中海石油化学股份有限公司
China BlueChemical Ltd.*

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

(Stock Code: 3983)

ANNOUNCEMENT

PROFIT ALERT AND BUSINESS UPDATE

This announcement is made by China BlueChemical Ltd.* (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform its shareholders and potential investors that, based on information currently available, the Board expects the Group to record a net profit attributable to owners of the Company approximately from RMB535 million to RMB565 million for the period ended 30 June 2019 as compared to a net profit attributable to owners of the Company of approximately RMB752 million for the period ended 30 June 2018.

The principal factor contributing to the decrease in the expected net profit attributable to owners of the Company is the decrease in methanol's price.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the latest unaudited management accounts of the Group. Detailed financial information of the Group will be disclosed in its 2019 interim report.

The Board wishes to further announce that the Group's Line C of CNOOC Tianye polyformaldehyde plant, located in Hohhot, Inner Mongolia of the PRC, with a designed production capacity of 20,000 tons per annum, has resumed operation. The plant is currently under stable operation after a period of trial running, and the sales of relevant products are expected to be launched in the second half of this year.

Shareholders and potential investors of the Company should exercise caution when investing in or dealing in the securities of the Company.

By order of the Board
China BlueChemical Ltd.*
Wu Xiaoxia
Company Secretary

Beijing, the PRC
22 July 2019

As at the date of this announcement, the executive directors of the Company are Mr. Xia Qinglong and Mr. Wang Weimin, the non-executive directors of the Company are Mr. Meng Jun and Mr. Guo Xinjun and the independent non-executive directors of the Company are Ms. Lee Kit Ying, Mr. Lee Kwan Hung and Mr. Yu Changchun.

* *For identification purpose only.*