中海石油化学股份有限公司
China BlueChemical Ltd.

2010
中期報告
Interim Report

股票代碼
HKSE CODE 3983

Contents

Financial Highlights

Interim consolidated income statement

For the six months ended 30 June 2010
(All amounts expressed in thousands of Renminbi, except for per share data)

	Six months ended 30 June	
	2010	2009
	Unaudited	
Revenue	2,954,921	2,828,139
Cost of sales	(2,043,635)	(1,968,564)
Gross profit	911,286	859,575
Other income and gains	26,565	50,331
Selling and distribution costs	(54,659)	(58,917)
Administrative expenses	(163,855)	(158,110)
Other expenses	(7,313)	(7,112)
Finance income	5,547	17,447
Finance costs	(768)	(14,593)
Exchange losses, net	(220)	(2,542)
Share of profits of associates	28,449	443
Profit before tax	745,032	686,522
Income tax expense	(126,810)	(103,414)
Profit for the period	618,222	583,108
Attributable to :		
Owners of the parent	533,303	527,022
Non-controlling interests	84,919	56,086
	618,222	583,108
Earnings per share attributable to ordinary owners of the parent		
-Basic (RMB fen)	11.57	11.43

Interim consolidated statement of financial position

At 30 June 2010
(All amounts expressed in thousands of Renminbi)

	30 June 2010	31 December 2009
	Unaudited	Audited
Assets		
Non-current assets	9,569,665	9,042,274
Current assets	3,475,175	3,604,065
Total assets	13,044,840	12,646,339
Equity and liabilities		
Total equity	11,164,950	10,944,210
Non-current liabilities	419,103	249,755
Current liabilities	1,460,787	1,452,374
Total Equity and liabilities	13,044,840	12,646,339

Operational Highlights

Production volume and utilisation rate of the Group's * various plants

	Six months ended 30 June					
	Production volume *(tonnes)*			Utilisation Rate *(%)*		
	2010	2009	Change *(%)*	2010	**2009**	Change
Fertilisers						
Urea						
Fudao Phase I	292,904	294,315	(0.5)	112.7	113.2	(0.5)
Fudao Phase II	443,414	334,255	32.7	110.9	83.6	27.3
CNOOC Tianye	266,879	312,205	(14.5)	102.6	120.1	(17.5)
Group total	1,003,197	940,775	6.6	109.0	102.3	6.7
Phosphate Fertilisers						
DYK Chemical MAP	35,326	11,275	213.3	47.1	15.0	32.1
DYK Chemical DAP	208,806	203,367	2.7	119.3	116.2	3.1
Group total	244,132	214,642	13.7	97.7	85.9	11.8
Chemical Products						
Methanol						
CNOOC Jiantao	310,536	286,211	8.5	103.5	95.4	8.1
CNOOC Tianye	86,618	108,484	(20.2)	86.6	108.5	(21.9)
Group total	397,154	394,695	0.6	99.3	98.7	0.6

Sales volume of the Group's various plants

Unit: tonne

	Six months ended 30 June		
	2010	2009	Change *(%)*
Fertilisers			
Urea			
Fudao Phase I	281,293	291,001	(3.3)
Fudao Phase II	394,773	343,909	14.8
CNOOC Tianye	233,963	300,846	(22.2)
Group total	910,029	935,756	(2.7)
Phosphate Fertilisers			
DYK Chemical MAP	22,357	13,040	71.4
DYK Chemical DAP	189,715	174,290	8.9
Group total	212,072	187,330	13.2
Chemical Products			
Methanol			
CNOOC Jiantao	320,441	276,361	16.0
CNOOC Tianye	81,556	103,407	(21.1)
Group total	401,997	379,768	5.9

* The Group means China Bluechemical Ltd. ("the Company") and its subsidiaries.

CEO's Report

Dear Shareholders,

Affected by factors such as abnormal weather conditions and natural disasters in China which led to insufficient demands for fertilisers in the first half of 2010, the operation of most producers in the fertiliser sector had to bear immense pressure. Leveraging on our scale, cost and regional sales advantages, we achieved better results in the industry as compared with our industry peers.

Industry leader in profitability

In the first half of 2010, we recorded revenue of RMB2,954.9 million and net profit attributable to owners of the parent of RMB533.3 million.

Benefitted from our highly efficient production management and uniform sales strategies, our profitability sustained its leadership among our industry peers, both local and overseas, with a gross profit margin amounted to 31% in the first half of the year.

Efficient operations of our major production facilities

The major production plants of the Company fulfilled a continuous operation cycle in excess of 100 days in the first half of 2010. We were pleased to hit historical production records in excess of 1,000,000 tonnes of urea and 240,000 tonnes of phosphate fertilisers in the first half of 2010. Our methanol production of approximately 400,000 tonnes exceeded the half-yearly production target.

Sales of major products remained normal

Due to the effects of adverse weather conditions of the first half of 2010, especially in the second quarter, there was a slowdown in domestic demands for fertilisers. However, satisfactory sales results of fertiliser products were achieved through tough efforts by sales department and the support from our long-term distributors. Sales of urea and phosphate fertilisers exceeded 910,000 tonnes and 210,000 tonnes respectively.

Capitalising on our geographical advantages and logistic conveniences, sales of methanol in the first half of the year exceeded 400,000 tonnes.

Smooth progress of major projects

The Hainan 800,000-ton methanol per annum project ("Hainan Methanol Project") and the Inner Mongolia 60,000-ton POM per annum project ("Inner Mongolia POM Project") are progressing soundly according to schedule and expected to be operational in the forthcoming fourth quarter of 2010.

Construction of the DYK Chemical Phosphate Fertiliser Expansion and Modification Project and the Shanxi Hequ Coal-based Urea Project are progressing smoothly according to schedule.

Outlook for the second half of 2010

In July 2010, the Company entered into an equity transfer agreement with China National Chemical Engineering Group Corporation in respect of the transfer of the 80% equity interest in Hegang Huahe Coal Chemical Ltd., Heilongjiang Province, which was approved by the State-owned Assets Supervision and Administration Commission of the PRC on 30 August 2010. CNOOC Fudao Limited, a wholly-owned subsidiary of the Company, entered into an agreement with Zhejiang AMP Incorporation in respect of the transfer of the 21% equity interest in Guangxi Fudao Agricultural Means of Production Limited, of which the principal amount of the consideration (excluding the adjustment to consideration) for the equity transfer was paid. The said two acquisitions of equity interest have laid solid foundations for the Company to realise its strategic development target.

Looking forward to the second half of the year, demands in the international fertiliser market will become strong and the domestic fertiliser market will recover. Also, the domestic methanol demand will increase and the Southern China methanol market will enter its high season.

In the second half of the year, we will fortify the production management of our existing plants and endeavour to accomplish the yearly production and operation targets; ensure that both Hainan Methanol Project and Inner Mongolia POM Project will be put into production in the fourth quarter; proactively arrange exports of our fertiliser products with favorable international market condition; and continue to seek mergers and acquisition opportunities both domestically and overseas which are in line with our growth strategy and further enhance our competitiveness and profitability.

With the hard work of our management and all the staffs, I expect that the Company will creat sound value return to our shareholders in 2010.

YANG Yexin

CEO & President

Management Discussion and Analysis

Sector Review and Outlook

Fertiliser sector

Guided by the principle of "sustained increase in volume and steady rise in proportions" in 2010, the PRC government continued to expand its commitments to the agricultural sector, rural villages and farmers, and proposed an aggregate injection of RMB818.3 billion to such three areas for the entire year, an increase of approximately 12.8% over 2009. In particular, subsidies to the agricultural sector is estimated to be RMB133.5 billion, increased by approximately 4.7% over 2009. At the same time, the minimum food purchase prices increased steadily by approximately 3.3%–10.5% over 2009. Sustained concerns over food safety and income levels of farmers by the PRC government, together with its powerful policy supports promoted the steady growth in demand for fertilisers by the agricultural industry.

Effective from 1 January 2010, the PRC government lowered low-season export tariffs of urea and phosphate fertilisers to 7% and extended the applicable period for low-season export tariff of urea by half-a-month, which will benefit domestic fertiliser enterprises with comprehensive competitive advantages in exports.

When the ex-factory benchmark price of domestic landed natural gas raised since 1 June 2010, most of the natural gas based domestic urea production enterprises ran into difficulties as a result of cost increases, but this also provided development opportunities for a few of those domestic urea production enterprises which have resources and cost advantages.

(I) Urea

In the first half of 2010, domestic urea production exceeded 31 million tonnes (in real terms), a slight decrease compared with the corresponding period of last year. Urea exports were approximately 1.539 million tonnes (in real terms), a substantial increase of approximately 122% compared with the corresponding period of last year.

Domestic urea prices fluctuated within normal range in early 2010. Affected by abnormal climate of cold weather in the north and serious droughts in the south of the PRC during the spring planting of 2010, demand for urea were hampered since the planting season was postponed and planting mixes were changed. Domestic urea prices dropped sharply since the late of March 2010 and remained at low level around RMB1,600 per tonne at the end of June.

(II) Phosphate Fertilisers

During the reporting period, domestic MAP production amounted to approximately 3.81 million tonnes (in real terms), an increase of approximately 6% compared with the corresponding period of last year and domestic DAP production amounted to approximately 5.76 million tonnes (in real terms), an increase of approximately 19.7% compared with the corresponding period of last year.

Given the gradual depletion of high domestic inventory level in 2009 and the resumption of international demands for domestic exports during the first quarter of 2010, domestic ammonium phosphate prices rebounded from the end of 2009 and remained steady during February and March of 2010. Due to the abnormal weather since mid-April, demand for ammonium phosphate softened and prices declined slightly but resumed its upward trend as driven by exports in June.

Multiple effects of a number of factors, such as the incoming planting season in the Southern Hemisphere, the depletion of international grain inventory and the increase in grain price caused by the global adverse climate during the year, are expected to drive demand for fertilisers in the international market during the second half of 2010. In the second half of the year, despite the entering into the low season for domestic fertilisers, positive impact could still be seen in the domestic fertiliser market through the extended low-season export window for urea and phosphate fertilisers, as well as the State's policy of low-season fertiliser reserve. Increases in production costs of fertiliser producers may provide support to the floor prices of domestic fertilisers.

Methanol sector

As the PRC economy sustained its steady growth during the first half of 2010, demand for methanol from traditional domestic downstream industries and as an alternate source of energy also rose steadily. Methanol's domestic apparent consumption quantity exceeded 10 million tonnes in the first half of 2010, an increase of approximately 28% compared with the corresponding period in 2009.

In the first half of 2010, domestic methanol production exceeded 8 million tonnes, a growth of approximately 62% compared with the corresponding period in 2009. Methanol imports were approximately 2.36 million tonnes, a decrease of approximately 31% compared with the corresponding period in 2009.

Due to the strong demand of methanol as an alternative energy source in the PRC in the first quarter of 2010, domestic market prices of methanol was within the range of RMB2,600 to RMB2,800 per tonne. However, methanol prices started to fall in the second quarter due to the realignment of the DME sector. At the end of June, domestic methanol prices hovered around RMB2,000 to 2,200 per tonne.

When the ex-factory benchmark price of domestic landed natural gas raised on 1 June 2010, most of the natural gas based domestic methanol producers succumbed to pressures of higher costs by reducing or halting production, and thus, it is expected that natural gas based domestic production volume of methanol will decline in the second half of the year. At the same time, this also provided development opportunities for a few of those domestic methanol production enterprises which have resources and cost advantages.

The PRC government will continue to implement positive fiscal policies and appropriate flexible monetary policies in the second half of 2010 in sustaining reasonable economic growth which may also fuse the growth in demand for methanol as the key basic raw material for chemical industry. Current steady growth in domestic demand for methanol as an alternative source of energy will fuel its longterm development. It is expected that relevant departments of local governments in the PRC are in the process of formulating relevant standards for liquefied petroleum gas blending with DME, which is expected to be launched lately and will not only facilitate the healthy development of the DME sector, but will also in turn promote the recovery of DME demands for methanol.

Business Review

During the reporting period, the Company ensured the safe and stable operation of its major existing plants by strengthening the refined production management. The urea plant of Fudao Phase I completed a continuous operation cycle of 147 days after a major overhaul at the end of 2009. The urea plant of Fudao Phase II, the methanol plant of CNOOC Tianye and the methanol plant of CNOOC Jiantao fulfilled a continuous operation cycle in excess of 100 days, and the methanol plant of CNOOC Tianye achieved its second longest continuous operation record.

During the reporting period, the Company overcame the adverse market environment of rising raw material prices and natural disasters, which led to slowdown in market demand, by undertaking measures of long operating cycles of its production plants and lowering repairs and maintenance expenses of its equipments, in achieving the steady growth of its operating results. Although for the first half of the year, there is only one month of low season export window for urea, the Company managed to export 83,256 tonnes of urea.

Production and sales of the Group's various plants during the reporting period are set out in the following table:

	Six months ended 30 June					
	2010			2009		
	Production volume *(tonnes)*	Sales volume *(tonnes)*	Utilisation rate *(%)*	Production volume *(tonnes)*	Sales volume *(tonnes)*	Utilisation rate *(%)*
Fertilisers						
Urea						
Fudao Phase I	292,904	281,293	112.7	294,315	291,001	113.2
Fudao Phase II	443,414	394,773	110.9	334,255	343,909	83.6
CNOOC Tianye	266,879	233,963	102.6	312,205	300,846	120.1
Group total	1,003,197	910,029	109.0	940,775	935,756	102.3
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DYK Chemical MAP	35,326	22,357	47.1	11,275	13,040	15.0
DYK Chemical DAP	208,806	189,715	119.3	203,367	174,290	116.2
Group total	244,132	212,072	97.7	214,642	187,330	85.9
Chemical Products						
Methanol						
CNOOC Jiantao	310,536	320,441	103.5	286,211	276,361	95.4
CNOOC Tianye	86,618	81,556	86.6	108,484	103,407	108.5
Group total	397,154	401,997	99.3	394,695	379,768	98.7

Financial Review

Revenue and gross profit

During the reporting period, the Group's revenue was RMB2,954.9 million, an increase of RMB126.8 million or 4.5% from RMB2,828.1 million for the corresponding period of 2009. During the reporting period, the Group's gross profit was RMB911.3 million, an increase of RMB51.7 million or 6.0% from RMB859.6 million for the corresponding period of 2009.

During the reporting period, the Group's revenue from urea was RMB1,506.2 million, a decrease of RMB122.7 million or 7.5% from RMB1,628.9 million for the corresponding period of 2009, which was primarily attributable to: (1) the decrease in selling prices of urea by RMB85.6 per tonne contributing to an RMB80.1 million decrease in revenue; and (2) the decrease in sales volume of urea by 25,727 tonnes contributing to an RMB42.6 million decrease in revenue.

During the reporting period, the Group's revenue from phosphate fertilisers (the production and sale of MAP and DAP) was RMB513.9 million, a decrease of RMB8.0 million or 1.5% from RMB521.9 million for the corresponding period of 2009, which was primarily attributable to: (1) the decrease in revenue from the sale of ores by RMB53.4 million during the reporting period; (2) the decrease in selling prices of phosphate fertilisers by RMB77.7 per tonne during the reporting period, contributing to an RMB14.6 million decrease in revenue; and the above was partly offset by (3) the increase in sales volume of phosphate fertilisers by 24,742 tonnes contributing to an RMB60.0 million increase in revenue.

During the reporting period, the Group's revenue from the sale of methanol was RMB735.3 million, an increase of RMB204.2 million or 38.4% from RMB531.1 million for the corresponding period of 2009, which was primarily attributable to: (1) the increase in selling prices of methanol by RMB462 per tonne during the reporting period contributing to an RMB175.5 million increase in revenue; and (2) the increase in sales volume of methanol by 15,449 tonnes compared with the corresponding period of last year contributing to an RMB28.7 million increase in revenue.

During the reporting period, the revenue from the Group's other segments (mainly comprising trading, port operations, provision of transportation services and the manufacture and sales of woven plastic bags and BB fertilisers) increased by RMB53.3 million, which was primarily attributable to : (1) the increase in revenue from fertiliser trading by RMB34.4 million; and (2) the increase in the operating volume of the ports by 265,506 tonnes and rises in unit prices.

The Group's gross profit for the reporting period was RMB911.3 million, an increase of RMB51.7 million or 6.0% from RMB859.6 million for the corresponding period of 2009, which was primarily attributable to (1) the increase in selling prices of methanol during the reporting period contributing to an RMB115.9 million increase in gross profit; (2) the decrease in selling prices of phosphate fertilisers during the reporting period contributing to a decrease of RMB11.9 million in gross profit; (3) the decreases in selling prices and sales volumes of urea during the reporting period contributing to a decrease of RMB62.8 million in gross profit; and (4) the increase of RMB10.5 million in gross profit from other segments during the reporting period.

Other income and gains

The Group's other income and gains during the reporting period were RMB26.6 million, a decrease of RMB23.7 million or 47.1% from RMB50.3 million for the corresponding period of 2009, which was primarily attributable to: (1) a decrease of RMB28.6 million in VAT refunds during the reporting period; and partly offset by (2) an increase of RMB4.9 million in income from entrusted investments, and income from the sale of materials, water and utility during the reporting period.

Selling and distribution costs

The Group's selling and distribution costs during the reporting period were RMB54.7 million, a decrease of RMB4.2 million or 7.1% from RMB58.9 million for the corresponding period of 2009, which was primarily attributable to decreases in repair charges of transportation equipment and miscellaneous transportation charges at ports of direct export during the reporting period.

Administrative expenses

The Group's administrative expenses during the reporting period was RMB163.9 million, an increase of RMB5.8 million or 3.7% from RMB158.1 million for the corresponding period of 2009, which was primarily attributable to an increase in additional rental expenses of RMB4.6 million during the reporting period.

Other expenses

The Group's other expenses during the reporting period was RMB7.3 million, which was approximately consistent compared with RMB7.1 million in the corresponding period of 2009.

Finance income and finance costs

The Group's finance income during the reporting period was RMB5.5 million, a decrease of RMB11.9 million or 68.4% from RMB17.4 million for the corresponding period of 2009, and the Group's finance costs during the reporting period was RMB0.8 million, a decrease of RMB13.8 million or 94.5% from RMB14.6 million for the corresponding period of 2009. These were primarily attributable to the absence of, during the reporting period, (1) finance income from fixed performance deposits and finance costs on discount interest in respect of the purchase consideration of 83.17% interest in Hubei Dayukou Chemical Co., Ltd. ("DYK Chemical") and 100% interest in ZHJ Mining Co., Ltd. ("ZHJ Mining") during the corresponding period of 2009; and (2) finance costs for DYK Chemical and ZHJ Mining incurred during the corresponding period of 2009.

Exchange losses, net

The Group's exchange losses during the reporting period was RMB0.2 million, a decrease of RMB2.3 million or 92.0% from RMB2.5 million for the corresponding period of 2009, which was primarily attributable to the absence of exchange losses during the reporting period arising from the full repayment of the USD-denominated loan of CNOOC Jiantao during the corresponding period of 2009.

Share of profits of associates

The Group's share of profits of associates during the reporting period was RMB28.4 million, an increase of RMB28.0 million or 7,000%, from RMB0.4 million for the corresponding period of 2009, which was primarily attributable to investment income of RMB29.2 million from one of associates during the reporting period.

Income tax expense

The Group's income tax expense during the reporting period was RMB126.8 million, an increase of RMB23.4 million or 22.6% from RMB103.4 million for the corresponding period of 2009, which was primarily attributable to: (1) an increase of income tax expense of RMB 14.6 million due to the increase in tax rate applicable to the Group to 17% during the reporting period; and (2) an increase of corporate income tax expense of RMB8.8 million for the current period due to the increase in profit before tax during the reporting period.

Net profit for the period

During the reporting period, the Group's net profit was RMB618.2 million, an increase of RMB35.1 million or 6.0% from RMB583.1 million for the corresponding period of 2009, which was primarily attributable to the increase in selling prices of methanol, and partly offset by the decrease in selling prices of urea and phosphate fertilisers during the reporting period.

Dividends

The board of directors of the Company did not recommend the payment of an interim dividend for the six-month period ended 30 June 2010.

As at 30 June 2010, the Company has distributed final cash dividends of RMB322.7 million for 2009.

Capital expenditure

During the reporting period, the Group's capital expenditure in respect of property, plant and equipment and intangible assets amounted to RMB993.7 million, which as at 30 June 2010 primarily comprised: (1) RMB523.7 million for the Hainan Methanol Project; (2) RMB380.7 million for the Inner Mongolia POM Project; and (3) RMB89.3 million for plant upgrades and equipment purchases.

Pledge of assets

As at 30 June 2010, the Group does not have any pledge of assets.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital structure in order to safeguard its normal production operation and maximise shareholder value. The Group manages its capital structure in light of changes in economic conditions and makes timely adjustments, where appropriate. We may raise new debt or issue new shares in order to maintain or realign our capital structure. The gearing ratio of the Group as at 30 June 2010 (interest-bearing liabilities divided by the sum of total capitalisation plus interest-bearing liabilities) was 1.5%, an increase of 1.49% from 0.01% as at 31 December 2009, which was primarily attributable to the increase in long-term borrowings during the reporting period.

Cash and cash equivalents

The Group's cash and cash equivalents at the beginning of the reporting period was RMB1,944.7 million. Net cash inflows from operating activities for the period was RMB743.6 million, net cash outflows from investing activities was RMB727.0 million, and net cash outflows from financing activities was RMB233.9 million. As at the reporting period of 30 June 2010, the Group's cash and cash equivalents was RMB1,727.4 million.

Human resources and training

As of 30 June 2010, the Group had 5,788 employees. The Group adopts an effective remuneration package policy and a systematic welfare plan as well as an effective performance evaluation system to ensure that the remuneration policy of the Group effectively provides incentives to its staff. The Group determines staff remuneration according to their positions, capability and performance.

During the reporting period, in strict accordance with its annual training plans, the Company held 740 training courses with a total of 20,172 enrolments and 135,196 training hours.

Market risk

The major market risks of the Group are primarily exposure to changes in sales prices of key products and costs of raw materials (mainly natural gas, phosphate ore, ammonia and sulphur), fuel (mainly natural gas and coal), and fluctuations in interest or exchange rates.

Commodity price risk

The Group is also exposed to commodity price risk arising from fluctuations in product sales prices, costs of raw materials and fuel.

Interest rate risk

The major interest rate risk that the Group is exposed to includes the Group's longterm debt obligations which are subject to floating interest rates.

Foreign exchange risk

The Group's revenue was primarily denominated in Renminbi and secondarily in US dollar. During the reporting period, the Renminbi to US dollar exchange rate ranged from 6.7890 to 6.8284. The anticipation of appreciation of Renminbi against the US dollar may have dual impact. The Group's revenue from sales of products may have declined as a result of the depreciation of the US dollar against Renminbi, but the import prices of equipment and raw materials may also have been reduced.

As at 30 June 2010, the Group does not have any USD-denominated loan.

Inflation and currency risk

According to the data released by the National Bureau of Statistics of China, consumer price index of the PRC increased 2.6% during the reporting period. Such increase in consumer price in the PRC did not have a significant effect on the Group's operating results.

Post balance sheet events and contingent liabilities

On 16 July 2010, the Company entered into an equity transfer agreement with China National Chemical Engineering Group Corporation ("CNCEC") in respect of the transfer of the 80% equity interest in Hegang Huahe Coal Chemical Ltd. ("Huahe Chemical"), a subsidiary of CNCEC. The Company agreed to acquire the 80% equity interest in Huahe Chemical transferred by CNCEC at a consideration of RMB81.8 million. The equity transfer agreement has been approved by SASAC (State-owned Assets Supervision and Administration Commission of the State Council) on 30 August 2010.

Huahe Chemical, a company incorporated and legally subsisting in the PRC with limited liability, is primarily engaged in fertiliser production. At present, it has obtained approval to construct a urea project of 520,000 tonne per annum in Hegang City, Heilongjiang Province and also acquired a coal exploration right in Xinhua District, Hegang City, Heilongjiang Province.

On 11 July 2010, CNOOC Fudao Limited("CNOOC Fudao"), a wholly-owned subsidiary of the Company, entered into an agreement with Zhejiang AMP Incorporation ("Zhejiang AMP") in respect of the transfer of the 21% equity interest in Guangxi Fudao Agricultural Means of Production Limited ("Guangxi Fudao AMP") held by Zhejiang AMP. CNOOC Fudao agreed to acquire the 21% equity interest in Guangxi Fudao AMP at a consideration of (1) RMB7.0 million; and (2) plus or minus 21% of the audited profit or loss for the period of 1 January to 31 March 2010 of Guangxi Fudao AMP (the "Consideration Adjustment"). Prior to the transfer, the equity interests of Guangxi Fudao AMP were held as to 70% by Zhejiang AMP and as to 30% by CNOOC Fudao. Subsequent to the transfer, the equity interests of Guangxi Fudao AMP were held as to 51% by CNOOC Fudao which gained control over Guangxi Fudao AMP and as to 49% by Zhejiang AMP.

Guangxi Fudao AMP, a company incorporated and legally subsisting in the PRC with limited liability, is primarily engaged in the sale of fertilisers.

On 2 August 2010, the Company paid the principal amount (excluding the Consideration Adjustment) of RMB7.0 million in respect of the equity transfer of Guangxi Fudao AMP.

As at 30 June 2010, the Group had no material contingent liability.

Material litigation and arbitration

As at 30 June 2010, the Group was not involved in any material litigation and arbitration.

Outlook

Looking ahead, PRC economy will sustain its reasonable growth, but there still exists uncertainties over the macroeconomic environment. The Company will closely monitor the status of the macroeconomic environment and will respond actively, and the Company will focus on the following agenda in the second half of the year:

1. Ensure safe and stable operation of production plants and achieve annual production targets;
2. Enhance fertiliser sales through effective deployment of extended low season export window during the second half of the year;
3. Commit fully to warrant that the Hainan Methanol Project and the Inner Mongolia POM Project will carry out their productions as scheduled and to produce qualified products;
4. Further improve energy-saving, emission-reduction and environmental protection; and
5. Continue to identify domestic and foreign mergers and acquisition opportunities in line with our strategic development goals.

Supplemental Information

Audit Committee

The Audit Committee has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and financial reporting matters with the management, including the review of the interim results for the six months ended 30 June 2010. The interim results for the six months ended 30 June 2010 have not been audited but have been independently reviewed by Ernst & Young, the Company's external auditors, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. Neither the Audit Committee nor Ernst & Young, the independent auditor, has any disagreement with the accounting treatment adopted in preparing the interim results for the reporting period.

Compliance with the Code on Corporate Governance Practices

The Company continues to maintain high standards of corporate governance so as to ensure better transparency and protection of shareholders' interest in general. The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") for the six months ended 30 June 2010.

Disclosure of Information of Directors

Pursuant to the disclosure requirements under rule 13.51B(1) of the Listing Rules, the changes of information on directors of the Company are as follows:

Mr. Tsui Yiu Wa, Alec, an independent non-executive Director of the Company, resigned as an independent non-executive director of China Huiyuan Juice Group Limited, whose shares are listed on the Main Board of the Stock Exchange, with effect from 13 July 2010.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuer

The Board confirms that, having made specific enquiries with all directors and supervisors, during the six months ended 30 June 2010, all members of the Board and all supervisors have complied with the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

Substantial Shareholders' Interests

Based on the information available to the Directors or chief executives so far as they were aware, as at 30 June 2010, the shareholders who were interested in 5% or more of the issued shares of the Company as recorded in the register pursuant to Section 336 of the SFO, are as follows:

Name of Substantial Shareholder	Capacity	Number of shares held	Class of Shares	Approximate percentage of the relevant class of shares in issue (%)	Approximate percentage of total issued shares (%)
CNOOC (Note 1)	Beneficial owner; security interests in shares through a controlled corporation	2,813,999,878(L) (Note 2)	Domestic Shares	100(L)	61.04(L)
Commonwealth Bank of Australia	Interests of controlled corporations	317,912,000(L) (Note 3)	H Shares	17.95(L)	6.90(L)
JP Morgan Chase & Co.	Beneficial owner, investment manager, custodian/approved lending agent	159,753,460(L) 0(S) 100,213,460(P) (Note 4)	H Shares	9.02(L) 0.00(S) 5.66(P)	3.47(L) 0.00(S) 2.17(P)
Hang Seng Bank Trustee International Limited	Trustee (other than a bare trustee)	145,591,445(L) (Note 5)	H Shares	8.22(L)	3.16(L)

Notes: (L) denotes long position, (S) denotes short position, and (P) denotes lending pool.

(1) The non-executive Director of the Company, Mr. Wu Mengfei, is also the Chief Financial Officer of CNOOC. The Chairman of the supervisory committee of the Company, Mr. Qiu Kewen, is also the Chairman of the Supervisory Committee of CNOOC.

(2) Out of the 2,813,999,878 domestic shares, 2,738,999,512 shares are held as beneficial owner and 75,000,366 shares are held as having security interests in shares through a controlled corporation, CNOOC Finance Corporation Limited.

(3) These shares are held by series of controlled corporations of Commonwealth Bank of Australia. The controlled corporations that directly hold shares of the Company are Colonial First State Investments Limited, First State Investments (Hong Kong) Ltd., First State Investment Management (UK) Limited, First State Investments International Ltd., and First State Investments (Singapore).

(4) These shares are held by series of controlled corporations of JPMorgan Chase & Co.. The controlled corporations that directly hold shares of the Company are JPMorgan Chase Bank, N.A., J.P. Morgan Whitefriars Inc., and JF Asset Management Limited.

(5) These shares are held by Hang Seng Bank Trustee International Limited, which are also deemed to be interested by each of Value Partners Limited, Value Partners Group Limited, Cheah Capital Management Limited, Cheah Company Limited., Mr. Cheah Cheng Hye and Ms. To Hau Yin.

Save as disclosed above and so far as the Directors are aware, as at 30 June 2010, no other person had an interest or short position in the Company's shares or underlying shares (as the case may be) of the Company which were required to be recorded in the register kept under section 336 of the Securities and Futures Ordinance (the "SFO").

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

Directors' and Supervisors' in Contracts

During the six months ended 30 June 2010, none of the Directors and Supervisors had a material interest, either directly or indirectly, in any material contract in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party.

Directors', Supervisors' and Senior Management Members' Interests in Shares and Short Positions

Pursuant to the Company's H-share appreciation rights scheme, details of which were set out in the Company's circular dated 11 January 2008, as at 30 June 2010, the following Directors, Supervisors and senior management were granted share appreciation rights by the Company as follows:

Names	Capacity	Number of share appreciation rights granted (Share)	Approximate percentage of the relevant class of shares in issue (%)	Approximate percentage of total issued shares (%)
WU Mengfei	Chairman and non-executive Director	1,053,000	0.06	0.02
YANG Yexin	Executive Director, Chief Executive Officer and President	891,000	0.05	0.02
FANG Yong	Executive Director and Executive Vice President	681,000	0.04	0.01
CHEN Kai	Executive Director and Executive Vice President	681,000	0.04	0.01
ZHOU Fan	Executive Vice President	454,000	0.03	0.01
QUAN Changsheng	Chief Financial Officer, Vice President and Board Secretary	616,000	0.03	0.01
LIANG Mingchu	Vice President	616,000	0.03	0.01
MIAO Qian	Vice President	616,000	0.03	0.01

Note: Mr. HONG Junlian resigned as Vice President of the Company in August 2009 and the share appreciation right over 616,000 shares granted to him has lapsed and can not be exercised.

Save as disclosed above, as at 30 June 2010, none of the Directors, Supervisors and senior management of the Company or their respective associates had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of SFO, or which were required to be entered in the register pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Director's and Supervisors' Rights to acquire Shares or Debentures

As at 30 June 2010, none of the Directors and Supervisors had the rights to acquire shares or debentures.

Report on review of interim condensed consolidated financial statements

ERNST & YOUNG
安永會計師事務所

To the shareholders of China BlueChemical Ltd.

(Established in the People's Republic of China as a joint-stock company with limited liability)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements set out on pages 14 to 44 which comprise the interim consolidated statement of financial position of China BlueChemical Ltd. ("the Company") and its subsidiaries (collectively as "the Group") as at 30 June 2010 and the related interim consolidated statements of income, comprehensive income, changes in equity and interim condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Certified Public Accountants

18th Floor, Two International Finance Center
8 Finance Street, Central
Hong Kong
28 August 2010

Interim consolidated income statement

For the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 Unaudited RMB'000	Six months ended 30 June 2009 RMB'000
Revenue	4	2,954,921	2,828,139
Cost of sales		(2,043,635)	(1,968,564)
Gross profit		911,286	859,575
Other income and gains	4	26,565	50,331
Selling and distribution costs		(54,659)	(58,917)
Administrative expenses		(163,855)	(158,110)
Other expenses		(7,313)	(7,112)
Finance income		5,547	17,447
Finance costs		(768)	(14,593)
Exchange losses, net		(220)	(2,542)
Share of profits of associates		28,449	443
Profit before tax	5	745,032	686,522
Income tax expense	6	(126,810)	(103,414)
Profit for the period		618,222	583,108
Attributable to:			
Owners of the parent		533,303	527,022
Non-controlling interests		84,919	56,086
		618,222	583,108
Earnings per share attributable to ordinary owners of the parent			
- Basic (RMB)	7	0.12	0.11

Interim consolidated statement of comprehensive income

For the six months ended 30 June 2010

		Six months ended 30 June	
		2010	2009
		Unaudited	
	Notes	RMB'000	RMB'000
Profit for the period		618,222	583,108
Other comprehensive income for the period, net of tax	8	78	-
Total comprehensive income for the period, net of tax		618,300	583,108
Attributable to:			
Owners of the parent		533,343	527,022
Non-controlling interests		84,957	56,086
		618,300	583,108

Interim consolidated statement of financial position

As at 30 June 2010

	Notes	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Assets			
Non-current assets			
Property, plant and equipment	9	7,905,545	7,394,884
Mining rights		430,730	431,262
Prepaid land lease payments	9	465,756	471,513
Intangible assets		13,406	15,643
Investments in associates		693,124	664,675
Available-for-sale investments	10	600	600
Deferred tax assets		60,504	63,697
		9,569,665	9,042,274
Current assets			
Inventories		925,419	798,003
Trade receivables	11	99,351	109,249
Bills receivable		49,950	53,440
Prepayments, deposits and other receivables	12	575,629	511,911
Loans receivable		-	50,000
Available-for-sale investments	10	15,078	-
Pledged bank deposits	13	10,372	13,068
Time deposits	13	72,000	123,720
Cash and cash equivalents	13	1,727,376	1,944,674
		3,475,175	3,604,065
Total assets		13,044,840	12,646,339

Interim consolidated statement of financial position (continued)

As at 30 June 2010

	Notes	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Equity and liabilities			
Equity attributable to owners of the parent			
Issued capital	14	4,610,000	4,610,000
Reserves		5,291,894	4,753,411
Proposed dividends	15	-	322,700
		9,901,894	9,686,111
Non-controlling interests		1,263,056	1,258,099
Total equity		11,164,950	10,944,210
Non-current liabilities			
Benefits liability		58,475	61,484
Interest-bearing bank and other borrowings		165,700	1,000
Other long-term liabilities		118,046	110,316
Deferred tax liabilities		76,882	76,955
		419,103	249,755
Current liabilities			
Trade payables	16	191,593	148,385
Other payables and accruals	17	1,253,372	1,279,993
Income tax payable		15,822	23,996
		1,460,787	1,452,374
Total liabilities		1,879,890	1,702,129
Total equity and liabilities		13,044,840	12,646,339

………………………………………… …………………………………………

Director Director

Interim consolidated statement of changes in equity

For the six months ended 30 June 2010

	Attributable to owners of the parent		
	Issued capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000
As at 1 January 2010	4,610,000	982,955*	401,519*
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Grant from the ultimate holding company	-	5,140	-
Final 2009 dividends paid	-	-	-
As at 30 June 2010 (Unaudited)	4,610,000	988,095*	401,519*

* These reserve accounts comprise the consolidated reserves of RMB5,291,894,000 (31 December 2009: RMB4,753,411,000) in the consolidated statement of financial position.

	Attributable to owners of the parent		
	Issued capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000
As at 1 January 2009	4,610,000	2,064,486	293,932
Profit for the period	-	-	-
Total comprehensive income	-	-	-
Deemed distribution to the ultimate holding company	-	(1,161,018)	-
Grant from the ultimate holding company	-	2,250	-
Final 2008 dividends paid	-	-	-
As at 30 June 2009 (Unaudited)	4,610,000	905,718	293,932

Available-for–sale reserve RMB'000	Retained profits RMB'000	Proposed dividends RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
-	3,368,937*	322,700	9,686,111	1,258,099	10,944,210
-	533,303	-	533,303	84,919	618,222
40	-	-	40	38	78
40	533,303	-	533,343	84,957	618,300
-	-	-	5,140	-	5,140
-	-	(322,700)	(322,700)	(80,000)	(402,700)
40*	3,902,240*	-	9,901,894	1,263,056	11,164,950

Retained profits RMB'000	Proposed dividends RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
2,876,967	437,950	10,283,335	1,049,737	11,333,072
527,022	-	527,022	56,086	583,108
527,022	-	527,022	56,086	583,108
-	-	(1,161,018)	-	(1,161,018)
-	-	2,250	250	2,500
-	(437,950)	(437,950)	(42,845)	(480,795)
3,403,989	-	9,213,639	1,063,228	10,276,867

Interim condensed consolidated cash flow statement

For the six months ended 30 June 2010

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Net cash inflow from operating activities	743,580	1,155,980
Net cash outflow from investing activities	(727,009)	(2,310,129)
Net cash outflow from financing activities	(233,869)	(814,917)
Net decrease in cash and cash equivalents	(217,298)	(1,969,066)
Cash and cash equivalents at 1 January	1,944,674	4,246,295
Cash and cash equivalents at 30 June	1,727,376	2,277,229
Analysis of balances of cash and cash equivalents		
Cash and balances with banks and financial institutions	1,809,748	3,623,674
Less: Pledged time deposits for letter of credit facilities	10,372	1,346,445
Less: Non-pledged time deposits at banks and financial institutions with original maturity of more than three months when acquired	72,000	-
Cash and cash equivalents as stated in the interim consolidated statement of financial position	1,727,376	2,277,229

Notes to interim condensed consolidated financial statements

1 Corporate information

China BlueChemical Ltd. (the "Company") was established in the People's Republic of China (the "PRC") on 3 July 2000 as a limited liability company under the name of CNOOC Chemical Limited (中海石油化學有限公司). The Company's name was changed to China BlueChemical Ltd. (中海石油化學股份有限公司) on 25 April 2006. The registered office of the Company is located at No. 1 Zhu Jiang South Street, Dongfang City, Hainan Province, PRC.

In September and October 2006, the Company issued an aggregate 1,610,000,000 new H shares at a price of HKD1.90 per share to the public, which were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in the manufacture and sale of urea, phosphorus fertiliser and methanol.

In the opinion of the directors, the ultimate holding company of the Company is China National Offshore Oil Corporation ("CNOOC"), a state-owned enterprise established in the PRC.

As at 30 June 2010, particulars of the subsidiaries, associates, and a jointly-controlled entity are as follows:

Name	Place and date of establishment and operation	Registered capital RMB'000	Percentage of equity interest attributable to the Company		Principal activities
Subsidiaries:					
CNOOC Fudao Limited	PRC 31 December2001	463,000	Direct Indirect	100.00 -	Manufacture and sale of fertiliser
CNOOC Kingboard Chemical Limited	PRC 31 October 2003	500,000	Direct Indirect	60.00 -	Manufacture and sale of methanol
Hainan CNOOC Plastic Company Limited	PRC 28 April 2002	12,716	Direct Indirect	100.00 -	Manufacture and sale of woven plastic bags
Hainan CNOOC Transportation Co., Ltd.	PRC 22 October 2001	6,250	Direct Indirect	- 67.26	Provision of transportation services
CNOOC (Hainan) E&P Gas Limited	PRC 8 November2004	6,900	Direct Indirect	100.00 -	Manufacture and sale of liquid carbon dioxide

Notes to interim condensed consolidated financial statements

1 Corporate information (continued)

Name	Place and date of establishment and operation	Registered capital RMB'000	Percentage of equity interest attributable to the Company		Principal activities
Subsidiaries: (continued)					
Hainan CNOOC Complex Fertiliser Co., Ltd.	PRC 19 May 2000	7,500	Direct Indirect	100.00 -	Manufacture and sale of compound fertiliser
CNOOC Jincheng Coal Chemical Industry Co., Ltd.	PRC 26 November 2007	800,000	Direct Indirect	75.00 -	Manufacture and sale of fertiliser
Hainan Basuo Port Limited	PRC 25 April 2005	514,034	Direct Indirect	73.11 -	Port operation
Shanghai Qionghua Trading Co., Ltd.	PRC 7 January 2002	27,000	Direct Indirect	- 90.93	Sale of fertiliser
CNOOC Tianye Chemical Limited	PRC 18 December 2000	1,780,000	Direct Indirect	90.00 -	Manufacture and sale of fertiliser and methanol
Inner Mongolia Hong Feng Packaging Co., Ltd.	PRC 9 December 1999	3,297	Direct Indirect	- 63.54	Manufacture and sale of woven plastic bags
China BlueChemical Yichang Mining Ltd	PRC 7 August 2008	50,000	Direct Indirect	51.00 -	Phosphate mining, mineral processing and sales of phosphate ore
China BlueChemical Baotou Coal Chemical Industry Co., Ltd.	PRC 11 September 2008	100,000	Direct Indirect	100.00 -	Sale of fertilisers and chemical products
China Basuo Ocean Shipping Tally Co., Ltd.	PRC 9 May 2008	300	Direct Indirect	- 61.41	Provision of overseas shipping services
Hubei Dayukou Chemical Co., Ltd.	PRC 12 August 2005	1,050,624	Direct Indirect	83.97 -	Phosphate mining and processing, sale and production of MAP and DAP fertiliser
ShanXi Hualu Coal Chemical Co., Ltd.	PRC 29 November 2005	61,224	Direct Indirect	51.00 -	Preparatory work for methanol and dimethylether project

Notes to interim condensed consolidated financial statements

1 Corporate information (continued)

Name	Place and date of establishment and operation	Registered capital RMB'000	Percentage of equity interest attributable to the Company		Principal activities
Associates:					
Guangxi Fudao Agricultural Means of Production Limited	PRC 11 January 2003	20,000	Direct Indirect	- 30.00	Trading of fertiliser
Shanxi Hualu Yangpoquan Coal Mining Co.,Ltd.	PRC 3 August 2001	52,000	Direct Indirect	49.00 -	Coal mining
China Basuo OverseaShipping Agency Co., Ltd.	PRC 24 May 2000	1,800	Direct Indirect	- 36.56	Provision of overseas shipping services
A jointly-controlled entity:					
Guizhou Jinlin Chemical Co., Ltd.	PRC 12 April 2007	235,294	Direct Indirect	45.00 -	Manufacture and sale of phosphorus fertiliser

Notes to interim condensed consolidated financial statements

2 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with IAS 34.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2009.

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the six-month period ended 30 June 2010. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated units until the date that such control ceases.

The Group's interest in its jointly-controlled entity is accounted for by proportionate consolidation from the date on which joint control over the jointly-controlled entity is established, which involves recognising in the consolidated financial statements a proportionate share of the jointly-controlled entity's assets, liabilities, income and expenses with similar items on a line-by-line basis.

All income, expenses and unrealised gains and losses resulting from intercompany transactions and intercompany balances within the Group are eliminated on consolidation in full.

Non-controlling interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

Notes to interim condensed consolidated financial statements

2.2 Significant accounting policies

The Group has adopted the following new and revised IFRSs for the first time in these unaudited interim condensed financial statements.

IFRS 1 (Revised)	*First-time Adoption of International Financial Reporting Standard*
IFRS 1 Amendments	Amendments to IFRS 1 — *Additional Exemptions for First-time Adopters*
IFRS 2 Amendments	Amendments to IFRS 2 — *Group Cash settled Share-based Payment Transactions*
IFRS 3 (Revised)	*Business Combinations*
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*
IAS 39 Amendments	Amendment to IAS 39 —*Financial Instruments: Recongnition and Measurement—Eligible Hedged Items*
IFRIC 17	*Distributions of Non-Cash Assets to Owners*
Amendments to IFRS 5 Included in Improvements To IFRSs issued in May 2008	Amendments to IFRS 5 Non- *current Assets Held for Sale and Discontinued Operation — Plan to sell the Controlling Interest in a Subsidiary*
Improvements to IFRSs (issued in April 2009)*	Amendments to a number of IFRSs

* Improvements to IFRSs 2009 contain amendments to IFRS2, IFRS5, IFRS8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16.

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after 1 July 2009, Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

Except for the above, the adoption of these new and revised IFRSs has had no significant effect on these unaudited interim condensed financial statements and there have been no significant changes to the accounting policies applied in these unaudited condensed financial statements.

Notes to interim condensed consolidated financial statements

3 Operating segment information

For management purposes, the Group is organised into business units based on their products and services and has reportable operating segments as follows:

(a) the urea segment is engaged in the manufacture and sale of urea;

(b) the phosphorus fertiliser segment is engaged in the manufacture and sale of mono-ammonium phosphate ("MAP") and di-ammonium phosphate ("DAP") fertiliser;

(c) the methanol segment is engaged in the manufacture and sale of methanol; and

(d) the "others" segment mainly comprises segments engaged in trading, port operation, the provision of transportation services and the manufacture and sale of woven plastic bags and BB fertiliser.

No operating segments have been aggregated to form the above reportable operating segments.

Management of the Company monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured differently from operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to interim condensed consolidated financial statements

3 Operating segment information (continued)

Business segments

(Unaudited)	Urea RMB'000	Phosphorus fertiliser RMB'000	Methanol RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Six months ended 30 June 2010						
Segment revenue:						
Sales to externalcustomers	1,506,224	513,949	735,290	199,458	-	2,954,921
Inter-segment sales	14,972	-	12,139	69,126	[1](96,237)	-
Total	1,521,196	513,949	747,429	268,584	(96,237)	2,954,921
Segment results						
Segment profit before tax	509,144	63,995	189,010	25,680	[2](42,797)	745,032
As at 30 June 2010						
Segment assets	4,260,120	1,582,560	2,832,344	2,754,709	[3]1,615,107	13,044,840

1. Inter-segment revenues are eliminated on consolidation.
2. Profit for each operating segment does not include interest, dividend income and unallocated gains (RMB16,363,000), corporate and other unallocated expenses (RMB58,172,000), finance costs (RMB768,000), and net foreign exchange losses (RMB220,000).
3. Segment assets do not include interest receivables (RMB560,000), deferred tax assets (RMB60,504,000), available-for-sale financial assets (RMB15,678,000), cash and bank (RMB66,006,000), assets of centralised cost centre (RMB1,573,836,000), and inter-segment balances (RMB101,477,000).

Notes to interim condensed consolidated financial statements

3 Operating segment information (continued)

Business segments (continued)

(Unaudited)	Urea RMB'000	Phosphorus fertiliser RMB'000	Methanol RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Six months ended 30 June 2009						
Segment revenue:						
Sales to external customers	1,628,865	521,894	531,096	146,284	-	2,828,139
Inter-segment sales	12,553	-	8,023	43,785	[1](64,361)	-
Total	1,641,418	521,894	539,119	190,069	(64,361)	2,828,139
Segment results						
Segment profit before tax	536,153	77,737	73,780	16,524	[2](17,672)	686,522
As at 31 December 2009						
Segment assets	4,894,103	1,603,012	2,320,422	2,514,684	[3]1,314,118	12,646,339

1. Inter-segment revenues are eliminated on consolidation.

2. Profit for each operating segment does not include interest, dividend income and unallocated gains (RMB63,165,000), corporate and other unallocated expenses (RMB63,702,000), finance costs (RMB14,593,000) and net exchange losses (RMB2,542,000).

3. Segment assets do not include interest receivables (RMB1,700,000), loan receivable (RMB50,000,000), deferred tax assets (RMB63,697,000), available-for-sale financial assets (RMB600,000), cash and bank (RMB54,334,000), assets of centralised cost centre (RMB1,198,665,000), and inter-segment balances (RMB54,878,000).

Notes to interim condensed consolidated financial statements

4 Revenue, other income and gains

Revenue, which is also the Group's turnover, represents the invoiced values of goods sold, net of value added tax ("VAT"), after allowances for returns and discounts; and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Revenue		
Sale of goods	2,838,718	2,731,470
Rendering of services	116,203	96,669
	2,954,921	2,828,139
Other income and gains		
Realized gain from disposal of available-for- sale investments	17,543	16,717
Interest from trusted loans	326	-
Income from the sale of water, utility and waste material	6,282	1,554
Gain on disposal of items of property, plant and equipment	262	3,029
Value added tax refund	-	28,629
Government grant	381	-
Others	1,771	402
	26,565	50,331

Notes to interim condensed consolidated financial statements

5 Profit before tax

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Cost of inventories sold	1,954,633	1,889,024
Cost of services provided	89,002	79,540
Depreciation	352,766	356,903
Amortisation of intangible assets	3,575	2,701
Amortisation of prepaid land lease payments	5,757	5,185
Write-down of inventories to net realisable value	-	2,944
Net foreign exchange differences	220	2,542

Notes to interim condensed consolidated financial statements

6 Income tax expense

Major components of income tax expense for the six months ended 30 June 2010 and 2009 are as follows:

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Current – PRC		
Charge for the year	123,690	115,474
Deferred	3,120	(12,060)
Total tax charge for the year	126,810	103,414

(a) Corporate income tax ("CIT")

Corporate income tax ("CIT") has been provided at the rate of 25% (2009: 25%) on the estimated assessable profits during the six months ended 30 June 2010.

Pursuant to the document Finance Taxes [2008] No. 21 issued by the Ministry of Finance and the State Administration of Taxation on 20 February 2008, the Company, its subsidiaries and its associates registered in Hainan Province or Pudong New Area, Shanghai, PRC, are entitled to preferential CIT rates of 18%, 20%, 22% and 24% for the years 2008, 2009, 2010 and 2011 respectively, and 25% from 2012.

The Company and its two subsidiaries, Hainan CNOOC Complex Fertiliser Co., Ltd. and Hainan CNOOC Plastic Company Limited are entitled to a preferential CIT rate of 22% during the six months ended 30 June 2010.

CNOOC Fudao Limited ("CNOOC Fudao"), the Company's subsidiary, is entitled to a preferential tax rate of 15% for the three years ending 31 December 2010 after being assessed as a high new technology entity.

CNOOC Tianye Chemical Limited ("CNOOC Tianye"), the Company's subsidiary, registered in Inner Mongolia, is entitled to a preferential tax rate of 15% for the three years ending 31 December 2011 after being assessed as a high new technology entity.

Hainan Basuo Port Limited, the Company's subsidiary, is entitled to an exemption from CIT for the five years ended 31 December 2009 and a 50% reduction in the applicable CIT rate for the five years ending 31 December 2014 as it is engaged in infrastructure development and operations.

CNOOC Kingboard Chemical Limited ("CNOOC Jiantao"), the Company's subsidiary, is a foreign investment enterprise and is entitled to an exemption from CIT for its first two profitable years and a 50% reduction in the applicable CIT rate for the subsequent three years. CNOOC Jiantao has elected to benefit from the tax holiday starting from the year ended 31 December 2007.

Notes to interim condensed consolidated financial statements

6 Income tax expense (continued)

(a) Corporate income tax ("CIT") (continued)

CNOOC (Hainan) E&P Gas Limited ("CNOOC E&P"), the Company's subsidiary, is entitled to a two-year income tax exemption followed by a three-year 50% reduction in the applicable CIT rate commencing from the first profitable year. CNOOC E&P has elected to benefit from the tax holiday starting from the year ended 31 December 2008.

(b) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the six months ended 30 June 2010.

7 Earnings per share attributable to ordinary owners of the parent

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent for the six months ended 30 June 2010 of approximately RMB533,303,000 (Six months ended 30 June 2009: RMB527,022,000) and the 4,610,000,000 ordinary shares in issue during the period (Six months ended 30 June 2009: 4,610,000,000).

Diluted earnings per share amounts for the six months ended 30 June 2010 and 2009 have not been calculated because no diluting events existed during those periods.

8 Components of other comprehensive income

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Available-for-sale investments:		
Gains arising during the year	17,621	16,717
Less: Reclassification adjustments for gains included in the interim consolidated income statement	(17,543)	(16,717)
	78	-

Notes to interim condensed consolidated financial statements

9 Property, plant and equipment and prepaid land lease payments

During the six months ended 30 June 2010, the Group acquired property, plant and equipment including construction in progress with an aggregate cost amounting to approximately RMB863,797,000 (Six months ended 30 June 2009: RMB386,148,000). Property, plant and equipment amounting to RMB563,000 (Six months ended 30 June 2009: RMB4,310,000) were disposed of during the six months ended 30 June 2010.

As at 30 June 2010, the Group has yet to obtain building ownership certificates for certain buildings with a net book value of approximately RMB42,800,000 (31 December 2009: RMB44,661,000).

10 Available-for-sale investments

	30 June 2010	31 December 2009
	Unaudited	Audited
	RMB'000	RMB'000
Current		
Unlisted investments	15,078	-
Non-current		
Unlisted equity investments, at cost	600	600
	15,678	600

The current unlisted investments consist of placements in structured deposits. The fair value of unlisted investments has been estimated using a valuation technique which requires management to make estimates about the expected future cash flows discounted at current rates.

The non-current unlisted equity investments are accounted for at cost less accumulated impairment losses as such investments do not have quoted market prices in an active market and their fair values cannot be reliably measured.

Notes to interim condensed consolidated financial statements

11 Trade receivables

Sales of the Group's fertilisers including urea, MAP and DAP are normally settled on an advance receipt basis whereby the customers are required to pay in advance either by cash or by bank acceptance drafts. In the case of export sales, the Group may also accept irrevocable letters of credit issued in its favour.

The trading terms of the Group with its methanol customers are mainly on credit. The credit period is generally one month.

An aging analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of impairment of trade receivables of the Group, is as follows:

	30 June 2010	31 December 2009
	Unaudited	Audited
	RMB '000	RMB '000
Within six months	96,016	98,846
Over six months but within one year	2,153	9,282
Over one year but within two years	1,058	1,121
Over two years but within three years	124	-
	99,351	109,249

As at 30 June 2010, the amount due from CNOOC group companies included in the above trade receivable balances was RMB9,839,000 (31 December 2009: RMB5,566,000). The amount due from an associate included in the above trade receivable balances was RMB3,586,000 (31 December 2009: RMB490,000). The amounts due are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to the major customers of the Group.

Notes to interim condensed consolidated financial statements

12 Prepayments, deposits and other receivables

	30 June 2010	31 December 2009
	Unaudited	Audited
	RMB'000	RMB'000
Prepayments	438,657	398,714
Prepaid land lease payments	11,503	11,503
Deposits and other receivables	125,469	101,694
	575,629	511,911

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

The amounts due from the ultimate holding company, CNOOC group companies and an associate included in the above can be analysed as follows:

	30 June 2010	31 December 2009
	Unaudited	Audited
	RMB'000	RMB'000
Ultimate holding company	1,560	1,314
CNOOC group companies	25,406	24,888
An associate	-	575
	26,966	26,777

The amounts due are unsecured, non-interest-bearing and have no fixed terms of repayment.

Notes to interim condensed consolidated financial statements

13 Cash and cash equivalents, time deposits and pledged bank deposits

As at 30 June 2010, the Group's pledged bank deposits of RMB10,372,000 (31 December 2009: RMB13,068,000) were deposited with banks mainly for issuing letters of credit and guarantees in relation to the purchase of machinery and equipment.

The Group's cash and bank balances are denominated in RMB as at 30 June 2010 and 31 December 2009, except for amounts of RMB7,000 (31 December 2009: RMB76,916,000) which is translated from USD1,000 (31 December 2009: USD11,264,000); and RMB 1,399,000 (31 December 2009: RMB2,881,000) which is translated from HKD 1,604,000 (31 December 2009: HKD3,272,000).

The RMB is not freely convertible into other currencies. However, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2010, included in the Group's cash and cash equivalents were RMB150,246,000 (31 December 2009: RMB249,626,000) deposited in CNOOC Finance Corporation Limited ("CNOOC Finance"). The deposits with CNOOC Finance are entitled to interest at rates similar to the prevailing bank deposit rates and are held for terms ranging from one day to six months.

14 Issued capital

	Number of shares '000	Nominal value RMB'000
Registered capital	4,610,000	4,610,000
Issued and fully paid:		
Domestic Shares of RMB1 each, currently not listed:		
- State-owned shares	2,739,000	2,739,000
- Other legal person shares	75,000	75,000
Unlisted Foreign Shares of RMB1 each	25,000	25,000
H shares of RMB1 each	1,771,000	1,771,000
As at 30 June 2010 (unaudited)	4,610,000	4,610,000

Notes to interim condensed consolidated financial statements

15 Dividends

Pursuant to the articles of association of the Company, the net profit after tax of the Company for the purpose of profit distribution is deemed to be the lesser of (i) the net profit determined in accordance with the PRC accounting principles and financial regulations; and (ii) the net profit determined in accordance with IFRSs.

As at 30 June 2010, the Company has paid a final 2009 dividend amounting to RMB322,700,000 (Six months ended 30 June 2009: RMB437,950,000).

The board of directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2010 (Six months ended 30 June 2009: Nil).

16 Trade payables

The trade payables are non-interest-bearing and are normally settled in thirty to sixty days. An aging analysis of trade payables, based on invoice date, of the Group is as follows:

	30 June 2010	31 December 2009
	Unaudited	Audited
	RMB'000	RMB'000
Within six months	184,775	140,501
Over six months but within one year	1,128	42
Over one year but within two years	295	2,129
Over two years but within three years	283	4,915
Over three years	5,112	798
	191,593	148,385

The amounts due are unsecured, non-interest-bearing and have no fixed terms of repayment.

As at 30 June 2010, the amounts due to CNOOC group companies included in the above trade payable balances were RMB66,270,000 (31 December 2009: RMB75,827,000).

Notes to interim condensed consolidated financial statements

17 Other payables and accruals

	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Advances from customers	303,320	459,942
Accruals	13,483	3,466
Accrued payroll	163,075	191,487
Other payables	129,242	124,593
Long-term liabilities due within one year	40,712	40,712
Payable to government	52,107	67,915
Tax payables	(151,102)	(32,629)
Port construction fee payable	166,711	167,971
Payables in relation to the construction and purchase of property, plant and equipment	496,864	222,191
Due to the ultimate holding company	9,078	10,009
Due to CNOOC group companies	29,882	22,912
Due to an associate	-	1,424
	1,253,372	1,279,993

The amounts due are unsecured, non-interest-bearing and have no fixed terms of repayment.

Notes to interim condensed consolidated financial statements

18 Related party transactions

The Group had the following material transactions with related parties:

(1) Recurring

		Six months ended 30 June	
		2010	2009
		Unaudited	
	Notes	RMB'000	RMB'000
(A) Included in revenue, other income and gains			
(a) CNOOC group companies*			
Sale of goods	(i)	25,034	3,796
Provision of transportation services	(ii)	1,630	1,275
Provision of packaging and assembling services	(iii)	11,455	7,467
Provision of other services	(iii)	862	796
		38,981	13,334
(b) Associates			
Sale of goods	(i)	198,550	160,303
rovision of transportation services	(ii)	9,068	6,733
Finance income	(vii)	309	-
		207,927	167,036
(B) Included in cost of sales and other expenses			
(a) CNOOC group companies*			
Purchase of raw materials	(i)	596,695	395,692
Transportation services	(ii)	2,627	3,933
Lease of offices	(iv)	4,558	-
Construction and installation services	(v)	-	27,856
Labour services	(vi)	33,308	19,098
Logistics services	(vi)	1,046	2,316
Network services	(vi)	302	330
		638,536	449,225
(b) Associates			
Purchase of raw materials	(i)	-	204
		-	204

Notes to interim condensed consolidated financial statements

18 Related party transactions (continued)

(1) Recurring (continued)

	Notes	Six months ended 30 June 2010	2009
		Unaudited	
		RMB'000	RMB'000
(C) Included in finance income			
CNOOC Finance			
Finance income	(vii)	397	632

* CNOOC group companies are defined as the Group's related companies which CNOOC is able to exert control or significant influence over.

Notes:

(i) These transactions were conducted in accordance with terms agreed among the Group, its associates and CNOOC group companies.

(ii) Transportation services were based on mutually agreed terms with reference to the market prices.

(iii) Income from these services was determined by mutually agreed terms.

(iv) Rental fees were based on mutually agreed terms with reference to the market rate.

(v) The construction and installation fees were determined by reference to market prices.

(vi) These services were charged based on mutually agreed terms.

(vii) Finance income was based on mutually agreed terms with reference to the market rate for corresponding amounts and periods.

Notes to interim condensed consolidated financial statements

18 Related party transactions (continued)

(2) Non-recurring

	Notes	Six months ended 30 June 2010 Unaudited RMB'000	2009 RMB'000
Provision of utilities to a CNOOC group company	(i)	3,515	1,429
Fees and charges paid to a CNOOC group company	(ii)	1,186	725

Notes:

(i) The transaction was conducted in accordance with terms agreed between the Group and CNOOC group companies.

(ii) Fees and charges were based on mutually agreed terms.

(3) Balances with related parties

Except for the balances with CNOOC Finance, one of the CNOOC group companies, the balances due from/to related parties of the Group mainly resulted from trading transactions and miscellaneous amounts reimbursable by/to these related parties.

	Due from related parties		Due to related parties	
	30 June 2010	31December 2009	30 June 2010	31 December 2009
	Unaudited	Audited	Unaudited	Audited
	RMB'000	RMB'000	RMB'000	RMB'000
The ultimate holding company	1,560	1,314	9,078	10,009
CNOOC group companies (excluding CNOOC Finance)	35,183	30,297	96,086	98,651
Associates	3,586	51,065	-	5,069
CNOOC Finance	62	157	66	88

	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Deposits placed by the Group with CNOOC Finance	150,246	249,626

Notes to interim condensed consolidated financial statements

18 Related party transactions (continued)

(4) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2010	2009
	Unaudited	
	RMB'000	RMB'000
Short-term employee benefits	1,515	1,604
Post-employment benefits	111	130
Cash-settled share option expense	776	646
Total compensation paid to key management personnel	2,402	2,380

(5) Transactions with other state-owned enterprises in the PRC

The Group operates in an economic environment predominated by enterprises directly or indirectly owned or controlled by the PRC government through its numerous authorities, affiliates or other organisations (collectively the "State-owned Enterprises"). During the six months ended 30 June 2010, the Group had transactions with the State-owned Enterprises including, but not limited to, the sale of fertilisers and purchases of raw materials. The management considers that transactions with such other State-owned Enterprises are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and such other State-owned Enterprises are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for products and services, and such pricing policies do not depend on whether or not the customers are State-owned Enterprises. Having due regard to the substance of the relationships, the management is of the opinion that none of these transactions is a material related party transaction that requires separate disclosure.

Notes to interim condensed consolidated financial statements

19 Commitments and contingent liabilities

(a) Capital commitments

As at 30 June 2010, the Group had the following capital commitments, principally relating to the construction or purchases of property, plant and equipment:

	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Contracted, but not provided for:		
- Acquisition of plant and machinery	961,761	1,150,930
Authorised, but not contracted for:		
- Acquisition of plant and machinery	482,075	1,111,767
	1,443,836	2,262,697

(b) Operating lease commitments

(i) As lessor

As at 30 June 2010 and 31 December 2009, the Group had no significant future minimum lease receivables under non-cancellable operating leases.

(ii) As lessee

	30 June 2010 Unaudited RMB'000	31 December 2009 Audited RMB'000
Within one year	12,261	6,406
In the second to fifth years, inclusive	4,257	10,145
After five years	5,010	2,695
	21,528	19,246

(c) Contingent liabilities

As at 30 June 2010, the Group had no significant contingent liabilities.

Notes to interim condensed consolidated financial statements

20 Events after reporting period

On 11 July 2010, CNOOC Fudao Limited ("CNOOC Fudao"), the Company's subsidiary, entered into the Acquisition Agreement with Zhejiang AMP, a minority promoter of the Company, under which CNOOC Fudao agreed to purchase, and Zhejiang AMP agreed to sell, a 21% equity interest in Guangxi Fudao AMP. Before the signing of the Acquisition Agreement, the equity interest of Guangxi Fudao AMP was owned as to 30% by CNOOC Fudao and as to 70% by Zhejiang AMP. Following the completion of the Acquisition, Guangxi Fudao AMP is owned as to 51% by CNOOC Fudao and as to 49% by Zhejiang AMP, and the Company has control over Guangxi Fudao AMP. The consideration for the Acquisition is RMB7,019,500 plus 21% of the profit or loss of Guangxi Fudao for period from 1 January 2010 to 31 March 2010 (subject to audit).

On 16 July 2010, the Company signed an agreement to acquire 80% of Hegang Huahe Coal Chemical for RMB81,800,000. The equity transfer agreement is still subject to the approval or confirmation of SASAC (State-owned Assets Supervision and Administration Commission of the State Council).

21 Approval of interim condensed consolidated financial statements

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 August 2010.

Company Information

Registered Office	No.1 Zhu Jiang South Street, Dongfang City, Hainan Province, The PRC
Principal place of business in the PRC	No.1 Zhu Jiang South Street, Dongfang City, Hainan Province, The PRC
Representative Office in Hong Kong	65/F., Bank of China Tower, No.1 Garden Road, Central, Hong Kong
Company Secretary	QUAN Changsheng
Authorized representatives	YANG Yexin No. 301, Building 5,12 Yongan Road, Basuo Town, Dongfang City Hainan Province, the PRC QUAN Changsheng Flat 1803,Builiding No.18 Zone 2, Yuhuili, Chaoyang District, Beijing
Alternate authorized representative	ZHONG Yingxin 8D, Manrich Court 33, St. Francis Street, Wanchai, Hong Kong
Principal banker	Bank of China, Hainan Branch
Auditor	Ernst & Young Certified Public Accountants 18th Floor, Two International Finance Centre, 8 Finance Street, Central Hong Kong
Hong Kong & US law legal adviser	Baker & McKenzie 14th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong
The PRC law legal adviser	Jun He Law Offices China Resources Building, 20th Floor, 8 Jianguomenbei Avenue
H Share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong
Investor Relations/Public Relations **Hong Kong**	Tel: (852) 22132502 Fax: (852) 25259322
Beijing	Tel: (86) 010 84527249 Fax: (86) 010 84527254
Webiste	www.chinabluechem.com.cn
Stock Code	Hong Kong Stock Exchange: 3983