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

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 RMB295 million to RMB325 million for the six months ended 30 June 2020 as compared to the net profit attributable to owners of the Company of approximately RMB549 million for the six months ended 30 June 2019.

The principal factors contributing to the decrease in the expected net profit attributable to owners of the Company are the decrease in the prices of the Company's main products, such as methanol, urea and etc. In addition, as of the date of this announcement, in relation to the disposal of the Company's 49% equity interests in Shanxi Hualu Yangpoquan Coal Mining Co., Ltd.* (山西華鹿陽坡泉煤礦有限公司) and 51% equity interests and creditors' rights of RMB61.47502275 million in CNOOC Hualu Shanxi Coal Chemical Co., Ltd.* (中海油華鹿山西煤炭化工有限公司) through listing-for-sales on China Beijing Equity Exchange (the "**Disposal**"), the transferee, i.e., Hequ Taiyang Coal Industry Co., Ltd. (河曲縣泰陽煤業有限公司), excluding the guarantee already paid by it, has not paid the remaining consideration of the Disposal, and the potential gain in relation to the Disposal is not included in the above expected net profit.

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 2020 interim report.

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
27 July 2020

As at the date of this announcement, the executive director of the Company is 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. Karen Lee Kit Ying, Mr. Eddie Lee Kwan Hung and Mr. Yu Changchun.

* *For identification purpose only.*