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*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 3983)**

## **ANNOUNCEMENT**

### **FURTHER INFORMATION ON THE ENFORCEMENT ACTION AGAINST THE ASSETS OF AN ASSOCIATE OF THE COMPANY AND PROFIT WARNING**

This announcement is made 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).

We refer to the announcements dated 12 June 2014, 2 July 2014, 4 August 2014 and 15 August 2014 of China BlueChemical Ltd. (the “**Company**”) in relation to the enforcement action against the assets of Shanxi Hualu Yangpoquan Coal Mining Co., Ltd. (“**Yangpoquan Coal**”), an associate of the Company (the “**Enforcement Action**”).

On 20 August 2014, the Company was notified by the Intermediate People’s Court of Xinzhou City, Shanxi Province (“**Xinzhou Court**”) that, Shanxi Jinkai Auctions Co., Ltd will put all the assets of Yangpoquan Coal on a second round auction on 4 September 2014 (the “**Auction**”). According to the relevant laws and regulations in China, the base price of the auction will be set at an amount of not lower than 80% of the judicial appraised value (RMB1.706 billion) of all the assets of Yangpoquan Coal recognized by Xinzhou Court (the “**Base Price**”). Should the Auction be completed at the Base Price, the Company is expected to record a provision of an impairment loss in an amount of RMB376 million on the value of the Company’s long term equity investment based on the Company’s understanding of the liabilities position of the Yangpoquan Coal and the estimated tax and expenses in respect of the Auction.

As a result of a weak domestic chemical fertiliser market in the first half of 2014 and the impairment loss on the value of the Company’s long term equity investment, the Company wishes to inform its shareholders and potential investors that, based on the information currently available to the management of the Company, the net profit for the year attributable to owners of the parent for the six months ended 30 June 2014 is expected to record a decrease of approximately 50% to 55% as compared with that of the same period of 2013 (RMB958 million). The Company will follow up and monitor the Enforcement Action and will make further announcement(s) if and when appropriate.

As the Company is still in the process of preparing and finalising the consolidated financial information of the Group for the six months ended 30 June 2014, the information contained in this announcement is only based on the preliminary assessment by the Company's management according to the unaudited management accounts of the Group.

**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.\***  
**QUAN Changsheng**  
*Company Secretary*

Beijing, the PRC  
20 August 2014

*As at the date of this announcement, the executive Director is Mr. Yang Yexin, the non-executive Directors are Mr. Li Hui, Mr. Zhou Dechun and Mr. Zhu Lei and the independent non-executive Directors are Mr. Gu Zongqin, Ms. Lee Kit Ying and Mr. Lee Kwan Hung.*

\* *For identification purpose only*