
DEFINITIONS

“affiliate”	any person or entity, directly or indirectly controlling or controlled by, or under direct or indirect common control with a specified person or entity;
“Application Form(s)”	white application form(s) and yellow application form(s), or where the context so requires, any of them;
“Acquisition”	the acquisition by our Company of an aggregate 90% equity interest in Tianye Chemical, which was completed on 7 March 2006;
“Articles of Association” or “Articles”	the articles of association of the Company approved at the extraordinary shareholders meetings of the Company on 25 April 2006 and 25 May 2006 respectively and the meeting of the Board held on 25 April 2006, 25 May 2006 and 15 and 16 August 2006 and 5 September 2006 respectively;
“Associates”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Basuo Port” or “Port of Basuo”	the second largest deepwater seaport in terms of freight throughput in Hainan Province, owned and operated by Hainan Basuo, our 72.5% subsidiary;
“Board”	the board of Directors of our Company;
“BP”	British Petroleum, a global oil and gas producer;
“Carbon Dioxide Plant” or “CO ₂ Plant”	a plant constructed at our production complex in Hainan through our 100%-owned subsidiary, CNOOC (Hainan) E&P Gas Limited (中海石油(海南)環保氣體有限公司). It commenced operations in February 2006 and, as of the Latest Practicable Date, was in trial operation;
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC;
“CCASS Broker Participant”	a person admitted to participate in CCASS as a broker participant;
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant, who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a CCASS Broker Participant, a CCASS Custodian Participant or a CCASS Investor Participant;

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“CCIN”	China Chemical Information Net (中國化工信息網), an information database (http://www.cheminfo.gov.cn) operated by CNCIC Chemdata Co., Ltd., a company founded by China National Chemical Information Center (中國化工信息中心), a branch of the National Engineering & Technology Library of China;
“CMAI”	Chemical Market Associates, Inc., a provider of petrochemical consulting services;
“CNFA”	China Nitrogen Fertilizer Industry Association (中國氮肥工業協會), a trade association of fertilizer companies in China with 760 members;
“CNOOC” or “Parent Company” or “Substantial Shareholder” or “Controlling Shareholder”	China National Offshore Oil Corporation (中國海洋石油總公司), the third-largest oil and gas company in China which develops offshore oil and gas sources, and is our main Promoter and Controlling Shareholder;
“CNOOC Chemical”	CNOOC Chemical Limited (中海石油化學有限公司), the predecessor of our Company;
“CNOOC Finance”	CNOOC Finance Corporation Limited (中海石油財務有限責任公司), our affiliated finance company and a subsidiary of CNOOC;
“CNOOC Fudao”	CNOOC Fudao Limited (海洋石油富島有限公司), one of our wholly-owned subsidiaries;
“CNOOC Group”	CNOOC and its subsidiaries presented as a group, excluding us;
“CNOOC Jiantao”	CNOOC Kingboard Chemical Limited (中海石油建滔化工有限公司), the equity interest of which is owned as to 60% by us and 40% by Hong Kong Kingboard and which is jointly-controlled by us and Hong Kong Kingboard;
“CNOOC Jiantao Methanol Plant”	our methanol plant in Hainan, constructed through CNOOC Jiantao;
“CNOOC Limited”	CNOOC Limited (中國海洋石油有限公司), a company listed on the Hong Kong Stock Exchange and the New York Stock Exchange and a subsidiary of CNOOC, and, except where the context otherwise requires, its subsidiaries;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as adopted at the Eighteenth Session of the Standing Committee of the Tenth NPC on 27 October 2005, effective 1 January 2006, as amended, supplemented or otherwise modified from time to time;

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“Controlling Shareholder”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Corporate Investors”	Bestlane Limited, Sunny Smart Limited, Bank of China Group Investment Ltd. and Bitronic Limited;
“COSL”	China Oilfield Services Limited (中海油田服務股份有限公司), a company listed on the Hong Kong Stock Exchange and a subsidiary of CNOOC, and, except where the context otherwise requires, its subsidiaries;
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會);
“Date of Acquisition”	7 March 2006, being the date the Acquisition was completed;
“Director(s)”	the director(s) of our Company, including all executive, non-executive and independent non-executive directors;
“Domestic Promoters”	CNOOC, Guangdong AMP, Zhejiang AMP and Shanghai AMP;
“Domestic Shares”	ordinary shares in the capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in Renminbi by PRC nationals and/or PRC incorporated entities;
“ERP”	an enterprise resource planning system;
“FAO”	the Food and Agricultural Organization of the United Nations;
“Fudao Phase I”	our urea plant in Hainan completed in 1996 under the operation of CNOOC Fudao;
“Fudao Phase II”	our urea plant in Hainan completed in 2003 under the operation of our Company;
“Global Offering”	the Hong Kong Public Offering and the International Offering;
“Guangdong AMP”	Guangdong Agricultural Means of Production Corporation (廣東省農業生產資料總公司), one of our five Promoters;
“Guangxi Fudao AMP”	Guangxi Fudao Agricultural Means of Production Limited (廣西富島農業生產資料有限公司), the equity interest of which is owned as to 70% by Zhejiang AMP and 30% by CNOOC Fudao;
“H Shares”	overseas listed foreign invested shares of par value RMB1.00 each in the ordinary share capital of our Company, which are to be subscribed for and traded in HK dollars and for which an application has been made for the granting of listing, and permission to deal, on the Hong Kong Stock Exchange;

DEFINITIONS

“Hainan”	means Hainan Province or Hainan Island, as the context requires, of the PRC;
“Hainan Basuo”	Hainan Basuo Port Limited (海南八所港務有限責任公司), one of our subsidiaries, 72.5% of the registered capital of which is owned by our Company;
“Hainan Development”	Hainan Development Holding Co., Ltd. (海南省發展控股有限公司), a PRC entity that holds 27.5% of the registered capital of Hainan Basuo;
“Hainan CNOOC Transportation”	Hainan CNOOC Transportation Co., Ltd. (海南中海石油運輸服務有限公司), one of our subsidiaries, 90% of the registered capital of which is owned by Hainan Basuo and the remaining 10% of which is held by a subsidiary of CNOOC;
“HK\$” or “HK dollars” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HKSCC Nominees”	HKSCC Nominees Limited;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Kingboard”	Kingboard Investments Limited (建滔投資有限公司), a Hong Kong incorporated subsidiary of Kingboard Chemical, which holds a 40% equity interest in CNOOC Jiantao;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time);
“Hong Kong Public Offering”	the offer by our Company of initially 140,000,000 H Shares for subscription by the public in Hong Kong (subject to adjustment as described in the section headed “Structure of the Global Offering”) for cash at the Offer Price (plus brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee) on and subject to the terms and conditions described in this Prospectus and the Application Forms as further described in the section headed “Structure of the Global Offering—The Hong Kong Public Offering” in this Prospectus;
“Hong Kong Public Offer Shares”	the H Shares offered for subscription pursuant to the Hong Kong Public Offering;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed as such in the section “Underwriting—Hong Kong Underwriters” of this Prospectus;

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“Hong Kong Underwriting Agreement”	the underwriting agreement relating to the Hong Kong Public Offering entered into among our Company, the Joint Global Coordinators and the Hong Kong Underwriters on 15 September 2006;
“IFA”	International Fertilizer Industry Association, a trade association whose members include 450 companies in approximately 80 countries in the world;
“IFRS”	International Financial Reporting Standards;
“Independent Third Party”	a party which is independent of and not connected with the Directors, substantial shareholders (within the meaning under the Hong Kong Listing Rules) or chief executives of our Company or any of their respective Associates;
“Inner Mongolia”	Inner Mongolia Autonomous Region of the PRC;
“Input VAT”	VAT that is paid by a business to other businesses on the supplies it receives;
“International Offering”	the offering of an initial 1,260,000,000 H Shares (subject to adjustment and the Over-allotment Option) by us to investors (other than to retail investors in Hong Kong) outside China (including to professional and institutional investors in Hong Kong), as further described in the section headed “Structure of the Global Offering” in this Prospectus;
“International Offer Shares”	the H Shares offered pursuant to the International Offering;
“International Purchase Agreement”	the underwriting agreement relating to the International Offering which is expected to be entered into among our Company, the Joint Global Coordinators and the International Purchasers on or around 22 September 2006;
“International Purchasers”	the underwriters of the International Offering, led by the Joint Global Coordinators, who are expected to enter into the International Purchase Agreement;
“Joint Global Coordinators”	JPMorgan and UBS;
“Joint Sponsors”	JPMorgan (Asia Pacific) and UBS;
“JPMorgan”	J.P. Morgan Securities Ltd.;
“JPMorgan (Asia Pacific)”	J.P. Morgan Securities (Asia Pacific) Limited;

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“KBR”	KBR, Inc., formerly Kellogg, Brown and Root, a global engineering, construction, technology and services company which offers its own process technology for ammonia plants and is a leading licensor of ammonia process technology. KBR, Inc. is a wholly owned subsidiary of Halliburton Company and was formed in 1998 following the merger between Halliburton Company and Dresser Industries;
“Kellogg”	M.W. Kellogg Company, engaged in, among others, process engineering for the downstream oil and gas business. Kellogg was acquired by Dresser Industries in 1998 and was subsequently combined with Brown & Root to form KBR when Dresser Industries merged with Halliburton Company in the same year;
“Kingboard Chemical”	Kingboard Chemical Holdings Limited (建滔化工集團), a company listed on the Hong Kong Stock Exchange;
“KUFPEC”	a subsidiary of Kuwait Petroleum Corporation that carries out drilling, development and production operations in foreign countries, including China;
“Latest Practicable Date”	11 September 2006, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus;
“LIBOR”	the London Interbank Offered Rate, the rate charged by one bank to another for lending money;
“Listing Date”	the date, expected to be on or about 29 September 2006, on which dealings in the H Shares commence on the Hong Kong Stock Exchange;
“Lurgi Group”	a German-based global technology provider in process engineering that supplies and builds turnkey plants and plant units for diverse applications;
“Mandatory Provisions”	the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (as amended, supplemented or otherwise modified from time to time), for inclusion in the articles of association of companies incorporated in the PRC to be listed overseas (including Hong Kong), which were promulgated by the former PRC Securities Commission of the State Council and the former State Commission for Restructuring the Economic Systems of the PRC on 27 August 1994;
“MLR”	Ministry of Land and Resources of the PRC (中華人民共和國國土資源部);
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部);

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“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部);
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);
“Norsk Hydro”	Norsk Hydro ASA, a Norwegian company which provides technology and produces fertilizer producing equipment. On 25 March 2004, Norsk Hydro’s Agri business demerged in a new company, Yara International ASA;
“NPC”	National People’s Congress;
“NSSF”	the National Council of Social Security Fund of the PRC (中華人民共和國全國社會保障基金理事會)
“Offer Price”	the final Hong Kong dollar price per H Share (exclusive of brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee) at which the H Shares are to be subscribed for and issued pursuant to the Hong Kong Public Offering, to be determined as further described in the section headed “Structure of the Global Offering—Pricing and Allocation” in this Prospectus;
“Offer Shares”	the Hong Kong Public Offer Shares and the International Offer Shares together, where relevant, with any additional H Shares issued and sold pursuant to the exercise of the Over-allotment Option;
“our Company”, “the Company”, “we”, “our” and “us”	China BlueChemical Ltd. (中海石油化學股份有限公司), a joint stock limited liability company established in the PRC on 25 April 2006 or its predecessor, CNOOC Chemical (where applicable) and, except where the context otherwise requires, all of its subsidiaries and jointly controlled entities from time to time; for the avoidance of doubt, “our Company,” “we”, “our” and “us” referred to in respect of information before the Date of Acquisition do not include Tianye Chemical and its subsidiaries;
“Output VAT”	VAT that is charged by a business and paid by its customers;

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“Over-allotment Option”	the option granted by us to the International Purchasers, exercisable by the Joint Global Coordinators on behalf of the International Purchasers at any time from the date of the International Purchase Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 210,000,000 additional H Shares, representing 15% of the initial size of the Global Offering, to, among other things, cover over-allocations in the International Offering as described in the section headed “Structure of the Global Offering” in this Prospectus;
“PetroChina”	PetroChina Company Limited, a company listed on the Hong Kong Stock Exchange and the New York Stock Exchange;
“PBOC”	People’s Bank of China (中國人民銀行);
“PBOC Rate”	the exchange rate for foreign exchange transactions set daily by the PBOC based on the previous day’s PRC inter-bank foreign exchange rates and with reference to current exchange rates on the world financial markets;
“PRC” or “China” or the “People’s Republic of China”	the People’s Republic of China; except where the context otherwise requires, references in this Prospectus to the PRC, China or the People’s Republic of China do not apply to Hong Kong, Macau or Taiwan;
“PRC GAAP”	the PRC Accounting Standards and Accounting Regulations for Business Enterprises and its supplementary regulations;
“PRC National Audit Office” or “NAO”	National Audit Office of the PRC (中華人民共和國審計署);
“PRC National Bureau of Statistics” or “Bureau of Statistics”	National Bureau of Statistics of the PRC (中華人民共和國國家統計局);
“Price Determination Date”	the date, expected to be on or around 22 September 2006 but no later than 27 September 2006, on which the Offer Price is fixed for the purposes of the Global Offering;
“Promoters”	our promoters, being CNOOC, Zhejiang AMP, Guangdong AMP, Shanghai AMP and Transammonia;
“Province” or “province”	each being a province or, where the context requires, a provincial level autonomous region or municipality under the direct supervision of the central government of the PRC;
“QIBs”	qualified institutional buyers as defined in Rule 144A;
“Regulation S”	Regulation S under the U.S. Securities Act;

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“Restructuring”	our restructuring in preparation for the listing of our H Shares on the Hong Kong Stock Exchange, the particulars of which are described in the section headed “History, Restructuring and Corporate Structure—Restructuring”;
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC;
“Rule 144A”	Rule 144A under the U.S. Securities Act;
“SAEP”	State Administration for Environmental Protection of the PRC (中華人民共和國國家環境保護局);
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局);
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (中華人民共和國國家國務院國有資產監督管理委員會);
“SAT”	State Administration of Taxation of the PRC (中華人民共和國國家稅務總局);
“SAWS”	State Administration of Work Safety of the PRC (中華人民共和國國家安全生產監督管理總局);
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shanghai AMP”	Shanghai Municipal Agricultural Means of Production Corporation (上海市農業生產資料公司), one of our five Promoters;
“Shares”	shares of our Company of nominal value RMB1.00 each, comprising Domestic Shares, Unlisted Foreign Shares and H Shares;
“SNAMPROGETTI”	Snamprogetti S.p.A., an Italian technology and chemical equipment provider for ammonia synthesis and urea production;
“Special Regulations”	the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (國務院關於股份有限公司境外募集股份及上市的特別規定), promulgated by the State Council on 4 August 1994, as amended, supplemented or otherwise modified from time to time;
“Stamicarbon”	Stamicarbon S.A., a producer of life science products, performance materials and industrial chemicals, headquartered in the Netherlands which specializes in the licensing of urea technology;

DEFINITIONS

“State,” “state,” or “PRC Government”	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government authorities) and instrumentalities thereof;
“State Council”	State Council of the PRC (中華人民共和國國務院);
“Supervisors”	the members of the supervisory committee of our Company;
“Tianye Chemical”	Inner Mongolia Tianye Chemical Industry Limited (內蒙古天野化工(集團)有限責任公司), the equity interest of which is held as to 90% by us and 10% by the State-owned Assets Supervision and Administration Commission of Inner Mongolia Autonomous Region People’s Government;
“Tianye Plant”	our urea and methanol production plant built in 1996 and located in Huhhot, Inner Mongolia. Tianye Plant is operated by Tianye Chemical;
“Track Record Period”	the period comprising the three years ended 31 December 2005 and the three months ended 31 March 2006;
“Transammonia”	Transammonia Inc., a company established in the United States, one of our five Promoters;
“UBS”	UBS AG acting through its business group, UBS Investment Bank;
“Underwriters”	collectively, the Hong Kong Underwriters and the International Purchasers;
“Underwriting Agreements”	collectively, the Hong Kong Underwriting Agreement and the International Purchase Agreement;
“United States” or “U.S.”	the United States of America;
“Unlisted Foreign Shares”	ordinary shares in the capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in foreign currency by non-PRC nationals and/or non-PRC incorporated entities and are not listed on any stock exchange;
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“U.S.\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States;
“VAT”	value-added tax;
“WTO”	the World Trade Organization;

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“Yara”

Yara International ASA, a company incorporated in Norway, our strategic investor, and its subsidiaries where the context requires. Yara was demerged from Norsk Hydro ASA and listed on the Oslo Stock Exchange on 25 March 2004; and

“Zhejiang AMP”

Zhejiang AMP Incorporation (浙江農資集團有限公司), one of our five Promoters.