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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Financial Highlights	2011	2010	Growth
	RMB'000	RMB'000	%
Revenue	1,524,833	1,211,826	25.8%
Gross profit	492,741	320,817	53.6%
Profit attributable to equity holders of the Company	268,169	169,051	58.6%
Earnings per share			
– Basic (RMB)	49.27 cents	37.57 cents	31.1%
– Diluted (RMB)	49.27 cents	37.57 cents	31.1%

The board of directors (the “Board”) of China First Chemical Holdings (the “Company”) is pleased to announce its consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2011 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Note	2011 RMB'000	2010 RMB'000
Revenue	5	1,524,833	1,211,826
Cost of sales		<u>(1,032,092)</u>	<u>(891,009)</u>
Gross profit		492,741	320,817
Selling and marketing expenses		(32,388)	(20,944)
Administrative expenses		(72,462)	(51,281)
Other income	6	3,720	1,910
Other losses-net		<u>(681)</u>	<u>(3,146)</u>
		390,930	247,356
Operating profit			
Finance income		2,679	1,621
Finance costs	7	(26,823)	(19,581)
Finance costs – net		<u>(24,144)</u>	<u>(17,960)</u>
Profit before income tax	8	366,786	229,396
Income tax expense	10	<u>(96,262)</u>	<u>(58,719)</u>
Profit and total comprehensive income for the year		<u>270,524</u>	<u>170,677</u>
Attributable to:			
– Equity holders of the Company		268,169	169,051
– Non-controlling interests		<u>2,355</u>	<u>1,626</u>
		<u>270,524</u>	<u>170,677</u>
Earnings per share attributable to the equity holders of the Company (RMB)			
– Basic	11	<u>0.49</u>	<u>0.38</u>
– Diluted	11	<u>0.49</u>	<u>0.38</u>
Dividends	12	<u>100,374</u>	<u>–</u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2011

		As at 31 December	
		2011	2010
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Land use rights		77,331	79,095
Property, plant and equipment		773,606	710,654
Intangible assets		–	–
Available-for-sale financial assets		–	–
Deferred income tax assets		170	370
Other non-current assets		1,834	268
		<u>852,941</u>	<u>790,387</u>
Current assets			
Inventories	13	101,056	107,527
Trade and other receivables	14	341,963	269,910
Restricted cash		37,692	30,895
Cash and cash equivalents		926,148	397,231
		<u>1,406,859</u>	<u>805,563</u>
Total assets		<u>2,259,800</u>	<u>1,595,950</u>
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		65,168	–
Reserves		784,936	334,471
Retained earnings		565,854	326,348
		<u>1,415,958</u>	<u>660,819</u>
Non-controlling interests		<u>10,402</u>	<u>8,047</u>
Total equity		<u>1,426,360</u>	<u>668,866</u>

		As at 31 December	
		2011	2010
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Borrowings		137,310	154,270
Deferred income		14,743	9,291
		<u>152,053</u>	<u>163,561</u>
Current liabilities			
Trade and other payables	15	310,732	507,493
Current income tax liabilities		29,319	22,450
Borrowings		341,336	233,580
		<u>681,387</u>	<u>763,523</u>
Total liabilities		<u>833,440</u>	<u>927,084</u>
Total equity and liabilities		<u>2,259,800</u>	<u>1,595,950</u>
Net current assets		<u>725,472</u>	<u>42,040</u>
Total assets less current liabilities		<u>1,578,413</u>	<u>832,427</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

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, Ugland House Grand Cayman, KY1-1104 Cayman Islands.

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

2. BASIS OF PRESENTATION AND PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets as appropriate.

The Reorganisation represents business combinations involving entities under common control. For accounting purposes, in preparing these consolidated financial statements, the Reorganisation has been accounted for as a business combination under common control in a manner similar to the principles of merger accounting. The consolidated financial statements present the consolidated financial position, results and cash flows of the companies now comprising the Group as if the existing Group structure had been in existence or since their respective dates of incorporation/establishment or acquisition, whichever is the shorter period. The details of the Reorganisation were set out in the prospectus of the Company dated 29 November 2011.

All significant intra-group transactions and balances have been eliminated upon consolidation.

Non-controlling interests represent the interest of entities other than equity holders of the Company in the operating results and net assets of the Group during the year.

These financial statements have been prepared under the historical cost convention value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. APPLICATION OF NEW AND REVISED IFRSS

The Group has not applied the following new and revised IFRSs, amendments and interpretations that have been issued but are not yet effective, in these financial statements.

IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ³
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
IAS 19 (Amendments)	Employee Benefits ⁴
IFRS 7 (Amendments)	Disclosures – Transfer of Financial Assets ¹
IFRS 10	Consolidated Financial Statements ⁴
IFRS 11	Joint Arrangements ⁴
IFRS 12	Disclosure of Interests in Other Entities ⁴
IFRS 13	Fair Value Measurement ⁴
IFRS 9	Financial Instruments ⁴

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2012

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2013

The Directors of the Company anticipate that the application of these new standards, amendments and interpretations will have no material impact on the results of operations and financial positions of 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 of Directors) 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 during the year.

5. REVENUE

	For the year ended	
	31 December	
	2011	2010
	RMB'000	RMB'000
Bleaching and disinfectant chemicals	568,320	417,120
ADC foaming agent	710,456	586,139
Other specialty chemicals	246,057	208,567
	<u>1,524,833</u>	<u>1,211,826</u>

6. OTHER INCOME

	For the year ended	
	31 December	
	2011	2010
	RMB'000	RMB'000
Profit from sales of raw materials	2,196	1,029
Subsidy income granted by government	1,524	881
	<u>3,720</u>	<u>1,910</u>

7. FINANCE COSTS

	For the year ended	
	31 December	
	2011	2010
	RMB'000	RMB'000
Interest expenses:		
– Bank borrowings	24,508	28,535
– Discount interest for bill receivables	4,232	3,202
– Other charges	3,564	7,325
	<u>32,304</u>	<u>39,062</u>
Less: Interest capitalised in property, plant and equipment	(813)	(15,335)
	<u>31,491</u>	<u>23,727</u>
Exchange gains	(4,668)	(4,146)
	<u>26,823</u>	<u>19,581</u>

8. EXPENSES BY NATURE

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

	For the year ended	
	31 December	
	2011	2010
	RMB'000	RMB'000
Raw materials used and changes in inventories	668,884	553,930
Depreciation of property, plant and equipment	59,088	44,328
Electricity and other utility fees	257,673	248,122
Employee benefit expenses	59,503	54,497
Transportation and related charges	22,708	17,915
Business tax and other transaction taxes	16,760	7,751
Provision on impairment of property, plant and equipment	–	1,449
Amortization of land use rights	1,764	1,700
Amortization of intangible assets	–	1,476
Office and entertainment expenses	10,083	8,559
Operating lease expenses	1,031	894
Property insurance fee	2,071	1,720
Travelling expenses	1,979	1,451
Repairs and maintenance	7,352	11,590
Auditors' remuneration	2,273	140
IPO expenses	16,636	–
Other expenses	9,137	7,712
	<u>1,136,942</u>	<u>963,234</u>

9. EMPLOYEE BENEFIT EXPENSES

Directors' remuneration

– Wages, salaries and bonuses	2,347	1,751
– Contribution to pension plan	52	39
– Pre-IPO option scheme expenses	123	–
	<u>2,522</u>	<u>1,790</u>

Other staff costs

– Wages, salaries and bonuses	40,145	38,078
– Contribution to pension plan	7,753	6,731
– Welfare and other expenses	9,061	7,898
– Pre-IPO option scheme expenses	22	–
	<u>56,981</u>	<u>52,707</u>
	<u>59,503</u>	<u>54,497</u>

10. INCOME TAX EXPENSES

	For the year ended	
	31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax – PRC enterprise income tax	96,062	57,871
Deferred income tax charge	200	848
	96,262	58,719

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate of companies comprising the Group is set out as follows:

	For the year ended	
	31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before income tax	366,786	229,396
Tax calculated at the PRC statutory tax rates	91,697	57,349
Expenses not deductible for tax purpose	4,660	1,536
Income not subject to taxation	(95)	(166)
	96,262	58,719

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.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. In determining the weighted average number of ordinary shares in issue during the years ended 31 December 2010 and 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, and 150,000,000 shares were in issue since 14 June 2011.

	Year ended 31 December	
	2011	2010
Profit attributable to equity holders of the Company (RMB'000)	268,169	169,051
Weighted average number of ordinary shares in issue (thousand)	544,247	450,000
Basic earnings per share (RMB yuan)	0.49	0.38

(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 9 December 2011 to 31 December 2011 amounting to RMB 2.60 per share is lower than the exercise price of the pre-IPO share options amounting to RMB 2.70 per share, the pre-IPO share options is not included in the diluted earnings per share calculation. The diluted earnings per share is the same as the basic earnings per share.

12. DIVIDEND

	Year ended 31 December	
	2011	2010
	RMB'000	RMB'000
Dividend (a)	100,374	–

- (a) 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.
- (b) A dividend in respect of the year ended 31 December 2011 of HKD0.0623 (RMB 0.0506) per share, amounting to a total dividend of HKD49,979,800 (RMB 40,578,600) is to be proposed at the annual general meeting on 31 May 2012. The consolidated financial statements do not reflect these dividend payables.

13. INVENTORIES

	As at 31 December	
	2011	2010
	RMB'000	RMB'000
Raw materials	21,059	18,735
Semi-finished goods	69,768	78,157
Finished goods	10,229	10,635
	<u>101,056</u>	<u>107,527</u>
Less: provision for write-down of inventories	–	–
	<u>101,056</u>	<u>107,527</u>

14. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2011	2010
	RMB'000	RMB'000
Trade receivables (a)		
Due from third parties	336,813	257,368
Prepayments	4,095	10,499
Other receivables		
Due from related parties	–	6
Due from third parties	1,055	2,037
	<u>1,055</u>	<u>2,043</u>
	<u>341,963</u>	<u>269,910</u>

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

As at the year end dates, the aging analysis of the trade receivables is set out as follows:

	As at 31 December	
	2011	2010
	RMB'000	RMB'000
– Third parties		
Within 3 months	336,160	256,817
Between 4 and 6 months	639	404
Between 7 and 12 months	14	147
	<u>336,813</u>	<u>257,368</u>

As at 31 December 2011 and 2010, trade receivables of approximately RMB653,000 and RMB551,000 were past due but not impaired. These relate mainly to a number of customers, for whom there is no recent history of default. The ageing analysis of these past due but not impaired receivables is set out as follows:

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Between 4 and 6 months	639	404
Between 7 and 12 months	14	147
	<u>653</u>	<u>551</u>

As at 31 December 2011 and 2010, no trade receivables were impaired and provided for.

15. TRADE AND OTHER PAYABLES

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables (a)		
Due to third parties	<u>100,871</u>	<u>93,517</u>
Bills payable (b)		
Due to third parties	<u>135,772</u>	<u>128,030</u>
Other payables (c)		
Due to related parties	–	215,012
Due to third parties	<u>74,089</u>	<u>70,934</u>
	<u>74,089</u>	<u>285,946</u>
	<u>310,732</u>	<u>507,493</u>

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

	As at 31 December	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	100,611	92,617
Between 4 and 6 months	240	437
Between 7 and 12 months	20	463
	<u>100,871</u>	<u>93,517</u>

(b) As at 31 December 2011 and 2010, the entire balances of bills payable were secured by restricted cash of RMB 37,692,000 and RMB 30,895,000 respectively.

(c) Details of other payables are as follows:

	As at 31 December	
	2011	2010
	RMB'000	RMB'000
Due to related parties	–	215,012
Advance from customers	629	1,299
Borrowings from third parties (i)	–	589
Payable for IPO expenses	22,266	–
Audit fee	2,200	–
Payable for property, plant and equipment purchases	3,530	12,993
Freight charges	12,954	12,774
Water and electricity	13,147	18,257
Salary and welfare payable	7,549	11,226
Taxes	8,131	9,468
Others	3,683	4,328
	<u>74,089</u>	<u>285,946</u>

(i) The borrowings from third parties were non-interest bearing, unsecured and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Revenue for the year under review was approximately RMB1,524.8 million, representing an increase of approximately RMB313.0 million or 25.8% from approximately RMB1,211.8 million for the corresponding period last year. The increase was mainly attributable to the increase in the sales of bleaching and disinfectant chemicals and ADC foaming agent during the year.

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

	2011		2010	
	Amount	% of Revenue	Amount	% of Revenue
Revenue (RMB'000)				
Bleaching and disinfectant chemicals	568,320	37.3%	417,120	34.4%
ADC foaming agent	710,456	46.6%	586,139	48.4%
Other specialty chemicals	246,057	16.1%	208,567	17.2%
Total	<u>1,524,833</u>	<u>100%</u>	<u>1,211,826</u>	<u>100%</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 ECF and TCF pulp bleaching process by our downstream customers, respectively.

During the year under review, the total revenue for the bleaching and disinfectant chemicals was RMB568.3, representing an increase of approximately 36.3% or RMB151.2 million from that in 2010. The increase in revenue was mainly attributable to: (1) the sales of hydrogen peroxide increased by approximately 89.2% to RMB234.6 million due to the production capacity expansion and the strong demand from the downstream customer, and increasing average selling price of hydrogen peroxide by approximately 7.7%; and (2) the sales of sodium chlorate increased by approximately 12.8% to RMB295.3 million due to the strong demand from downstream industries, and increasing average selling price by approximately 3.7%.

ADC foaming agent

This segment mainly consists of basic and modified grades of ADC foaming agent. ADC 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 year under review, the total revenue for the ADC foaming agent was RMB710.5 million, representing an increase of approximately 21.2% or RMB124.4 million from that in 2010. The increase was mainly attributable to: (1) the quality of our ADC foaming agent has improved upon the upgrade of our production facilities and we began to produce modified grades of ADC foaming agent since the third quarter of 2010; and (2) the average selling price of ADC foaming agent increasing by approximately 19.0% due to the strong demand from downstream industries and the launch of modified grades of ADC foaming agent.

Other specialty chemicals

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

During the year under review, the total revenue for other specialty chemicals was RMB246.1 million, representing an increase of approximately 18.0% or RMB37.5 million from that in 2010. The increase was mainly attributable to: (1) the increase in the production and sales of caustic soda after expanding our production capacity in November 2010; and (2) the average selling price of other specialty chemicals agent increasing by approximately 6.8% due to the strong demand from the downstream industries.

Cost of sales

Our cost of sales primarily consists of costs of raw materials, electricity and other energy fees, depreciation of property, plant and equipment, employee benefit expenses, transportation and related charges, repairs and maintenance, business tax and other transaction taxes, office 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 64.8% and 62.2% of our total cost of sales in the year ended 31 December 2011 and 2010, respectively.

During the year under review, our cost of sales increased by approximately RMB141.1 million or 15.8% to RMB1,032.1 million from RMB891.0 million in the corresponding period last year, which was primarily due to the increase in sales volume of both bleaching and disinfectant chemicals and ADC foaming agent. The percentage for cost of sales to revenue fell from 73.5% for the year ended 31 December 2010 to 67.7% for the year ended 31 December 2011 reflecting economies of scale and increase in gross margin.

Gross profit and gross margin

Our gross profit increased by approximately RMB171.9 million or 53.6% to RMB492.7 million for the year under review from RMB320.8 million for the corresponding period last year. The overall gross margin increased from 26.5% in 2010 to 32.3% in 2011, which was primarily due to an increase in the gross margins for each of the major product groups.

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

Gross margin (%)	2011	2010	Change
Bleaching and disinfectant chemicals	40.7%	36.6%	11.2%
ADC foaming agent	24.1%	19.6%	23.0%
Other specialty chemicals	36.9%	25.5%	44.7%
Overall	32.3%	26.5%	21.9%

Bleaching and disinfectant chemicals

The gross margin of bleaching and disinfectant chemicals increased from 36.6% for the year ended 31 December 2010 to 40.7% for the year ended 31 December 2011, which was primarily attributable to: (1) the production and the sales of hydrogen peroxide (which typically have higher gross profit margin) were increased due to the expansion of production capacity for hydrogen peroxide in December 2010; and (2) the continuous growth in the demand from downstream customers increasing average selling price.

ADC foaming agent

The gross margin of ADC foaming agent increased from 19.6% for the year ended 31 December 2010 to 24.1% for the year ended 31 December 2011, which was primarily attributable to: (1) the production and the sales for modified grades of ADC foaming agent with higher selling prices; (2) the upgrade of our production facilities and the increase in the usage of self-produced raw materials, for example caustic soda and biurea; and (3) the continuous growth in the demand from downstream customers increasing average selling price.

Other specialty chemicals

The gross margin of other specialty chemicals increased from 25.5% for the year ended 31 December 2010 to 36.9% for the year ended 31 December 2011, which was primarily attributable to: (1) the efficiency in the Ion Membrane Caustic Soda Project that was completed in November 2010 applying the ion membrane method in ramping production capacity was fully realized in 2011, for which caustic soda produced is of higher quality and demanded a higher selling price; (2) we ceased to produce PVC which had a relatively lower gross margin since May 2010; and (3) 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 55.0% to RMB32.4 million for the year ended 31 December 2011 from RMB20.9 million for the year ended 31 December 2010, which was primarily attributable to: (1) increase in the urban maintenance and construction tax, educational surtax and value-added tax payable by foreign-invested enterprise in 2010; (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 41.3% to RMB72.5 million for the year ended 31 December 2011 from RMB51.3 million for the year ended 31 December 2010, which was primarily attributable to the professional fees of RMB16.6 million in relation to the listing of the Company on 9 December 2011.

Other income

Other income primarily consists of profit from sales of raw materials and government subsidies. The other income of the Group increased by 94.7% to RMB3.7 million for the year ended 31 December 2011 from RMB1.9 million for the year ended 31 December 2010, which was primarily attributable to the increase in both the sales of raw materials and government subsidiaries.

Other losses, net

Other losses, net, mainly consists of the net loss from the disposal of property, plant and equipment. The other losses, net of the Group decreased by 77.4% to RMB0.7 million for the year ended 31 December 2011 from RMB3.1 million for the year ended 31 December 2010, which was primarily attributable to the decrease 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 68.8% to RMB2.7 million for the year ended 31 December 2011 from RMB1.6 million for the year ended 31 December 2010, 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, other finance charges and foreign exchange losses, less interest capitalized in property, plant and equipment. The finance costs of the Group increased by 36.7% to RMB26.8 million for the year ended 31 December 2011 from RMB19.6 million for the year ended 31 December 2010, which was primarily attributable to the decrease in the interest capitalized in property, plant and equipment, and increase in borrowings during the year.

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 64.1% to RMB96.3 million for the year ended 31 December 2011 from RMB58.7 million for the year ended 31 December 2010. The effective tax rate increased to 26.2% for the year ended 31 December 2011 from 25.6% for the year ended 31 December 2010 as a result of adjustments for income and expenses items which were not assessable or deductible for income tax purpose.

Profit for the year

As a result of the foregoing factors, the profit attributable to the equity holders of the Company increased by 58.6% to RMB268.2 million for the year ended 31 December 2011 from RMB169.1 million for the year ended 31 December 2010.

Profit attributable to non-controlling interests

The profit attributable to non-controlling interests of the Company increased by 50% to RMB2.4 million for the year ended 31 December 2011 from RMB1.6 million for the year ended 31 December 2010.

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 RMB926.1 million (2010: approximately RMB397.2 million), most of which were denominated in Renminbi. As at 31 December 2011, the interest bearing bank borrowings of the Group amounted to approximately RMB478.6 million (2010: approximately RMB387.9 million).

The Group's current ratio (calculated as current assets divided by current liabilities) was 2.06 (2010: 1.06). The Group was in a net cash position as at 31 December 2011 (2010: gearing ratio of 24%, calculated as net debt divided by total capital). Such significant improvement in our financial position primarily reflected the increase in net profit and cash flow for the year, and taking into account the net proceeds from the listing on the Stock Exchange on 9 December 2011 of HK\$443.4 million (equivalent to approximately RMB361.2 million).

Working capital

Inventories were approximately RMB101.1 million in total as at 31 December 2011, as compared with approximately RMB107.5 million as at 31 December 2010. The decrease was primarily due to a decrease in semi-finished goods and finished goods as the Group maintained prudent inventory controls. Average inventory turnover days remained at similar level in 2011 (2011: 36 days; 2010: 34 days).

As at 31 December 2011, trade receivables amounted to approximately RMB336.8 million in total, as compared with approximately RMB257.4 million as at 31 December 2010. The increase was primarily attributable to the increase in the sales during the period by the Group. In 2011, the average trade receivables turnover days were 70 days (2010: 75 days). The decrease in trade receivables turnover days was mainly due to the continuous growth in our sales against the prudent collection of trade receivables.

As at 31 December 2011, trade and bills payables amounted to approximately RMB236.6 million in total, as compared with approximately RMB221.5 million as at 31 December 2010. The increase was mainly due to the increase in the sales during the period by the Group. In 2011, the average trade and bills payables turnover days were 80 days (2010: 88 days). The decrease in trade and bills payables turnover days was mainly due to the more frequent use of 90 days letter of credit and bills guaranteed by banks in our payment.

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 (excluding those new shares to be issued upon the exercise of over-allotment option) at an offer price of HK\$2.7 per share upon the listing on the Stock Exchange on 9 December 2011, after deducting brokerage and other costs and expenses payable by the Company, amounted to approximately HK\$443.4 million (equivalent to approximately RMB361.2 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 year ended 31 December 2011, 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	288.2	66.3	221.9
To be used in merger and acquisition	110.9	–	110.9
To be used for general working capital	44.3	44.3	–
Total	<u>443.4</u>	<u>110.6</u>	<u>332.8</u>

To the extent that the net proceeds were not yet applied as at 31 December 2011, 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 31 December 2011, the capital commitments of the Group were approximately RMB6.0 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 31 December 2011, 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.

Outlook

The economy in the PRC is expected to maintain its growth momentum in the foreseeable future. The government in the PRC is gradually lifting the entry barriers on the relevant industries, and is imposing the elemental chlorine free production process in the pulp and paper industries. Chlorine dioxide is gradually replacing chlorine and applied in the treatment of drinking water at large and second tier cities in the PRC. The automobile industry, building materials industry and footwear industry in the PRC have sustained their continued development. Under the premises of the above market environment, we expect the demand for the Group's products will continue to increase.

In 2012, the Group will continue to increase its production capacity, expand its product segments and improve its quality and operation efficiency, so as to capitalize from the momentum in the growth of environmentally friendly bleaching and disinfectant chemicals and ADC foaming agents. We will continue to maintain our leading position in the market with growth in business and profitability.

Increase of production capacity

It is expected by the Group that the projects for 50,000 tons of sodium chlorate and its complementary 100,000 tons of hydrogen peroxide as well as 20,000 tons of ADC foaming agents of complex formula will commence construction in different phases during the year. For the time being, these projects are still in their respective preparation stages.

Expansion of product segments and improvement of qualities

The Group will devote more resources to consolidate the competencies of its research and development team, and will seek cooperation with first class institutions in the PRC to optimize the production process flow and our technologies. We can then further enhance the qualities and added value of our products and enrich our product segments. The Group plans to keep the investment in research and development and increase such investment from time to time so as to improve the standards of production technologies. This will further reduce energy consumption and costs, and place the emphasis on higher value added products such as specialised ADC foaming agent and high-concentration hydrogen peroxide.

Bolstering of operating efficiency

The Group has formulated a series of plans, so as to rationalize the management structure, operation model and process flow, with an aim to enhance overall efficiency and lower energy consumption. The Group will further improve our operation efficiency and lower the energy consumption level in units through, including, but not limited to, the monitoring of automated equipment used in the production of bleaching and disinfectant chemicals and ADC foaming agent, and upgrading our energy saving and water saving initiatives for our own hydroelectric power plant.

Going forward, the Group will continue to benefit from the macro-economic environment and our contemplated strategies, including enhancement of production capacity, expansion of product segments and improvement of qualities as well as bolstering of operating efficiency. We will use our best endeavours to create value for our shareholders and investors.

OTHER INFORMATION

Corporate Governance

The Company has adopted the code provisions in the Code on Corporate Governance Practices (“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 since the listing of the shares of the Company on the Main Board of the Stock Exchange on 9 December 2011 and up to the date of this annual 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 and senior management confirmed that they have complied with the Model Code since the Listing Date and up to the date of this results announcement.

Audit Committee

The Audit Committee was established on 10 June 2011 with written terms of reference as suggested under the CG Code. The Audit Committee has three members, namely Mr. Chen Xiao, Mr. Kou Huizhong and Mr. Li Junfa, all of whom are independent non-executive Directors. The chairman of the Audit Committee is Mr. Chen Xiao. The responsibilities of the Audit Committee include, among others, providing independent view of the effectiveness of the financial reporting process, internal control and risk management system of the Group, nominating and monitoring external auditors, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The Audit Committee reviewed the analysis on the primary financial information of the Group for the year ended 31 December 2011, the accounting principles and practices adopted by the Group, and the Group’s internal control functions.

Remuneration Committee

The Remuneration Committee was established on 10 June 2011 with written terms of reference as suggested under the CG Code. The Remuneration Committee has three members, namely Mr. Kou Huizhong, Mr. Chen Xiao and Ms. Miao Fei, of whom Mr. Kou Huizhong and Mr. Chen Xiao are independent non-executive Directors and Ms. Miao Fei is an executive Director. The chairman of the Remuneration Committee is Mr. Kou Huizhong. The primary responsibilities of the Remuneration Committee include, among others, (i) making recommendations to the Directors regarding our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration; (ii) reviewing and approving the remuneration package of the Directors and senior management in accordance with the corporate strategies and objectives set by the Directors; and (iii) considering and approving the grant of share options to eligible participants according to the Share Option Scheme.

Nomination Committee

The Nomination Committee was established on 10 June 2011 with written terms of reference. The Nomination Committee has three members, namely Mr. Li Junfa, Mr. Kou Huizhong and Mr. Lam Wai Wah, of whom Mr. Li Junfa and Mr. Kou Huizhong are independent non-executive Directors and Mr. Lam Wai Wah is an executive Director. The chairman of the Remuneration Committee is Mr. Li Junfa. The primary responsibilities of the Remuneration Committee include, among others, reviewing the structure, size and composition of the Board and providing recommendations to the Board for the appointment of members of the Board.

Purchase, Sale and Redemption of Listed Securities

The Company's shares were listed on the Stock Exchange on 9 December 2011, and neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2011.

Annual General Meeting

The forthcoming 2012 annual general meeting ("AGM") of the Company will be held at Hong Kong on Thursday, 31 May 2012. Notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

Final Dividend

The Board recommended the payment of a final dividend of HK\$6.23 cents (RMB5.06 cents) per Share for the year ended 31 December 2011 to shareholders whose names appear on the register of members of the Company on 8 June 2012. The proposed final dividend is subject to the approval by the shareholders at the forthcoming annual general meeting to be held on Thursday, 31 May 2012. The final dividend is expected to be paid on or about 29 June 2012.

Closure of Register of Members

In order to determine the entitlements of the shareholders to attend and vote at the annual general meeting, the register of members of the Company will be closed from Tuesday, 29 May 2012 to Thursday, 31 May 2012, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all Share transfers, being accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 28 May 2012.

In order to determine the entitlements of shareholders of receiving the proposed final dividend, the register of members of the Company will be closed on Thursday, 7 June 2012 and Friday, 8 June 2012, during these two days no transfer of Shares will be registered. In order to be eligible of receiving the proposed final dividend, all Share transfers, being accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 6 June 2012.

Publication of Annual Financial Results and Annual Report

The financial results and the annual report for the year ended 31 December 2011 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

Fujian, The PRC, 20 March 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)

截至二零一一年十二月三十一日止年度
之年度業績公告

財務摘要	二零一一年 人民幣千元	二零一零年 人民幣千元	增長率 %
收益	1,524,833	1,211,826	25.8%
毛利	492,741	320,817	53.6%
本公司權益持有人應佔盈利	268,169	169,051	58.6%
每股盈利			
—基本(人民幣)	49.27仙	37.57仙	31.1%
—攤薄(人民幣)	49.27仙	37.57仙	31.1%

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」)截至二零一一年十二月三十一日止年度之合併業績，連同上年度可比較數據如下：

合併全面收益表

截至二零一一年十二月三十一日止年度

	附註	二零一一年 人民幣千元	二零一零年 人民幣千元
收益	5	1,524,833	1,211,826
銷售成本		(1,032,092)	(891,009)
毛利		492,741	320,817
銷售及市場推廣開支		(32,388)	(20,944)
行政開支		(72,462)	(51,281)
其他收入	6	3,720	1,910
其他虧損淨額		(681)	(3,146)
		390,930	247,356
運營盈利			
融資收入		2,679	1,621
融資成本	7	(26,823)	(19,581)
融資成本淨額		(24,144)	(17,960)
除所得稅前盈利	8	366,786	229,396
所得稅開支	10	(96,262)	(58,719)
年內盈利及全面收益總額		270,524	170,677
以下各方應佔：			
—本公司權益持有人		268,169	169,051
—非控制權益		2,355	1,626
		270,524	170,677
本公司權益持有人應佔每股盈利(人民幣)			
—基本	11	0.49	0.38
—攤薄	11	0.49	0.38
股息	12	100,374	—

合併資產負債表

於二零一一年十二月三十一日

		於十二月三十一日	
		二零一一年	二零一零年
	附註	人民幣千元	人民幣千元
資產			
非流動資產			
土地使用權		77,331	79,095
物業、廠房及設備		773,606	710,654
無形資產		-	-
可供出售金融資產		-	-
遞延所得稅資產		170	370
其他非流動資產		1,834	268
		<u>852,941</u>	<u>790,387</u>
流動資產			
存貨	13	101,056	107,527
貿易及其他應收款項	14	341,963	269,910
受限制現金		37,692	30,895
現金及現金等價物		926,148	397,231
		<u>1,406,859</u>	<u>805,563</u>
總資產		<u>2,259,800</u>	<u>1,595,950</u>
權益			
本公司權益持有人應佔權益			
股本		65,168	-
儲備		784,936	334,471
保留盈利		565,854	326,348
		<u>1,415,958</u>	<u>660,819</u>
非控制權益		<u>10,402</u>	<u>8,047</u>
總權益		<u>1,426,360</u>	<u>668,866</u>

		於十二月三十一日	
		二零一一年	二零一零年
	附註	人民幣千元	人民幣千元
負債			
非流動負債			
借貸		137,310	154,270
遞延收入		14,743	9,291
		<u>152,053</u>	<u>163,561</u>
流動負債			
貿易及其他應付款項	15	310,732	507,493
即期所得稅負債		29,319	22,450
借貸		341,336	233,580
		<u>681,387</u>	<u>763,523</u>
總負債		<u>833,440</u>	<u>927,084</u>
總權益及負債		<u>2,259,800</u>	<u>1,595,950</u>
流動資產淨額		<u>725,472</u>	<u>42,040</u>
總資產減流動負債		<u>1,578,413</u>	<u>832,427</u>

合併財務報表附註

截至二零一一年十二月三十一日止年度

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。本公司註冊辦事處位於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ADC發泡劑。

2. 呈列及編製標準

合併財務報表已根據國際財務報告準則（「國際財務報告準則」）編製。合併財務報表已根據歷史成本法編製，並於適當時經可供出售金融資產修訂。

重組指涉共同控制的公司的業務合併。就會計目的而言，於編製該等合併財務報表時，重組以類似兼併會計法原則的方式入帳列作共同控制的業務合併。合併財務報表呈列本集團現時旗下公司的合併財務狀況、業績及現金流量，猶如現有集團架構於或自彼等各自的註冊成立／成立或收購日期起（以較短期間為準）一直存在。有關重組的詳情載於本公司於二零一一年十一月二十九日刊發的招股章程。

集團內公司間的所有重大交易及結餘均已於合併時對銷。

非控制權益指年內公司權益持有人以外的公司於貴集團經營業績及資產淨值的權益。

財務報表乃按歷史成本慣例編製。財務報表以人民幣（「人民幣」）呈列，除另有註明外，所有數值均調整至最接近千位數。

3. 應用新訂及經修訂國際財務報告準則

本集團於財務報表中並無採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則、修訂本及詮釋：

國際會計準則第1號(修訂本)	其他綜合收益項目的列報 ³
國際會計準則第12號(修訂本)	遞延稅項：相關資產的收回 ²
國際會計準則第19號(修訂本)	僱員福利 ⁴
國際財務報告準則第7號(修訂本)	披露－財務資產的轉讓 ¹
國際財務報告準則第10號	合併財務報表 ⁴
國際財務報告準則第11號	共同安排 ⁴
國際財務報告準則第12號	其他實體權益披露 ⁴
國際財務報告準則第13號	公允價值計量 ⁴
國際財務報告準則第9號	金融工具 ⁴

¹ 於二零一一年七月一日後或之後開始的年度期間生效

² 於二零一二年一月一日後或之後開始的年度期間生效

³ 於二零一二年七月一日後或之後開始的年度期間生效

⁴ 於二零一三年一月一日後或之後開始的年度期間生效

本公司董事預計，應用該等新準則、修訂本或詮釋將不會對本集團的經營業績及財務狀況造成重大影響。

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，有關年度概無單一客戶佔本集團總收益10%以上。

5. 收益

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
漂白消毒化學品	568,320	417,120
ADC發泡劑	710,456	586,139
其他特種化學品	246,057	208,567
	<u>1,524,833</u>	<u>1,211,826</u>

6. 其他收入

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
原材料銷售的盈利	2,196	1,029
政府給予的補貼收入	1,524	881
	<u>3,720</u>	<u>1,910</u>

7. 融資成本

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
利息開支：		
—銀行借款	24,508	28,535
—應收票據的貼現利息	4,232	3,202
—其他支出	3,564	7,325
	<u>32,304</u>	<u>39,062</u>
減：物業、廠房及設備之利息資本化	(813)	(15,335)
	<u>31,491</u>	<u>23,727</u>
匯兌收益	(4,668)	(4,146)
	<u>26,823</u>	<u>19,581</u>

8. 按性質劃分之開支

本集團之銷售成本、銷售及市場推廣開支及行政開支指下列項目：

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
所使用的原材料及存貨變動	668,884	553,930
物業、廠房及設備折舊	59,088	44,328
電費及其他水電費	257,673	248,122
僱員福利開支	59,503	54,497
運輸及有關支出	22,708	17,915
營業稅及其他交易稅	16,760	7,751
物業、廠房及設備減值撥備	-	1,449
土地使用權攤銷	1,764	1,700
無形資產攤銷	-	1,476
辦公及應酬開支	10,083	8,559
經營租賃開支	1,031	894
財產保險費	2,071	1,720
差旅費用	1,979	1,451
維修及保養	7,352	11,590
核數師薪酬	2,273	140
上市費用	16,636	-
其他開支	9,137	7,712
	<u>1,136,942</u>	<u>963,234</u>

9. 僱員福利開支

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
董事薪酬	2,347	1,751
—工資、薪金及花紅	52	39
—退休金計劃供款	123	-
—首次公開發售前購股權計劃費用	2,522	1,790
	<u>2,522</u>	<u>1,790</u>
其他員工成本	40,145	38,078
—工資、薪金及花紅	7,753	6,731
—退休金計劃供款	9,061	7,898
—福利及其他開支	22	-
—首次公開發售前購股權計劃費用	56,981	52,707
	<u>56,981</u>	<u>52,707</u>
	<u>59,503</u>	<u>54,497</u>

10. 所得稅開支

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
即期所得稅—中國企業所得稅	96,062	57,871
遞延所得稅支出	200	848
	<u>96,262</u>	<u>58,719</u>

按本集團除稅前盈利計算的稅項與採用本集團旗下成員公司的加權平均稅率所得的理論金額有所不同，載列如下：

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
除所得稅前盈利	366,786	229,396
按中國法定稅率計算的稅項	91,697	57,349
不可扣除之開支	4,660	1,536
毋需課稅之收入	(95)	(166)
	<u>96,262</u>	<u>58,719</u>

由於本集團並無源自香港的應課稅前盈利，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。

11. 每股盈利

(a) 基本

每股基本盈利是按本公司權益持有人應佔盈利除以年內已發行普通股的加權平均數計算。在釐定截至二零一零年及二零一一年十二月三十一日止年度已發行普通股的加權平均數時，已計及於二零一零年十一月二十四日發行及配發的一股股份、於二零一零年十二月三日發行及配發的一股股份、於二零一一年四月七日發行及配發的一股股份、於二零一一年六月十四日發行及配發的一股股份及透過本公司於二零一一年十二月九日上市產生的股份溢價賬資本化而發行及配發的599,999,996股股份，乃猶如自二零一零年一月一日以來已發行450,000,000股股份及自二零一一年六月十四日以來已發行150,000,000股股份。

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
本公司權益持有人應佔盈利(人民幣千元)	268,169	169,051
已發行普通股之加權平均數(千股)	544,247	450,000
每股基本盈利(人民幣)	<u>0.49</u>	<u>0.38</u>

(b) 攤薄

每股攤薄盈利是按經調整發行在外普通股的加權平均數後本公司權益持有人應佔盈利，以假設所有具攤薄潛力的普通股均獲悉數轉換。本公司在計算每股攤薄盈利時亦計及本公司授出的首次公開發售前購股權。由二零一一年十二月九日至二零一一年十二月三十一日期間的股份平均市價每股人民幣2.60元低於首次公開發售前購股權的行使價每股人民幣2.70元，而在計算每股攤薄盈利時並無計及首次公開發售前購股權。每股攤薄盈利與每股基本盈利相同。

12. 股息

	截至十二月三十一日 止年度	
	二零一一年 人民幣千元	二零一零年 人民幣千元
股息(a)	<u>100,374</u>	<u>-</u>

(a) 於二零一一年四月二十九日，股息每股0.27港元合共120百萬港元已獲宣派予本公司股東。在釐定於二零一一年四月二十九日的普通股數目時，已計及於二零一零年十一月二十四日發行及配發的一股股份、於二零一零年十二月三日發行及配發的一股股份、於二零一一年四月七日發行及配發的一股股份及透過本公司於二零一一年十二月九日上市產生的股份溢價賬資本化而發行及配發的599,999,996股股份，乃猶如自二零一零年一月一日以來已發行450,000,000股股份及自二零一一年六月十四日以來已發行150,000,000股股份。因此，每股股息是按450,000,000股股份計算。該等股息已於二零一一年四月支付。

(b) 於二零一二年五月三十一日舉行的股東週年大會上擬派截至二零一一年十二月三十一日止年度的股息每股0.0623港元(人民幣0.0506元)，股息合共49,979,800港元(人民幣40,578,600元)。合併財務報表並無反映此等應付股息。

13. 存貨

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
原材料	21,059	18,735
半成品	69,768	78,157
成品	10,229	10,635
	<u>101,056</u>	<u>107,527</u>
減：撇銷存貨撥備	<u>-</u>	<u>-</u>
	<u>101,056</u>	<u>107,527</u>

14. 貿易及其他應收款項

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
貿易應收款項(a) 應收第三方款項	<u>336,813</u>	<u>257,368</u>
預付款項	<u>4,095</u>	<u>10,499</u>
其他應收款項 應收關聯方款項	-	6
應收第三方款項	<u>1,055</u>	<u>2,037</u>
	<u>1,055</u>	<u>2,043</u>
	<u>341,963</u>	<u>269,910</u>

(a) 國內外客戶未償付結餘的信貸期結餘乎30至90天。

於報告年度結算日，貿易應收款項賬齡分析如下：

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
— 第三方	336,160	256,817
三個月內	639	404
四至六個月	14	147
七至十二個月	336,813	257,368
	<u>336,813</u>	<u>257,368</u>

於二零一一年及二零一零年十二月三十一日，分別約人民幣653,000元及人民幣551,000元的貿易應收款項已逾期但並無減值，主要與數名近期無違約記錄的客戶有關。該等逾期但並無減值的應收款項賬齡分析如下：

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
四至六個月	639	404
七至十二個月	14	147
	<u>653</u>	<u>551</u>

於二零一一年及二零一零年十二月三十一日，既無貿易應收款項減值並作出撥備。

15. 貿易及其他應付款項

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
貿易應付款項(a) 應付第三方款項	<u>100,871</u>	<u>93,517</u>
應付票據(b) 應付第三方款項	<u>135,772</u>	<u>128,030</u>
其他應付款項(c) 應付關聯方款項	-	215,012
應付第三方款項	<u>74,089</u>	<u>70,934</u>
	<u>74,089</u>	<u>285,946</u>
	<u>310,732</u>	<u>507,493</u>

(a) 貿易應付款項之賬齡分析如下：

	於十二月三十一日	
	二零一一年 人民幣千元	二零一零年 人民幣千元
三個月內	100,611	92,617
四至六個月	240	437
七至十二個月	20	463
	<u>100,871</u>	<u>93,517</u>

(b) 於二零一一年及二零一零年十二月三十一，全部應付票據分別由受限制現金人民幣37,692,000元及人民幣30,895,000元所抵押。

(c) 其他應付款項之詳情如下：

	於十二月三十一日	
	二零一一年	二零一零年
	人民幣千元	人民幣千元
應付關聯方款項	-	215,012
客戶墊款	629	1,299
應收第三方借貸(i)	-	589
應付上市費用	22,266	-
核數費用	2,200	-
採購物業、廠房及設備應付款項	3,530	12,993
運費	12,954	12,774
水電費	13,147	18,257
應付薪金及福利	7,549	11,226
稅項	8,131	9,468
其他	3,683	4,328
	<u>74,089</u>	<u>285,946</u>

(i) 應收第三方借貸為免息、無抵押及須於要求時償還。

管理層分析與討論

收益

回顧年內收益約為人民幣1,524.8百萬元，較去年同期的收益約人民幣1,211.8百萬元，增加約人民幣313.0百萬元或25.8%。收益增加主要是由於漂白消毒學品及ADC發泡劑的銷售額於年內增加。

於回顧年度內，按產品組別劃分的收益劃分的收益分析如下：

	二零一一年		二零一零年	
	金額	佔收益 百分比	金額	佔收益 百分比
收益(人民幣千元)				
漂白消毒化學品	568,320	37.3%	417,120	34.4%
ADC發泡劑	710,456	46.6%	586,139	48.4%
其他特種化學品	246,057	16.1%	208,567	17.2%
總計	<u>1,524,833</u>	<u>100.0%</u>	<u>1,211,826</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。

於回顧年內，漂白消毒化學品的收益總額為人民幣568.3元，較二零一零年增加約36.3%或人民幣151.2百萬元。收益增加主要由於：(1)產能擴充後雙氧水產量增加以及下游客戶的需求殷切使令雙氧水的銷售額增加約89.2%至人民幣234.6百萬元；及(2)受到下游行業的需求殷切所致，氯酸鈉的平均售價增加約3.7%，使其銷售額增加約12.8%至人民幣295.3百萬元。

ADC發泡劑

此分部主要包括初級及改良劑ADC發泡劑。ADC發泡劑為本集團下遊客戶作為添加劑用於生產泡沫塑料，廣泛用於制鞋業、建築材料業、汽車內飾與傢具及家居裝飾材料等行業。

於回顧年內，ADC發泡劑的收益總額為人民幣710.5百萬元，較二零一零年增加約21.2%或人民幣124.4百萬元。收益增加主要由於：(1)本公司升級生產設施後改善ADC發泡劑的素質並於二零一零年第三季起開始生產改良級ADC發泡劑；及(2)受到下游行業的需求殷切及新增生產改良級ADC發泡劑所致，ADC發泡劑的平均售價增加約19.0%。

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。

於回顧年內，其他特種化學品的收益總額為人民幣246.1百萬元，較二零一零年增加約18.0%或人民幣37.5百萬元。收益增加主要由於：(1)燒鹼的產量及銷量於本公司在二零一零年十一月擴充產能後均有所增加；及(2)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%。

銷售成本

本公司的銷售成本主要包括原材料成本、電及其他能源費用、物業、廠房及設備折舊、僱員福利開支、運輸及相關費用、維修及保養、營業稅及其他交易稅項、辦公開支、差旅開支及其他開支。所用原料及存貨變動佔本公司銷售成本比例最大，截至二零一一年與二零一零年十二月三十一日止年度分別佔總銷售成本的64.8%和62.2%。

回顧年內銷售成本為人民幣1,032.1百萬元，較去年同期人民幣891.0百萬元，增加約人民幣141.1百萬元或15.8%。銷售成本增加主要是由於漂白消毒化學品及ADC發泡劑的銷量增加所致。銷售成本佔收入收益的百分比由截至二零一零年十二月三十一日止年度的73.5%降低到截至二零一一年十二月三十一日止年度的67.7%，反映規模經濟及毛利率上升。

毛利與毛利率

回顧年內毛利為人民幣492.7百萬元，較去年同期的收益約人民幣320.8百萬元，增加約人民幣171.9百萬元或53.6%。整體毛利率由二零一零年的26.5%增加至二零一一年的32.3%，主要是由於各個主要產品組別的毛利率均有所增加。

下表載列於各回顧年度內本集團按產品組別劃分的概約毛利率：

毛利率(%)	二零一一年	二零一零年	變動
漂白消毒化學品	40.7%	36.6%	11.2%
ADC發泡劑	24.1%	19.6%	23.0%
其他特種化學品	36.9%	25.5%	44.7%
整體	32.3%	26.5%	21.9%

漂白消毒化學品

漂白消毒化學品的毛利率由截至二零一零年十二月三十一日止年度的36.6%增加到截至二零一一年十二月三十一日止年度的40.7%，主要因素為：(1)於二零一零年十二月完成雙氧水產能擴充後使得雙氧水(毛利率通常較高)的產量及銷量增加；及(2)下遊客戶需求持續增長令平均售價相應增加。

ADC發泡劑

ADC發泡劑的毛利率由截至二零一零年十二月三十一日止年度的19.6%增加到截至二零一一年十二月三十一日止年度的24.1%，主要因素為：(1)售價較高的改良級ADC發泡劑的產量及銷量增加；(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)；及(3)下遊客戶需求持續增長令平均售價相應增加。

其他特種化學品

其他特種化學品的毛利率由截至二零一零年十二月三十一日止年度的25.5%增加到截至二零一一年十二月三十一日止年度的36.9%，主要因素為：(1)於二零一零年十一月完成離子膜燒鹼項目，所擴充的產能乃使用離子膜法，可生產更高質量而售價較高的燒鹼，其效益在二零一一年全年體現；(2)毛利率偏低的聚氯乙烯於二零一零年五月起停產；及(3)下遊客戶需求持續增長令平均售價相應增加。

銷售及市場推廣開支

銷售及市場推廣開支主要包括產品運輸及相關費用、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開支(包括差旅開支)。本集團銷售及市場推廣開支由截至二零一零年十二月三十一日止年度的人民幣20.9百萬元增加55.0%到截至二零一一年十二月三十一日止年度的人民幣32.4百萬元，主要是由於(1)二零一零年期外商投資企業需要繳納城建稅及交易費附加費增加；(2)本集團銷售業務擴大導致銷售費用增加。

行政開支

行政開支主要包括物業、廠房及設備的折舊、僱員福利開支及辦公及應酬開支。本集團行政開支由截至二零一零年十二月三十一日止年度的人民幣51.3百萬元增加41.3%到截至二零一一年十二月三十一日止年度的人民幣72.5百萬元，主要是由於本公司於二零一一年十二月九日上市的專業費用的人民幣16.6百萬元所致。

其他收入

其他收入主要包括出售原材料所得盈利及政府補貼。本集團其他收入由截至二零一零年十二月三十一日止年度的人民幣1.9百萬元增加94.7%到截至二零一一年十二月三十一日止年度的人民幣3.7百萬元，主要是由於原材料銷售量增加及政府補貼增加所致。

其他虧損淨額

其他虧損淨額主要包括出售物業、廠房及設備所得虧損淨額。本集團其他虧損淨額由截至二零一零年十二月三十一日止年度的人民幣3.1百萬元減少77.4%到截至二零一一年十二月三十一日止年度的人民幣0.7百萬元，主要是由於源自出售物業、廠房及設備的淨虧損減少所致。

融資收入

融資收入主要指自銀行存款賺取的利息。本集團融資收入由截至二零一零年十二月三十一日止年度的人民幣1.6百萬元增加68.8%到截至二零一一年十二月三十一日止年度的人民幣2.7百萬元，主要是由於銀行存款的利息收入增加所致。

融資成本

融資成本主要包括銀行借貸利息開支、應收票據折現利息、其他融資費用以及外匯虧損，扣除撥入物業、廠房及設備成本的利息。本公司融資成本由截至二零一零年十二月三十一日止年度的人民幣19.6百萬元增加36.7%到截至二零一一年十二月三十一日止年度的人民幣26.8百萬元，主要是由於撥作物業、廠房及設備的利息資本化減少以及年內借款增加所致。

所得稅開支

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二零一零年十二月三十一日止年度的人民幣58.7百萬元上升64.1%到截至二零一一年十二月三十一日止年度的人民幣96.3百萬元。實際稅率由截至二零一零年十二月三十一日止年度的25.6%上升到截至二零一一年十二月三十一日止年度的26.2%，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。

年內盈利

基於上述因素，本公司權益持有人應佔盈利由截至二零一零年十二月三十一日止年度的人民幣169.1百萬元增加58.6%到截至二零一一年十二月三十一日止年度的人民幣268.2百萬元。

非控制權益應佔盈利

本公司非控制權益應佔盈利由截至二零一零年十二月三十一日止年度的人民幣1.6百萬元增加50.0%到截至二零一一年十二月三十一日止年度的人民幣2.4百萬元。

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、銀行借貸及透過股東進行股本融資應付現金需求。

本集團的現金及現金等價物結餘約人民幣926.1百萬元(二零一零年：約人民幣397.2百萬元)，大部份以人民幣計值。於二零一一年十二月三十一日，本集團的計息銀行借貸約為人民幣478.6百萬元(二零一零年：約人民幣387.9百萬元)。

本集團的流動比率(按流動資產除以流動負債計算)為2.06(二零一零年：1.06)。本集團於二零一一年十二月三十一日為淨現金結餘(二零一零年：資產負債比率為24%，以債項淨額除以股本總額計算)。財務狀況顯著改善主要由於該年度的純利及現金流增加，以及計入本公司於二零一一年十二月九日在聯交所上市所籌得的所得款項淨額443.4百萬元(折合約人民幣361.2百萬元)。

運營資本

於二零一一年十二月三十一日，總存貨約為人民幣101.1百萬元，於二零一零年十二月三十一日則為約人民幣107.5百萬元，減少主要是由於本集團實施謹慎存貨控制令半成品及成品減少。於二零一一年，平均存貨周轉日數維持相若水準(二零一一年：36日；二零一零年：34日)。

於二零一一年十二月三十一日，總貿易應收款項約為人民幣336.8百萬元，於二零一零年十二月三十一日則為約人民幣257.4百萬元，增加主要是由於本集團期內銷售額增加。於二零一一年，平均貿易應收款項周轉日數為70日(二零一零年：75日)。貿易應收款項周轉日減少，主要是我們因應不斷增長的銷售而謹慎控制貿易應收款項所致。

於二零一一年十二月三十一日，總貿易應付款項及應付票據約為人民幣236.6百萬元，於二零一零年十二月三十一日則為約人民幣221.5百萬元，增加主要是由於本集團期內銷售額增加。於二零一一年，平均貿易應收款項及應付票據周轉日數為80日(二零一零年：88日)。貿易應付款項及應付票據周轉日減少，主要是我們使用較多平均付款日為90天的信用證及銀行擔保票據所致。

首次公開發售所得款項淨額用途

本公司透過於二零一一年十二月九日在聯交所上市時按發售價每股2.7港元發行200,000,000股新股份(不包括行使超額配股權發行的新股)，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443.4百萬元(折合約人民幣361.2百萬元)。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至招股章程中「所得款項用途」一節所載者一致。截至二零一一年十二月三十一日止年度，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	288.2	66.3	221.9
用於並購	110.9	—	110.9
用於一般運營資金	44.3	44.3	—
總計	<u>443.4</u>	<u>110.6</u>	<u>332.8</u>

於二零一一年十二月三十一日，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出短期銀行存款或定期存款。

資本承擔

於二零一一年十二月三十一日，本集團的資本承擔約人民幣6.0百萬元，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

於二零一一年十二月三十一日，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。

前景

中國經濟預期在可見將來維持升勢，在中國政府已開始提升相關行業的准入標準，在紙漿、造紙行業推行無元素氯生產技術；二氧化氯逐步替代液氯運用於國內大中城市飲用水的水處理；國內的汽車行業、建材和鞋業仍保持發展等趨勢日益顯見的市場背景下，我們預期對本集團產品的需求會持續上升。

於二零一二年，本集團將繼續專注於提升產能、產品種類及品質以及運營效率，以把握環保型漂白消毒及ADC發泡劑產品增長勢頭，且在業務及盈利能力取得增長下，繼續維持市場的領導地位。

提升產能

本集團預期年度內分期開工建設五萬噸氯酸鈉及配套十萬噸雙氧水項目、二萬噸複配型ADC發泡劑項目，目前尚在項目的前期籌備階段。

提升產品種類及品質

本集團透過加強研究及開發團隊、就研究及開發投放更多資源及就優化生產流程及技術尋求與國內一流機構合作，繼續提升產品品質及附加值，以豐富公司的產品種類。本集團計劃保持及不時加大研發投入，改善生產技術水準，進一步降低能耗及成本，並將重點放在高附加值的複配型ADC發泡劑及高濃度雙氧水等產品。

提升運營效率

本集團已制定一系列計劃，以優化管理架構以及營運程式及流程，務求提升整體效率及降低能耗。本集團將(包括但不限於)透過增加漂白消毒和ADC發泡劑生產監控流程的自動化設備，以及自營水電站的節能儲水改造，以期進一步提升運營效率、降低單位能耗。

展望將來，本集團將繼續受惠於宏觀環境及本集團預計執行的策略，其中包括提升產能、產品種類及品質以及運營效率，並承諾不斷為股東及投資者創造價值。

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於二零一一年十二月九日在聯交所主板上市及截至本年度業績公告日期止，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，全體董事及高級管理人員確認，自上市日期起至本業績公告日期止，彼等一直遵守標準守則。

審核委員會

審核委員會於二零一一年六月十日成立，並根據企業管治常規守則所建議確立書面職權範圍。本公司審核委員會現由三名成員組成，分別為陳曉先生、寇會忠先生及李君發先生，均為獨立非執行董事。審核委員會主席為陳曉先生。審核委員會的職責為就本集團財務申報程式、內部監控及風險管理制度的效用提供獨立意見以協助董事會監察審核程式、提名及監察外聘核數師、以及履行董事會分配的其他職責及職務。

審核委員會已審閱本集團截至二零一一年十二月三十一日止年度的主要財務資料的分析。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。

薪酬委員會

薪酬委員會於二零一一年六月十日成立，並根據企業管治常規守則所建議確立書面職權範圍。薪酬委員會由三名成員組成，分別為寇會忠先生、陳曉先生及繆妃女士，其中寇會忠先生及陳曉先生為獨立非執行董事，而繆妃女士為執行董事。薪酬委員會主席為寇會忠先生。薪酬委員會的主要職責包括(但不限於)(i)就董事及高級管理層的全體薪酬政策及架構以及設立正規而透明的程式制訂有關薪酬政策，向董事提供建議；(ii)根據董事所制訂的企業策略與目標，審議及批准董事及高級管理人員的待遇；及(iii)考慮及批准根據購股權計劃向合資格參與者授出購股權。

提名委員會

本公司已於二零一一年六月十日成立提名委員會，並制訂書面職權範圍。提名委員會包括三名成員，分別為李君發先生、寇會忠先生及林維華先生，其中李君發先生及寇會忠先生為獨立非執行董事，林維華先生為執行董事。提名委員會主席是李君發先生。提名委員會的主要職能是包括(但不限於)審議董事會的結構、規模及組成，並就委任董事會成員向董事會提供建議。

購買、出售及贖回上市證券

本公司股份於二零一一年十二月九日在聯交所上市，截至二零一一年十二月三十一日止年度，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。

股東周年大會

本公司二零一二年應屆股東周年大會(「股東周年大會」)將於二零一二年五月三十一日(星期四)在香港舉行。股東周年大會通告將於適當時候按上市規則規定的方式刊發及寄交股東。

末期股息

董事會建議向於二零一二年六月八日名列本公司股東名冊的股東派付截至二零一一年十二月三十一日止年度的末期股息為每股6.23港仙(人民幣5.06分)。所建議的末期股息需待擬定於二零一二年五月三十一日(星期四)舉行的股東周年大會上經股東批准後方可作實。該末期股息預期於二零一二年六月二十九日或前後派付。

暫停辦理股東登記

為釐定出席股東周年大會及在會上投票的資格，本公司將於二零一二年五月二十九日(星期二)至二零一二年五月三十一日(星期四)止(包括首尾兩天)期間暫停辦理股份過戶登記手續。為符合資格出席股東周年大會及在會上投票，請於二零一二年五月二十八日(星期一)下午四時三十分前將所有過戶表格連同有關股票送達本公司的香港股份過戶登記處卓佳證券登記有限公司辦理過戶登記手續，地址為香港皇后大道東28號金鐘匯中心26樓。

為釐定獲派發建議的末期股息的資格，本公司將於二零一二年六月七日(星期四)及二零一二年六月八日(星期五)兩天暫停辦理股份過戶登記手續。為符合資格獲派發建議的末期股息，請於二零一二年六月六日(星期三)下午四時三十分前將所有過戶表格連同有關股票送達本公司的香港股份過戶登記處卓佳證券登記有限公司辦理過戶登記手續，地址為香港皇后大道東28號金鐘匯中心26樓。

刊登年度財務業績及年度報告

載有上市規則所規定的一切有關資料的截至二零一一年十二月三十一日止年度財務業績和年度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

中國福建，二零一二年三月二十日

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。