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

(Stock Code: 3983)

ANNOUNCEMENT

INSIDE INFORMATION

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).

Reference is made to the announcement of the Company dated 14 November 2014 in relation to an administrative lawsuit to be filed by CNOOC Hualu Shanxi Coal Chemical Co., Ltd. (“**Hualu Chemical**”), a 51% subsidiary of the Company, for the seizure of land use rights by local authorities for its project construction land in accordance with laws and regulations. Reference is also made to the announcement of the Company dated 9 February 2015 and the 2014 annual report of the Company in relation to the Company’s asset impairment loss of RMB99.8 million recorded for the above mentioned matter.

The board of directors of the Company (the “**Board**”) hereby announces that, the Company has recently received an administrative judgement dated 20 April 2018 from Shanxi Higher People’s Court (the “**Shanxi Higher Court**”), pursuant to which the Shanxi Higher Court has ruled to maintain the decision made by the local authorities (the “**Judgement**”) to seize without compensation the use right of the land held by Hualu Chemical which has been idle for the reason that project construction has not commenced. The Judgement is final with effect from the date it was made.

The Company does not expect any material adverse effect on the Group's financial position caused by the Judgement, and shareholders and potential investors of the Company are advised to be aware of investment risk.

By order of the Board
China BlueChemical Ltd.*
WU Xiaoxia
Company Secretary

Beijing, the PRC
3 May 2018

As at the date of this announcement, the executive director is Mr. Xia Qinglong, the non-executive directors are Mr. Meng Jun 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.*