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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

DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS

INTRODUCTION

THE ICBC STRUCTURED DEPOSIT AGREEMENTS

On 28 August 2023, the Company entered into the ICBC Structured Deposit Agreement No.1 with ICBC Hainan Branch. Pursuant to the ICBC Structured Deposit Agreement No.1, the Company agreed to subscribe for the structured deposit product of RMB200 million, using self-owned funds of the Company.

On 7 December 2023, the Company entered into the ICBC Structured Deposit Agreement No.2 with ICBC Hainan Branch. Pursuant to the ICBC Structured Deposit Agreement No.2, the Company agreed to subscribe for the structured deposit product of RMB450 million, using self-owned funds of the Company.

HONG KONG LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the transaction amount of the ICBC Structured Deposit Agreement No.1 were below 5%, such transaction did not constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules when the ICBC Structured Deposit Agreement No.1 was entered into.

However, as (i) the ICBC Structured Deposit Agreement No.1 and the ICBC Structured Deposit Agreement No.2 were entered into between the Company and branch of ICBC; and (ii) when entering into the ICBC Structured Deposit Agreement No.2, the structured deposit under the ICBC Structured Deposit Agreement No.1 remains outstanding, pursuant to Rule 14.22 of the Hong Kong Listing Rules, these transactions shall be aggregated. Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the aggregated transaction amounts of the ICBC Structured Deposit Agreements exceeds 5% but all of the ratios are below 25%, such transactions constitute discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

BACKGROUND

On 28 August 2023, the Company entered into the ICBC Structured Deposit Agreement No.1 with ICBC Hainan Branch. Pursuant to the ICBC Structured Deposit Agreement No.1, the Company agreed to subscribe for the structured deposit product of RMB200 million, using self-owned funds of the Company.

On 7 December 2023, the Company entered into the ICBC Structured Deposit Agreement No.2 with ICBC Hainan Branch. Pursuant to the ICBC Structured Deposit Agreement No.2, the Company agreed to subscribe for the structured deposit product of RMB450 million, using self-owned funds of the Company.

THE ICBC STRUCTURED DEPOSIT AGREEMENTS

	The ICBC Structured Deposit Agreement No.1	The ICBC Structured Deposit Agreement No.2
Parties:	The Company; ICBC Hainan Branch	The Company; ICBC Hainan Branch
	To the best of Directors' knowledge, information and belief after making all reasonable enquiries, ICBC and its ultimate beneficial owner are third parties independent of the Group and its connected persons	
Date:	28 August 2023	7 December 2023

Product name:	掛鈎匯率區間累計型法人 人民幣結構性存款產品 (Linked Exchange Rate Band Cumulative Corporate RMB Structured Deposit Product)	掛鈎匯率區間累計型法人 人民幣結構性存款產品 (Linked Exchange Rate Band Cumulative Corporate RMB Structured Deposit Product)
Purchase amount:	RMB200 million	RMB450 million
Term of product:	177 days (30 August 2023 to 23 February 2024)	179 days (11 December 2023 to 7 June 2024)
Type of investment return:	principal-guaranteed with floating return	principal-guaranteed with floating return
Risk level of product (internal risk rating by the bank):	low risk	low risk
Range of annualized return rate expected by the Company:	1.20%-3.04%	1.20%-2.79%
Right of early termination or redemption:	The Company has no right of early termination or redemption	The Company has no right of early termination or redemption

REASONS AND BENEFITS

Using temporary idle funds reasonably and effectively will enhance the capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity and meet the capital needs of the Group's daily operations and dividend payment, etc. The risk associated with subscription of structured deposit products is low, while the Company can enjoy a relatively higher return from investments in structural deposit products after comparing quotes from different banks.

The Directors consider that the terms and the transactions contemplated under the ICBC Structured Deposit Agreements are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES INVOLVED

The Company mainly engages in the developments, production and sale of fertilisers (including urea, phosphate and compound fertilisers) and chemical products (primarily methanol and acrylonitrile).

ICBC is a large commercial bank in the PRC. ICBC Hainan Branch is a branch of ICBC.

HONG KONG LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the transaction amount of the ICBC Structured Deposit Agreement No.1 were below 5%, such transaction did not constitute a discloseable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules when the ICBC Structured Deposit Agreement No.1 was entered into.

However, as (i) the ICBC Structured Deposit Agreement No.1 and the ICBC Structured Deposit Agreement No.2 were entered into between the Company and branch of ICBC; and (ii) when entering into the ICBC Structured Deposit Agreement No.2, the structured deposit under the ICBC Structured Deposit Agreement No.1 remains outstanding, pursuant to Rule 14.22 of the Hong Kong Listing Rules, these transactions shall be aggregated. Pursuant to the Hong Kong Listing Rules, as one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) of the aggregated transaction amounts of the ICBC Structured Deposit Agreements exceeds 5% but all of the ratios are below 25%, such transactions constitute discloseable transactions of the Company and shall be subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under the Hong Kong Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“ICBC”	中國工商銀行股份有限公司(Industrial and Commercial Bank of China Limited), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 1398)
“ICBC Structured Deposit Agreement No.1”	the ICBC structured deposit agreement entered into between the Company and ICBC Hainan Branch on 28 August 2023
“ICBC Structured Deposit Agreement No.2”	the ICBC structured deposit agreement entered into between the Company and ICBC Hainan Branch on 7 December 2023
“ICBC Structured Deposit Agreements”	ICBC Structured Deposit Agreement No.1 and ICBC Structured Deposit Agreement No.2
“Company”	中海石油化學股份有限公司(China BlueChemical Ltd.*), a company incorporated in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 3983)
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
China BlueChemical Ltd.*
Kuang Xiaobing
Company Secretary

Beijing, the PRC
7 December 2023

As at the date of this announcement, the executive directors of the Company are Mr. Hou Xiaofeng and Mr. Li Ruiqing, 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*