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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)**

## CLARIFICATION ANNOUNCEMENT

The Company makes this announcement to clarify the term of office of each Director and Supervisor.

After seeking advice from its PRC legal advisers, the Company wishes to clarify that the office of each current Director and Supervisors (excluding Supervisor representing the employees of the Company) shall remain until the date of the AGM. The office of the current Supervisor representing the employees of the Company shall remain until the date of the employee representative meeting of the Company tentatively scheduled to be held no later than the AGM.

The Company makes this announcement to clarify the term of office of each Director and each Supervisor.

### TERM OF OFFICE OF CURRENT DIRECTORS AND SUPERVISORS

The term of office of each of the Directors and Supervisors set out in their respective Service Agreements is three years. According to the Service Agreements of Directors and Supervisors (excluding Supervisor representing the employees of the Company), the commencement date of the term shall be the date of establishment of the Company (which was 25 April 2006) and the term shall last until new directors and supervisors (excluding supervisor representing employees of the Company) are elected at the general shareholders' meeting of the Company to be held in the year in which the term expires. Further, according to the Service Agreement of Supervisor representing the employees of the Company, the commencement date of the term shall be the date of establishment of the Company (which was 25 April 2006) and the term shall last until new supervisor representing the employees is elected at the employee representative meeting of the Company to be held in the year in which the term expires.

The appointment of each of the Directors and Supervisors and the Service Agreements were approved by the shareholders and board of directors of the Company before the listing of the Company on 29 September 2006.

On page 164 of the Prospectus, the term of office of Directors were stated as *"The Directors were elected at shareholders' meetings of our Company for a term commencing on 25 April 2006 (except for Mr. Wu Xiaohua, the term of whose office commenced on 3 July 2006) and expiring on 24 April 2009, renewable upon re-election and re-appointment."* This reflects the literal interpretation of the 3-year term of the Services Agreements.

However, the Articles provide that the office of a director and a supervisor of the Company shall continue until the term expires. The Company Law provides that if election is not conducted upon the expiry of the term of office, the original directors and supervisors shall, before election takes place, perform their duties as directors and supervisors (as the case may be) in accordance with laws, regulations and the articles of association of the company.

## **ELECTION OF DIRECTORS AND SUPERVISORS**

The Company intends to elect directors and supervisors (excluding supervisor representing the employees of the Company) at the AGM, and to elect supervisor representing the employees of the Company at the employee representative meeting of the Company tentatively scheduled to be held no later than the AGM. The AGM is scheduled to be held after 24 April 2009 but no later than mid-June 2009, and the employee representative meeting will be held no later than the AGM. Therefore, after seeking advice from its PRC legal advisers, the Company wishes to clarify that the office of each current Director and Supervisor (excluding Supervisor representing the employees of the Company) shall remain until the date of the AGM, and the office of Supervisor representing the employees of the Company shall remain until the date of employee representative meeting tentatively scheduled to be held no later than the AGM. The Company further clarifies that electing directors and supervisors after 24 April 2009 will not result in the Company infringing any PRC laws or regulations or any of the Service Agreements.

The Directors and Supervisors (excluding Supervisor representing the employees of the Company) have confirmed that they will continue to hold their offices and perform their duties until the AGM and the Supervisor representing employees of the Company has confirmed that he will continue to hold his office and perform his duty until the employee representative meeting tentatively scheduled to be held no later than the AGM in accordance with the Articles and all applicable laws, rules and regulations.

The Company will issue circulars to its shareholders in relation to the proposed candidates of directors and supervisors (excluding supervisor representing the employees of the Company) in due course. The supervisor representing employees of the Company will be elected by the employees of the Company at the employee representative meeting democratically.

## DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

“AGM”	the 2008 annual general meeting of the Company which is tentatively scheduled to be held no later than mid-June 2009
“Articles”	the articles of association of the Company
“Company”	China BlueChemical Ltd.
“Company Law”	the Company Law of the PRC (中華人民共和國公司法)
“Directors”	the current directors of the Company, namely, Mr. Yang Yexin, Mr. Fang Yong, Mr. Chen Kai, Mr. Wu Mengfei, Mr. Tsui Yiu Wa, Alec, Mr. Zhang Xinzhi and Mr. Wang Wenshan
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 18 September 2006
“Service Agreement”	each of the service agreements entered into between the Company on the one hand and each of the Directors or Supervisors on the other hand
“Supervisors”	the current supervisors of the Company, namely, Mr. Yin Jihong, Mr. Qu Bin and Mr. Huang Jinggui

By order of the board of Directors of  
**China BlueChemical Ltd.**  
**Quan Changsheng**  
*Company Secretary*

Haikou, Hainan Province, the PRC  
12 March 2009

*As at the date of this announcement, the executive Directors are Mr. Yang Yexin, Mr. Fang Yong and Mr. Chen Kai, the non-executive Director is Mr. Wu Mengfei, and the independent non-executive Directors are Mr. Tsui Yiu Wa, Alec, Mr. Zhang Xinzhi and Mr. Wang Wenshan.*

\* *for identification purpose only*