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中海石油化学股份有限公司
China BlueChemical Ltd.*

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

(Stock Code: 3983)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS

BOCOM STRUCTURED DEPOSIT AGREEMENTS

On 7 January 2019, the Company entered into the BoCom Structured Deposit Agreement No.1 with BoCom Beijing Branch. Pursuant to the BoCom Structured Deposit Agreement No.1, the Company agreed to subscribe structured deposit product of RMB300 million using self-owned funds of the Company.

On 9 January 2019, the Company entered into the BoCom Structured Deposit Agreement No.2 with BoCom Hainan Branch. Pursuant to the BoCom Structured Deposit Agreement No.2, the Company agreed to subscribe structured deposit product of RMB200 million using self-owned funds of the Company.

On 9 January 2019, CNOOC Fudao entered into the BoCom Structured Deposit Agreement No.3 with BoCom Hainan Branch. Pursuant to the BoCom Structured Deposit Agreement No.3, CNOOC Fudao agreed to subscribe structured deposit product of RMB800 million using self-owned funds of CNOOC Fudao.

HONG KONG LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios, as defined under Rule 14.07 of the Hong Kong Listing Rules, of the transaction contemplated under the BoCom Structured Deposit Agreement No.1 exceeds 5%, the value of the transaction contemplated thereunder falls below the threshold of discloseable transactions as stipulated under Chapter 14 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the BoCom Structured Deposit Agreement No.1 was not subject to the notification, announcement and shareholders' approval requirements under the Hong Kong Listing Rules when such agreement was entered into.

However, the BoCom Structured Deposit Agreement No.1, the BoCom Structured Deposit Agreement No.2 and the BoCom Structured Deposit Agreement No.3 were entered into between the Company or a subsidiary of the Company and branches of BoCom. 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 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 7 January 2019, the Company entered into the BoCom Structured Deposit Agreement No.1 with BoCom Beijing Branch. Pursuant to the BoCom Structured Deposit Agreement No.1, the Company agreed to subscribe structured deposit product of RMB300 million using self-owned funds of the Company.

On 9 January 2019, the Company entered into the BoCom Structured Deposit Agreement No.2 with BoCom Hainan Branch. Pursuant to the BoCom Structured Deposit Agreement No.2, the Company agreed to subscribe structured deposit product of RMB200 million using self-owned funds of the Company.

On 9 January 2019, CNOOC Fudao entered into the BoCom Structured Deposit Agreement No.3 with BoCom Hainan Branch. Pursuant to the BoCom Structured Deposit Agreement No.3, CNOOC Fudao agreed to subscribe structured deposit product of RMB800 million using self-owned funds of the CNOOC Fudao.

THE BOCOM STRUCTURED DEPOSIT AGREEMENT No.1

Parties:	the Company; and BoCom Beijing Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that BoCom and its ultimate beneficial owner are third parties independent of the Group and its connected persons.
Date:	7 January 2019
Product name:	交通銀行蘊通財富定期型結構性存款(期限結構型)(BoCom Yuntong Fortune Periodic Structured Deposit (Term Structure Type) *)
Purchase amount:	RMB300 million
Term of product:	181 days (9 January 2019 to 9 July 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.40%
Right of early termination or redemption:	The Company has no right of early termination or redemption. If the Three-month Shanghai Interbank Offered Rate is less than 2.0% on the tenth working day before the product expiration date (counting from the first working day before the product expiration date), the bank has the right to terminate the agreement on the ninth working day before the product expiration date (counting from the first working day before the product expiration date).

The terms of the BoCom Structured Deposit Agreement No.1 were signed after arm's length negotiation between the parties.

THE BOCOM STRUCTURED DEPOSIT AGREEMENT No.2

Parties:	the Company; and BoCom Hainan Branch
	To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that BoCom and its ultimate beneficial owner are third parties independent of the Group and its connected persons.
Date:	9 January 2019
Product name:	交通銀行蘊通財富定期型結構性存款(期限結構型)(BoCom Yuntong Fortune Periodic Structured Deposit (Term Structure Type) *)
Purchase amount:	RMB200 million
Term of product:	181 days (11 January 2019 to 11 July 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.50%
Right of early termination or redemption:	The Company has no right of early termination or redemption. If the Three-month Shanghai Interbank Offered Rate is less than 2.0% on the tenth working day before the product expiration date (counting from the first working day before the product expiration date), the bank has the right to terminate the agreement on the ninth working day before the product expiration date (counting from the first working day before the product expiration date).

The terms of the BoCom Structured Deposit Agreement No.2 were signed after arm's length negotiation between the parties.

THE BOCOM STRUCTURED DEPOSIT AGREEMENT No.3

Parties:	CNOOC Fudao; and BoCom Hainan Branch To the best of their knowledge, information and belief and having made all reasonable enquiries, the Directors confirm that BoCom and its ultimate beneficial owner are third parties independent of the Group and its connected persons.
Date:	9 January 2019
Product name:	交通銀行蘊通財富定期型結構性存款(期限結構型)(BoCom Yuntong Fortune Periodic Structured Deposit (Term Structure Type) *)
Purchase amount:	RMB800 million
Term of product:	181 days (10 January 2019 to 10 July 2019)
Type of investment return:	principal-guaranteed floating income
Risk level of product (internal risk assessment by the bank):	nil or minimal risk
Annualized rate of return of product expected by the Company:	4.50%
Right of early termination or redemption:	CNOOC Fudao has no right of early termination or redemption. If the Three-month Shanghai Interbank Offered Rate is less than 2.0% on the tenth working day before the product expiration date (counting from the first working day before the product expiration date), the bank has the right to terminate the agreement on the ninth working day before the product expiration date (counting from the first working day before the product expiration date).

The terms of the BoCom Structured Deposit Agreement No.3 were signed after arm's length negotiation between the parties.

REASONS FOR ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENTS AND THEIR BENEFITS TO THE COMPANY

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 nil or minimal, 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 Structured Deposit Agreements are fair and reasonable, on normal commercial terms or better, 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 sales of fertilisers (including urea, phosphate and compound fertiliser) and chemical products (primarily methanol and polyformaldehyde).

CNOOC Fudao mainly engages in the developments and production of urea and methanol.

BoCom is a large commercial bank in the PRC. BoCom Beijing Branch and Hainan Branch are branches of BoCom.

HONG KONG LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios, as defined under Rule 14.07 of the Hong Kong Listing Rules, of the transaction contemplated under the BoCom Structured Deposit Agreement No.1 exceeds 5%, the value of the transaction contemplated thereunder falls below the threshold of discloseable transactions as stipulated under Chapter 14 of the Hong Kong Listing Rules. Therefore, the transaction contemplated under the BoCom Structured Deposit Agreement No.1 was not subject to the notification, announcement and shareholders' approval requirements under the Hong Kong Listing Rules when such agreement was entered into.

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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 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 of the Company
“BoCom”	交通銀行股份有限公司 (Bank of Communications Co., Ltd.*), 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: 3328)
“BoCom Structured Deposit Agreement No.1”	the BoCom structured deposit agreement entered into between the Company and BoCom Beijing Branch on 7 January 2019
“BoCom Structured Deposit Agreement No.2”	the BoCom structured deposit agreement entered into between the Company and BoCom Hainan Branch on 9 January 2019
“BoCom Structured Deposit Agreement No.3”	the BoCom structured deposit agreement entered into between the CNOOC Fudao and BoCom Hainan Branch on 9 January 2019
“CNOOC Fudao”	海洋石油富島有限公司 (CNOOC Fudao Limited*), a company established in the PRC and is currently a wholly-owned subsidiary of the Company
“Company”	中海石油化學股份有限公司 (China BlueChemical Ltd.*), a company incorporated in the PRC and a subsidiary of China National Offshore Oil Corporation, 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
“Structured Deposit Agreements”	collectively, BoCom Structured Deposit Agreement No.1, BoCom Structured Deposit Agreement No.2 and BoCom Structured Deposit Agreement No.3

By Order of the Board
China BlueChemical Ltd.*
Wu Xiaoxia
Company Secretary

Beijing, the PRC
9 January 2019

As at the date of this announcement, the executive directors of the Company are Mr. Xia Qinglong and Mr. Wang Weimin, the non-executive directors of the Company are Mr. Meng Jun and Mr. Guo Xinjun, and the independent non-executive directors of the Company are Ms. Lee Kit Ying, Mr. Lee Kwan Hung and Mr. Yu Changchun.

* *For identification purpose only.*