

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(1) PROPOSED AMENDMENTS TO THE ARTICLES

(2) PROPOSED SUPPLY OF CORPORATE COMMUNICATIONS

THROUGH THE COMPANY'S WEBSITE

(3) PROPOSED APPROVAL OF THE ASSESSMENT RESULTS UNDER THE H-SHARE APPRECIATION RIGHTS SCHEME

On 28 November 2008, the Stock Exchange made amendments to the Listing Rules, which included, among other things, use of websites for communication with holders of securities of listed issuers. Such amendments became effective from 1 January 2009. According to Rule 2.07A(2A) of the Listing Rules, corporate communications of listed issuers can be posted on the issuers' websites for their shareholders to download. For saving of costs in printing and mailing and for environmental protection purposes as well as to improve efficiency in the Company's communications with investors, the Board has resolved to propose to amend the Articles so that, following such amendments, the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn), upon satisfaction of certain conditions. The Board is also of the view that other amendments to the Articles are necessary. Accordingly, the Board proposes to seek the approval of the Shareholders by way of special resolution at the forthcoming EGM to amend the Articles. The proposed amendments to the Articles shall come into effect upon the later of (i) the passing of such special resolution of the Shareholders at the EGM to approve the amendments; and (ii) the Company obtaining the approval of the Ministry of Commerce of the People's Republic of China or its authorized agencies (if necessary) to such amendments.

According to the proposed amendments to the Articles, and also for cost saving and environmental protection purposes as well as to improve communication efficiency, the Board considers that it is in the interests of the Shareholders and the Company as a whole that the holders of H Shares are given the choice on the means of receipt of Corporate Communications and the Company can send or supply Corporate Communications to the holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn). Therefore, the Board has resolved to propose a resolution to be approved by the Shareholders by way of an ordinary resolution at the forthcoming EGM that the holders of H Shares may be given the choice to receive Corporate Communications and the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn), upon satisfaction of certain conditions.

Pursuant to the H-Share Appreciation Rights Scheme, the effectiveness of the H-Share Appreciation Rights Scheme is subject to the fulfillment of certain conditions precedents relating to the performance of the Company and the Grantees, including, among others: (i) the audited average return on equity of the Company is not lower than 14% for the financial years 2007 and 2008; (ii) the average year-on-year increase in audited net profit of the Company being not lower than 10% for the financial years 2007 and 2008; and (iii) the satisfactory review of the performance of each Grantee. In accordance with the Management Rules and Procedures of the H-Share Appreciation Rights Scheme, the above assessment results are required to be approved by the Shareholders in order to give effect to the H-Share Appreciation Rights Scheme. Upon approval of such assessment results by the Shareholders, any exercise of the rights granted under the H-Share Appreciation Rights Scheme is also subject to the Company's audited return on equity for the financial year immediately prior to the proposed exercise being not lower than the average or median of the return on equity for the same industry.

A circular containing, among others, (i) particulars of the proposed amendments to the Articles; (ii) details of the proposed supply of Corporate Communications through the Company's website; and (iii) the assessment results under the H-Share Appreciation Rights Scheme will be dispatched to the Shareholders as soon as practicable. The notice of the above-mentioned EGM will also be dispatched to the Shareholders.

(1) PROPOSED AMENDMENTS TO THE ARTICLES

On 28 November 2008, the Stock Exchange made amendments to the Listing Rules, which included, among other things, use of websites for communication with holders of securities of listed issuers. Such amendments became effective from 1 January 2009. According to Rule 2.07A(2A) of the Listing Rules, corporate communications of listed issuers can be posted on the issuers' websites for their shareholders to download.

For saving of costs in printing and mailing and for environmental protection purposes as well as to improve efficiency in the Company's communications with investors, the Board has resolved to propose to amend the Articles so that, following such amendments, the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn), upon satisfaction of certain conditions. The Board is also of the view that other amendments to the Articles are necessary. Accordingly, the Board proposes to seek the approval of the Shareholders by way of special resolution at the forthcoming EGM to amend the Articles. The proposed amendments to the Articles shall come into effect upon the later of (i) the passing of such special resolution of the Shareholders at the EGM to approve the amendments; and (ii) the Company obtaining the approval of the Ministry of Commerce of the PRC or its authorized agencies (if necessary) to such amendments.

The Articles are written in Chinese without an official English version. Therefore any English translation is for reference only. In case of inconsistency, the Chinese version shall prevail.

(2) PROPOSED SUPPLY OF CORPORATE COMMUNICATIONS THROUGH THE COMPANY'S WEBSITE

According to the proposed amendments to the Articles, and also for cost saving and environmental protection purposes, as well as to improve communication efficiency, the Board considers that it is in the interests of the Shareholders and the Company as a whole that the holders of H Shares are given the choice on the means of receipt of Corporate Communications and the Company can send or supply Corporate Communications to the holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn). Therefore, the Board has resolved to propose a resolution to be approved by Shareholders by way of an ordinary resolution at the forthcoming EGM that the holders of H Shares may be given the choice to receive Corporate Communications and the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn) provided that the following conditions have been satisfied:

- (a) that each holder of H Shares has been asked individually by the Company to agree that the Company may send or supply Corporate Communications to such holder through its website; and
- (b) the Company has not received any objection from such holder of H Shares within a 28-day period beginning with the date on which the Company's request was sent.

Holders of H Shares in relation to whom the aforesaid conditions are met are taken to have agreed that the Company may send or supply Corporate Communications through its website. The above arrangements are only available to holders of H Shares.

Holders of Domestic Shares and Unlisted Foreign Shares shall receive Corporate Communications by way of announcement or other means compliant with the Articles and the relevant laws and regulatory requirements.

(3) PROPOSED APPROVAL OF THE ASSESSMENT RESULTS UNDER THE H-SHARE APPRECIATION RIGHTS SCHEME

Pursuant to the H-Share Appreciation Rights Scheme, the effectiveness of the H-Share Appreciation Rights Scheme is subject to the fulfillment of certain conditions precedents relating to the performance of the Company and the Grantees, including, among others: (i) the audited average return on equity of the Company is not lower than 14% for the financial years 2007 and 2008; (ii) the average year-on-year increase in audited net profit of the Company being not lower than 10% for the financial years 2007 and 2008; and (iii) the satisfactory review of the performance of each Grantee.

The Board has completed the above assessments under the H-Share Appreciation Rights Scheme and is of the view that:

- (1) the audited average return on equity and the average year-on-year increase in audited net profit of the Company for the financial years 2007 and 2008 have met the specified requirements; and
- (2) the performance of each Grantee for the financial years 2007 and 2008 was satisfactory.

In accordance with the Management Rules and Procedures of the H-Share Appreciation Rights Scheme, the above assessment results are required to be approved by the Shareholders in order to give effect to the H-Share Appreciation Rights Scheme. Upon approval of such assessment results by the Shareholders, any exercise of the rights granted under the H-Share Appreciation Rights Scheme is also subject to the Company's audited return on equity for the financial year immediately prior to the proposed exercise being not lower than the average or median of the return on equity for the same industry.

A circular containing, among others, (i) particulars of the proposed amendments to the Articles; (ii) details of the proposed supply of Corporate Communications through the Company's website; and (iii) the assessment results under the H-Share Appreciation Rights Scheme will be dispatched to the Shareholders as soon as practicable. The notice of the above-mentioned EGM will also be dispatched to the Shareholders.

DEFINITIONS

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

“Articles”	the Articles of Association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“China” or “PRC”	the People's Republic of China; for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Company”	中海石油化學股份有限公司 (China BlueChemical Ltd.*), a company established in the PRC and the H-shares of which are listed on the Stock Exchange;
“Corporate Communications”	any document issued or to be issued by the Company for the information or action of any holder of H Shares, including but not limited to: Directors' reports, annual accounts with copies of auditors' reports, interim reports, notices of meetings, listing documents, circulars and proxy forms;
“Directors”	the directors of the Company;
“Domestic Shares”	domestic share(s) of nominal value of RMB1.00 each in the capital of the Company;
“EGM”	Extraordinary General Meeting of the Company;
“Exercisable Periods”	the first six months of the third, fourth, fifth and sixth financial years of the Company, commencing on 2008 which was the year whereby Shareholders' approval was obtained for the H-Share Appreciation Rights Scheme;

“Grantee(s)”	the recipient(s) of the share appreciation rights under the H-Share Appreciation Rights Scheme who will be entitled to exercise their rights in tranches during the Exercisable Periods, subject to fulfillment of certain conditions, details of which are stated in the announcement and circular of the Company dated 9 January 2008 and 11 January 2008;
“H Share(s)”	overseas listed foreign shares(s) of nominal value of RMB1.00 each in the capital of the Company which are listed on the Stock Exchange;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“H-Share Appreciation Rights Scheme”	the H-Share Appreciation Rights Scheme, as approved by SASAC on 3 December 2007 and the extraordinary general meeting of the Company held on 25 February 2008, details of which are set out in the announcement and circular of the Company dated 9 January 2008 and 11 January 2008 respectively;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“RMB”	means Renminbi, the lawful currency of the PRC;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council;
“Share(s)”	domestic Shares, H Shares and Unlisted Foreign Shares of the Company;
“Shareholder(s)”	registered holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Unlisted Foreign Shares”	ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in foreign currency by non-PRC nationals and/or non-PRC incorporated entities and are not listed on any stock exchange.

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

Haikou, Hainan Province, the PRC,
21 December 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. Li Yongwu.

* *For identification purpose only.*