<u>256,144</u>

14. 應付賬款及其他應付款

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
應付賬款(a)	83,633	67,640
應付票據(b)	219,272	231,783
其他應付款及預提費用(c)	82,456	70,414
	<u>385,361</u>	<u>369,837</u>

(a) 應付賬款的賬齡分析詳情如下：

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
三個月內	78,173	67,640
四至六個月	136	-
七至十二個月	5,324	-
	<u>83,633</u>	<u>67,640</u>

(b) 於二零一三年六月三十日及二零一二年十二月三十一日，應付票據的全部結餘分別以受限制現金人民幣59,670,000元及人民幣61,491,000元作抵押。

(c) 其他應付款及預提費用詳情如下：

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
客戶墊款	2,427	164
應付首次公開發售費用	-	1,517
核數師薪酬	600	2,550
購買不動產、工廠及設備應付款項	33,409	28,204
運費	11,668	10,082
水電費	14,349	10,880
應付薪金及福利	7,171	10,499
稅項	6,673	2,086
應付利息	1,282	-
應付維修及保養	1,043	894
其他	3,834	3,538
	<u>82,456</u>	<u>70,414</u>

15. 衍生金融工具

	於二零一三年 六月三十日 人民幣千元 (未經審核)	於二零一二年 十二月三十一日 人民幣千元 (經審核)
按公平值經損益入帳之財務負債		
遠期外匯合約	<u>15,292</u>	<u>-</u>

衍生金融工具分類為流動負債。

截至二零一三年六月三十日止六個月，按公平值經損益入帳之財務負債的公平值變動人民幣15,292,000元(截至二零一二年六月三十日六個月：零)計入「其他虧損—淨額」中。

管理層討論及分析

自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)主板成功上市以來，距今已有一年半。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通過對外收購加速行業整合，擴大市場份額。

於回顧期內，本集團的收入約為人民幣767.5百萬元，較二零一二年同期的收入約人民幣857.8百萬元減少約10.5%，毛利則較二零一二年同期減少25.2%至約人民幣201.0百萬元。於截至二零一三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104.5百萬元及每股基本收益約為人民幣0.13元，較去年同期分別下跌約31.3%及下跌約31.3%。

業務回顧

自二零一二年上半年以來，由於主要競爭對手的產能得以陸續釋放，本集團主要產品包括漂白消毒化學品和發泡劑面臨較為激烈的市場競爭，主要產品的價格在激烈競爭和下游行業增速放緩的雙重影響下，價格逐步下降，並於二零一二年第四季度觸及年內低點，以上因素導致本集團二零一二年下半年的經營業績顯著下滑。

進入二零一三年，全球經濟仍處危機後的調整期，國際環境充滿複雜性和不確定性。在中國宏觀經濟呈現放緩的增長勢頭，中國政府加快調整經濟結構的背景下，二零一三年上半年GDP增長7.6%，經濟運行總體穩中求進。二零一三年上半年，本集團與中國科學院海西研究院簽署了產研合作協議，雙方共建【綠色化工技術研發中心】，致力於圍繞漂白消毒類(氯酸鈉、雙氧水)、發泡劑、氯鹼、氟化工及其下游等特種化學品行業發展所涉及的工業副產品的綠色、清潔、高效利用等重大科技問題，由雙方共同提煉並實施重大的科技研發項目，促進和引領行業的健康及持續發展。此外，截至目前，本集團已完成收購四川岷江雪鹽化有限公司30%股權。通過入股中國最大的氯酸鈉生產基地，並與中國知名民營企業成都華西希望集團有限公司達成共贏合作，有助於加強本集團在中國的氯酸鈉等特種化學品行業的市場份額和區域布局，繼而提升本公司未來的業績表現。

二零一三年上半年，為抓住市場發展和行業整合的機遇，滿足及保障逐步上升的市場需求，本集團累計投入了逾人民幣1.9億元，完成了5,000噸聯二脛和15,000噸發泡劑的技術改造和擴建工程，目前新的生產綫已順利運行。此外，本集團還利用上述資金完成了對三家工廠主要輸電綫路的改造及升級，通過加大技術投入，進一步降低單位產品能耗，提高整體規模經濟效益。

受益於本集團進行的行業整合，以及進一步的技術投入，並經本集團全體員工的不懈努力，二零一三年上半年本集團實現收入約人民幣767.5百萬元，本公司權益持有人應佔純利約為人民幣104.5百萬元，分別相比二零一二年下半年本集團實現的收入和權益持有人應佔純利小幅上升0.7%及7.1%。

未來展望

中國政府的十二五規劃將節能減排定位為長期國策，而且規劃中將「城鎮污水處理」和「以製漿造紙、印染、食品加工、農副產品加工等行業為重點，繼續加大水污染深度治理和工藝技術改造」列為節能減排的五個重點工程的第一項和第二項。且當前國家正在制定的「水污染防治行動計劃」預計投入人民幣2萬億元。隨著國家政策導向和大規模投入，必將解決污水處理行業因技術改造投入不足而抑制環保技術、產品購買力的問題。

此外，根據國家發改委於二零一二年一月發布的《造紙工業發展「十二五」規劃》，文中明確限制新上項目採用傳統的元素氯漂白工藝，現有企業將推廣無元素氯漂白技術，到二零一五年，全國造紙行業要實現無元素氯漂白技術普及率要求達到40%。這一強制性要求必將促進本集團之漂白消毒類產品銷售收入的進一步增長。

二零一三年八月國務院正式出臺《關於加快發展節能環保產業的意見》(下稱意見)，《意見》提出，要以地方政府和企業投入為主，中央財政提供適當支持的模式，加快城鎮環境基礎設施建設；到二零一五年，所有城市和縣城都要具備污水集中處理能力，城鎮污水處理規模達到每日2億立方米以上。我們相信以上政策的密集出臺必將為國家治理環境污染、改善生態環境，促進經濟社會可持續發展指明方向，新政策亦將為本集團提供新的發展機遇。

二零一三年下半年本集團將繼續貫徹落實年初制定的營收增長計劃，通過市場整合鞏固行業領導地位。本集團對下半年業績的增長充滿信心，並堅信憑藉自身的技術優勢和行業之領導地位，能繼續給股東帶來豐厚的回報。

財務回顧

收入

回顧期間內收入約為人民幣767.5百萬元，較去年同期的收入約人民幣857.8百萬元，減少約人民幣90.3百萬元或10.5%。收入減少主要是由於漂白消毒化學品及發泡劑的銷售額於期間內減少。

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			
	二零一三年		二零一二年	
	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	301,595	39.3%	307,338	35.8%
發泡劑	335,660	43.7%	414,994	48.4%
其他特種化學品	130,201	17.0%	135,433	15.8%
總計	<u>767,456</u>	<u>100.0%</u>	<u>857,765</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遊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301.6百萬元，較去年同期減少約1.9%或人民幣5.7百萬元。收入減少主要由於受到雙氧水的平均售價受市場因素有所下調而減少，使其銷售額減少約7.1%至人民幣102.5百萬元。

發泡劑

此分部主要包括基本型及超細型發泡劑。發泡劑為本集團下遊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335.7百萬元，較去年同期減少約19.1%或人民幣79.3百萬元。收入減少主要由於發泡劑的平均售價受市場因素有所下調所致。

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130.2百萬元，較去年同期減少約3.9%或人民幣5.2百萬元。收入減少主要由於其他特種化學品的平均售價受市場因素有所下調所致。

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，截至二零一三年及二零一二年六月三十日止六個月分別佔總銷售成本的63.3%和66.5%。

回顧期間銷售成本為人民幣566.4百萬元，較去年同期人民幣589.1百萬元，減少約人民幣22.7百萬元或3.8%。銷售成本增加主要是由於漂白消毒化學品的銷量增加所致。截至二零一三年及二零一二年六月三十日止六個月銷售成本分別佔收入收益的73.8%及68.7%，反映外購成本有所上升。

毛利與毛利率

回顧期間毛利為人民幣201.0百萬元，較去年同期的收益約人民幣268.7百萬元，減少約人民幣67.7百萬元或25.2%。整體毛利率由截至二零一二年六月三十日止六個月的31.3%下跌至截至二零一三年六月三十日止六個月的26.2%，主要是由於部份產品的平均售價受到市場因素有所下調而減少。

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(%)	截至六月三十日止六個月		變動
	二零一三年	二零一二年	
漂白消毒化學品	30.3%	37.6%	(19.4%)
發泡劑	19.3%	23.0%	(16.1%)
其他特種化學品	34.4%	42.5%	(19.1%)
整體	26.2%	31.3%	(16.3%)

漂白消毒化學品

漂白消毒化學品的毛利率由截至二零一二年六月三十日止六個月的37.6%減少到截至二零一三年六月三十日止六個月的30.3%，主要因素為雙氧水的平均售價受市場因素有所下調而減少。

發泡劑

發泡劑的毛利率由截至二零一二年六月三十日止六個月的23.0%減少到截至二零一三年六月三十日止六個月的19.3%，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二零一二年六月三十日止六個月的42.5%下跌到截至二零一三年六月三十日止六個月的34.4%，主要因素為：(1)其他特種化學品的平均售價受到市場因素有所下調而減少；及(2)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減少了部份因價格下跌的影響。

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二零一二年六月三十日止六個月的人民幣19.0百萬元增加0.3%到截至二零一三年六月三十日止六個月的人民幣19.1百萬元，主要是由於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二零一二年六月三十日止六個月的人民幣30.8百萬元上升1.6%到截至二零一三年六月三十日止六個月的人民幣31.2百萬元，主要是由於有效的費用控制所致。

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二零一二年六月三十日止六個月的人民幣0.6百萬元增加至截至二零一三年六月三十日止六個月的人民幣1.9百萬元，主要是政府補貼增加所致。

其他虧損淨額

其他虧損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。本集團其他虧損淨額由截至二零一二年六月三十日止年度的人民幣0.1百萬元其他盈利淨額上升至截至二零一三年六月三十日止六個月的人民幣12.9百萬元其他虧損淨額，主要是由於源自衍生金融工具之公允價值的淨虧損增加所致。

財務收益

財務收益主要指自銀行存款賺取的利息及外匯收益。本集團財務收益由截至二零一二年六月三十日止六個月的人民幣3.5百萬元增加500%到截至二零一三年六月三十日止六個月的人民幣20.9百萬元，主要是由於源自外幣借款之外匯收益增加所致。

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。本公司淨財務費用由截至二零一二年六月三十日止六個月的人民幣17.8百萬元減少3.3%到截至二零一三年六月三十日止六個月的人民幣17.2百萬元，主要是由於期間內不動產、工廠及設備之利益資本化增加所致。

所得稅費用

本集團之中國子公司按25%稅率繳納中國企業所得稅。本集團所得稅開支由截至二零一二年六月三十日止六個月期間的人民幣52.4百萬元減少31.5%到截至二零一三年六月三十日止六個月的人民幣35.9百萬元。實際稅率由截至二零一二年六月三十日止六個月的25.5%上升到截至二零一三年六月三十日止六個月的25.6%，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二零一二年六月三十日止六個月的人民幣152.1百萬元減少31.3%到截至二零一三年六月三十日止六個月的人民幣104.5百萬元。

非控制性權益應佔利潤

截至二零一三年六月三十日止六個月，本公司非控制權益應佔利潤為人民幣零元(截至二零一二年六月三十日止六個月為人民幣0.5百萬元)，主要是由於去年期間內福州一化化學品股份有限公司(「福州一化」)的全數非控制性權益被福建省(屏南)榕屏化工有限公司(「福建榕屏」)所收購所致。福州一化及福建榕屏均為集團的子公司。

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。

於二零一三年六月三十日，本集團的現金及現金等價物結餘約人民幣673.3百萬元(於二零一二年十二月三十一日：約人民幣778.6百萬元)，大部份以人民幣計值。於二零一三年六月三十日，本集團的計息銀行借款約為人民幣430.0百萬元(於二零一二年十二月三十一日：約人民幣418.1百萬元)。

於二零一三年六月三十日，本集團的流動比率(按流動資產除以流動負債計算)為1.71(於二零一二年十二月三十一日：1.84)。本集團於二零一三年六月三十日及二零一二年十二月三十一日均有強勁的淨現金結餘。本集團擁有充足及隨時可用的財務資源用作一般運營資金及可見將來的資本開支。

運營資本

於二零一三年六月三十日，總存貨約為人民幣159.9百萬元，於二零一二年六月三十日則為約人民幣105.9百萬元，增加主要是由於用作生產雙氧水的在產品(即工作液)減少所致。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53日(截至二零一二年六月三十日止六個月：32日)。

於二零一三年六月三十日，總應收賬款約為人民幣338.2百萬元，於二零一二年六月三十日則為約人民幣327.9百萬元，增加主要是由於信貸期一般長達90天的銷售增加所致。截至二零一三年六月三十日止六個月，平均應收賬款周轉日數為70日(截至二零一二年六月三十日止六個月：70日)。

於二零一三年六月三十日，總應付賬款及應付票據約為人民幣302.9百萬元，於二零一二年六月三十日則為約人民幣290.4百萬元，增加主要是由於我們付款時使用較多付款日為90天的信用證及銀行擔保票據所致。截至二零一三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96日(截至二零一二年六月三十日止六個月：80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。截至二零一三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	292.1	-
用於併購	112.3	-	112.3
用於一般運營資金	44.9	44.9	-
總計	<u>449.3</u>	<u>337.0</u>	<u>112.3</u>

於二零一三年六月三十日，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

於二零一三年六月三十日，本集團的資本承擔約人民幣5.9百萬元，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

於二零一三年六月三十日，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，彼等於截至二零一三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二零一三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

於截至二零一三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。

刊登中期業績及中期報告

載有上市規則所規定的一切有關資料的截至二零一三年六月三十日止六個月中期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

二零一三年八月二十八日

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博士、寇會忠先生及李君發先生。