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

(Stock Code: 3983)

ANNOUNCEMENT

PROFIT WARNING

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 shareholders of the Company (“**Shareholders**”) and potential investors that, based on information currently available, the Board expects the Group to record a net loss attributable to owners of the parents of RMB150 to 200 million for the six months ended 30 June 2016 as compared to a net profit attributable to owners of the parents of approximately RMB505 million for the six months ended 30 June 2015.

The principal factors for the expected net loss of the Group include:

- (i) the continuous low prices in the market for the principal products of the Company, namely urea, phosphate and methanol as a result of the severe domestic and overseas market environment in the first half of 2016;
- (ii) a two-months scheduled suspension of Fudao Phase I urea plant for facility upgrades; and
- (iii) a loss of production volume of approximately 270,000 tonnes of urea as a result of the continuous maintenance suspension of Fudao Phase II urea plant since 7 April 2016.

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 Company will be disclosed in its 2016 interim 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.*
QUAN Changsheng
Company Secretary

Beijing, the PRC
29 June 2016

As at the date of this announcement, the executive Director is Mr. Wang Hui, the non-executive Directors are Mr. Li Hui, Mr. Cheng Chi and Mr. Guo Xinjun and the independent non-executive Directors are Ms. Lee Kit Ying, Mr. Lee Kwan Hung and Mr. Yu Changchun.

* *For identification purpose only.*