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 RMB1,414 million to RMB1,454 million for the year ended 31 December 2021 as compared to a net profit attributable to owners of the Company of approximately RMB745 million for the year ended 31 December 2020.

The principal factor contributing to the increase in the expected net profit attributable to owners of the Company is the increase in the prices of the Company's main products, such as urea, methanol, and phosphate fertilisers and compound fertilisers. We refer to the announcements of the Company dated 22 January 2021 and 25 January 2021 in relation to the progress of the disposal of the 51% equity interests and relevant creditor's right in CNOOC Hualu Shanxi Coal Chemical Co., Ltd.* (中海油華鹿山西煤炭化工有限公司) and the 49% equity interests in Shanxi Hualu Yangpoquan Coal Mining Co., Ltd.* (山西華鹿陽坡泉煤礦有限公司) (the "**Disposal**") by the Company. The revenue from the Disposal has been recognized in 2021 upon the completion of the Disposal and the estimated profit includes the gains from the Disposal.

CNOOC Tianye, a subsidiary of the Company, did not commence its production of urea and methanol in 2021 due to the unstable access to the natural gas resources for production and for the consideration of improving the ESG management. The Company has decided to further suspend the production of urea and methanol of CNOOC Tianye and has been working on the disposal plan of the plants of CNOOC Tianye for such products. As a result, the Company expects to record a provision of impairment losses for urea and methanol plant assets of approximately RMB355 million, reversal of deferred income tax assets of approximately RMB299 million and provision of employee severance costs of approximately RMB308 million in 2021.

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 2021 annual 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
11 February 2022

As at the date of this announcement, the executive directors of the Company are Mr. Wang Weimin, Mr. Hou Xiaofeng and Mr. Li Zhi, the non-executive directors of the Company are Mr. Huang Hulong and Mr. Zhao Baoshun, and the independent non-executive directors of the Company are Mr. Yu Changchun, Mr. Lin Feng and Mr. Xie Dong.

* *For identification purpose only.*