



中海石油化学股份有限公司
China BlueChemical Ltd.

(於中華人民共和國註冊成立的股份有限公司)
(a joint stock limited company incorporated in the People's
Republic of China with limited liability)

股票代碼 HKSE CODE 3983

2025 中期報告 INTERIM REPORT



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Financial Highlights

Selected data of condensed consolidated statement of Comprehensive income

For the six months ended 30 June 2025

(All amounts expressed in thousands of Renminbi, except for per share data)

Selected data	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Revenue	5,850,248	6,006,640
Cost of sales	(5,002,371)	(5,003,497)
Gross profit	847,877	1,003,143
Other income	25,160	32,550
Other gains and losses	83,716	2,019
Selling and distribution costs	(33,526)	(39,963)
Administrative expenses	(283,355)	(281,526)
Other expenses	(27,049)	(2,572)
Change in fair value of financial assets at fair value through profit or loss	21,671	40,791
Finance income	162,908	172,631
Finance costs	(24,448)	(27,023)
Reversal of impairment loss on trade receivables	17	177
Exchange gains (losses), net	823	(5,921)
Share of profits of joint ventures	61,025	3,036
Share of profits of associates	4,256	1,377
Profit before income tax	839,075	898,719
Income tax expenses	(115,310)	(155,345)
Profit for the period	723,765	743,374
Profit for the period attributable to:		
Owners of the Company	640,561	686,827
Non-controlling interests	83,204	56,547
	723,765	743,374
Earnings per share attributable to owners of the Company		
- Basic and diluted for the period (RMB per share)	0.14	0.15

Selected data of condensed consolidated statement of financial position

As at 30 June 2025

(All amounts expressed in thousands of Renminbi)

Selected data	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Assets		
Non-current assets	8,313,949	8,719,566
Current assets	16,256,842	15,356,429
Total assets	24,570,791	24,075,995
Equity and liabilities		
Total equity	19,571,727	19,506,961
Non-current liabilities	1,794,657	2,056,086
Current liabilities	3,204,407	2,512,948
Total equity and liabilities	24,570,791	24,075,995

Operational Highlights

Production volume and utilisation rates of the Group's various plants

		For the six months ended 30 June					
		Production volume (tonnes)			Utilisation rate (%)		
		2025	2024	Change %	2025	2024	Change
Chemical Fertilisers							
Urea	Fudao Phase I	274,365	261,314	5.0	105.5	100.5	5.0
	Fudao Phase II	357,682	371,940	(3.8)	89.4	93.0	(3.9)
	CNOOC Huahe	335,600	340,222	(1.4)	129.1	130.9	(1.4)
	Group total	967,647	973,476	(0.6)	105.2	105.8	(0.6)
Phosphate Fertilisers and Compound Fertilisers	DYK MAP	34,028	31,114	1.2	45.4	41.5	9.4
	DYK DAP Phase I (Note 1)	167,806	172,419	(2.7)	95.9	98.5	(2.6)
	DYK DAP Phase II	247,794	241,548	20.1	97.8	96.6	1.2
	Group total	449,628	445,081	1.0	89.9	89.0	1.0
Chemical Products							
Methanol	Hainan Phase I	345,313	332,234	3.9	115.1	110.7	4.0
	Hainan Phase II	436,153	374,750	16.4	109.0	93.7	16.3
	Group total	781,466	706,984	10.5	111.6	101.0	10.5
Acrylonitrile and relating products	Acrylonitrile	95,367	72,712	31.2	95.4	72.7	31.2
	Acetonitrile	3,219	2,306	39.6	107.3	76.9	39.5
	MMA	33,592	22,473	49.5	96.0	64.2	49.5
	Group total	132,178	97,491	35.6	95.8	70.6	35.7

Product sales volume of the Group's various plants (Unit: tonne)

		For the six months ended 30 June		
		2025	2024	Change %
Chemical Fertilisers				
Urea	Fudao Phase I	265,479	262,043	1.3
	Fudao Phase II	373,106	391,374	(4.7)
	CNOOC Huahe	357,248	349,845	2.1
	Group total	995,833	1,003,262	(0.7)
Phosphate Fertilisers and Compound Fertilisers	DYK MAP	29,158	28,834	1.1
	DYK DAP Phase I (Note 1)	172,664	165,823	4.1
	DYK DAP Phase II	183,979	206,348	(10.8)
	Group total	385,801	401,005	(3.8)
Chemical Products				
Methanol	Hainan Phase I	318,406	315,953	0.8
	Hainan Phase II	407,768	352,507	15.7
	Group total	726,174	668,460	8.6
Acrylonitrile and relating products	Acrylonitrile	93,652	67,157	39.5
	Acetonitrile	3,095	2,077	49.0
	MMA	30,597	19,184	59.5
	Group total	127,344	88,418	44.0

Note 1: In the first half of 2025, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 167,806 tonnes of compound fertilisers, amounting to 167,806 tonnes in total, and sold 0 tonnes of DAP and 172,664 tonnes of compound fertilisers, amounting to 172,664 tonnes in total. In the first half of 2024, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 172,419 tonnes of compound fertilisers, amounting to 172,419 tonnes in total, and sold 0 tonnes of DAP and 165,823 tonnes of compound fertilisers, amounting to 165,823 tonnes in total.

CEO's Report

Dear shareholders,

In the first half of 2025, amidst a complex and volatile external environment and internal structural adjustment pressures, the Chinese national economy has demonstrated strong resilience and vitality, maintaining overall stable operations and steady progress. After experiencing an upturn, the domestic fertiliser market entered a period of volatility and consolidation, with the chemical industry continuing to be under pressure. Under such complex market conditions, the Company has strengthened its safety production management, actively expanded its market and sales channels, further developed lean management, and steadily implemented various measures to stabilise growth, reinforce reforms, and enhance efficiency. As a result, its key operating indicators have been successfully achieved. In the first half of the year, the Company achieved revenue of RMB5,850 million and recorded a net profit attributable to the owners of the Company of RMB641 million, demonstrating strong performance.

The Company has consistently adhered to a philosophy of green and sustainable development. Its methanol plant has been awarded the honorary title of “Energy Efficiency Leader” by the China Petroleum and Chemical Industry Federation for 14 consecutive years, and our synthetic ammonia plant has been awarded the honorary title of “Water Efficiency Leader” by the China Nitrogen Fertiliser Industry Association for 6 consecutive years. It also won the “2025 ESG Model Enterprise Award” at the 4th International Green Zero-Carbon Festival and ESG Leadership Summit, setting a benchmark for sustainable development brands.

Review of the first half of the year

During the reporting period, the Company continuously strengthened production and operation control and system management, thoroughly implementing the concept of green development, with overall stable safety production conditions. In the first half of the year, key production indicators performed exceptionally well: methanol production at CNOOC Fudao and the cumulative throughput at Basuo Port both reached new highs for the same period in history; the CNOOC Huahe Chemical Fertiliser Plant achieved 314 days of continuous operation, setting a new record. As a result, the Company produced 968,000 tonnes of urea, 781,000 tonnes of methanol; 450,000 tonnes of phosphate fertilisers and compound fertilisers, and 132,000 tonnes of acrylonitrile series products.

In terms of marketing, facing the complex and ever-changing market situation, the Company has continued to further strengthen market analysis and strictly adhere to the principles of scientific and precise pricing. By solidifying the weekly production and sales coordination meeting mechanism, optimising storage and transportation coordination, and ensuring efficient product circulation, the Company has comprehensively advanced market expansion and efficiency improvements. In the first half of the year, the Company sold 996,000 tonnes of urea, 726,000 tonnes of methanol; 386,000 tonnes of phosphate fertilisers and compound fertilisers, and 127,000 tonnes of acrylonitrile series products.

The Company is accelerating the implementation of key projects, successfully producing the first tonne of green methanol in China using urban waste as raw material, and has obtained International Sustainability and Carbon Certification (ISCC). This product has been successfully applied to domestically produced dual-fuel vessels, marking the first domestic use of green methanol.

In the first half of the year, the Company achieved unified integration of monitoring data into the environmental protection information system, with pollutant emissions meeting standards at 100% for three consecutive years, and the number of environmental pollution incidents remaining at zero. Among these, the comprehensive utilization rate of phosphogypsum at DYK increased from 61.15% to 73.09%, exceeding the target requirements.

Outlook for the second half of 2025

Looking ahead to the second half of the year, the urea market will remain in a cycle of capacity expansion. Although demand from industry and agriculture is expected to grow, the overall supply is expected to remain weak. MAP prices are likely to remain high and volatile, while the DAP market is expected to stabilise. Methanol supply is expected to increase, with rising import volumes. Despite the traditional peak season of ‘Golden September and Silver October,’ downstream demand may see temporary improvements, but the frequent shifts in the supply-demand balance are likely to result in wide fluctuations. For acrylonitrile, both supply and demand sides have potential for growth; however, with ongoing releases of new capacity, the supply-exceeding-demand trend is unlikely to change, and spot prices are expected to remain weak and volatile.

In the second half of the year, the Company will refine its equipment management system to ensure the safe and stable operation of its facilities and establish a solid foundation for intrinsic safety. It will focus on establishing its quality positioning, expanding its market and sales, and enhancing its marketing and profit-making capabilities. It will promote the ‘AI+’ initiative to accelerate the in-depth integration of digital intelligence technology and its business. It will promote the study of key projects for the utilisation of carbon-rich natural gas, strengthen the management of its communication matrix to continuously enhance its brand value and explore more investment opportunities in the green fuel industry.

Rao Shicai
Chief Executive Officer (CEO), President



Management Discussion and Analysis

Sector Review

Chemical fertiliser industry

Impacted by changes in domestic supply and demand fundamentals and relevant policies, the fertiliser market generally showed a trend of rising followed by volatile consolidation in the first half of 2025.

(I) Urea

The market prices of urea fluctuated dramatically, dominated alternatively by policy expectations and core supply-demand imbalances. In the first quarter, driven by demand for fertiliser for spring ploughing, prices fluctuated upwards from a low level, rising from RMB1,570 per ton in early January to a high of RMB1,980 per ton at the end of March. In the second quarter, weakening industrial and agricultural demand and weaker-than-expected exports led to a volatile price pattern, with mainstream prices falling to RMB1,750–1,830 per ton by the end of June. The average market price for the first half of the year was RMB1,804 per ton, down RMB434 per ton or 19% compared with last year.

(II) Phosphate fertilisers

The market prices of phosphate fertilisers remained relatively high overall, showing an increasing trend compared with last year, though the rate of increase varied. MAP saw a larger increase than DAP.

The average market price of MAP was RMB3,268 per ton, up 6.48% compared with last year. The pessimistic sentiment at the beginning of the first quarter, which continued from the end of last year, led to weak market demand, pushing prices down to a first-half low of RMB3,010 per ton. Subsequently, supported by soaring sulphur prices and spring fertiliser demand, prices continued to rise. After the spring fertiliser demand ended in the second quarter, prices briefly retreated. Subsequently, boosted by positive news on phosphate fertiliser exports, prices began a second round of increases, reaching a first-half high of RMB3,403 per ton.

The average market price of DAP was RMB3,954 per ton, up 1.59% compared with last year. Slow progress in winter fertiliser preparations in the first quarter, coupled with stagnant trading during the Spring Festival, pushed prices down to a first-half low of RMB3,808 per ton. Later in the quarter, driven by rising sulphur prices and the surge in demand for spring fertiliser preparations, prices gradually rebounded. In the second quarter, supported by the demand for spring fertiliser preparations, prices rose to the highest point in the first half of the year at RMB4,032 per ton; after the end of spring fertiliser use, prices fell slightly due to weak demand for summer fertiliser use.

Chemical industry

In the first half of 2025, the downward shift in the centre of gravity of international oil prices, coupled with the intensification of trade policy disturbances such as tariffs, had put continuous pressure on prices in the domestic chemical industry, and the overall operation remains weak.

(I) Methanol

The methanol market has experienced a cycle of high price volatility, a weak decline, and then a rebound. In the first quarter, reduced imports maintained a tight supply-demand balance, keeping prices volatile at a high level. Prices in Guangdong fluctuated between RMB2,608 and RMB2,735 per ton, while in Fujian between RMB2,630 and RMB2,835 per ton. In the second quarter, the US “reciprocal tariff” policy triggered global economic turmoil. This, coupled with increased imports, weakened supply and demand, putting continued downward pressure on prices. By mid-June, the futures market rebounded, driven by the outbreak of conflict in the Middle East (which drove up crude oil prices) and the shutdown of methanol plants in Iran to reduce production capacity, driving a broad-based strengthening in spot prices. During this period, prices in Guangdong ranged from RMB2,260 to RMB2,620 per ton, and in Fujian from RMB2,285 to RMB2,733 per ton.

(II) Acrylonitrile

The domestic acrylonitrile market experienced an initial rise followed by a decline. In the first quarter, due to a temporary supply shortage, prices remained at a high level, peaking near RMB12,000 per ton. In the second quarter, with the commissioning of new production capacity and the resumption of operations at plants undergoing maintenance, market supply became more abundant, and prices shifted to a low level range and fluctuated between RMB8,000 to RMB9,000 per ton. The average price in the first half of the year was RMB9,350.41 per ton, down 5.4% from RMB9,888.10 per ton in the same period last year.

The core reason for the decline in the average price of acrylonitrile in the first half of the year was that the growth of industry consumption was insufficient to meet supply growth, leading to a persistent oversupply situation. On the supply side, the gradual release of new capacity from companies such as Yulong Petrochemical, Sinochem Quanzhou, and Zhenhai Refining and Chemical drove production to a 15.63% increase compared with last year, of approximately 1.953 million tons. While demand improved, with downstream demand for ABS, acrylamide and acrylic fibre totalling approximately 1.697 million tons, up 18.67% compared with last year, but this still failed to offset the increase in supply. The imbalance in supply and demand drove prices downwards.

Business Review

During the reporting period, the Company continued to strengthen production and operations control and system management, deeply implementing the concept of green development, and maintaining an overall stable production safety situation. In the first half of the year, key production indicators performed exceptionally well: Hainan Fudao's methanol production and Basuo Port's cumulative throughput both reached record highs for the same period. Huahe Coal Chemical's fertiliser plant achieved a record-breaking 314-day operation cycle breaking its own record. As a result, the Company produced 968,000 tons of urea, 781,000 tons of methanol, 450,000 tons of phosphate and compound fertilisers, and 132,000 tons of acrylonitrile products in the first half of the year.

Faced with a complex and volatile market situation in the first half of the year, the Company continued to deepen market research and judgment, and adhere to scientific and accurate pricing principles. By establishing a weekly production and sales coordination meeting mechanism, the Company optimised storage and transportation links to ensure efficient product distribution. At the same time, it increased its efforts to generate export revenue and comprehensively promote market expansion and efficiency. In the first half of the year, the Company sold 996,000 tons of urea, 726,000 tons of methanol, 386,000 tons of phosphate and compound fertilisers, and 127,000 tons of acrylonitrile products.

The Company accelerated the implementation of key projects, successfully producing the first ton of green methanol in China using municipal waste as feedstock and earning the International Sustainability and Carbon Certification (ISCC). This product was successfully used on domestically produced dual-fuel vessels, marking the first green methanol bunkering in China.

In the first half of the year, the Company achieved unified access to monitoring data for its environmental information system, achieving 100% compliance with pollutant emissions standards for three consecutive years and maintaining zero environmental pollution incidents. Specifically, Dayukou Chemical's comprehensive utilisation rate of phosphogypsum increased from 61.15% to 73.09%, exceeding target requirements.

Production and sales details of the Group's various plants during the reporting period are set out below:

	For the six months ended 30 June					
	2025			2024		
	Production volume (tonnes)	Sales volume (tonnes)	Utilisation rate (%)	Production volume (tonnes)	Sales volume (tonnes)	Utilisation rate (%)
Chemical fertilisers						
Urea						
CNOOC Fudao Phase I	274,365	265,479	105.5	261,314	262,043	100.5
CNOOC Fudao Phase II	357,682	373,106	89.4	371,940	391,374	93.0
CNOOC Huahe	335,600	357,248	129.1	340,222	349,845	130.9
Group total	967,647	995,833	105.2	973,476	1,003,262	105.8
Phosphate fertilisers and Compound fertilisers						
DYK MAP	34,028	29,158	45.4	31,114	28,834	41.5
DYK DAP Phase I (Note 1)	167,806	172,664	95.9	172,419	165,823	98.5
DYK DAP Phase II	247,794	183,979	97.8	241,548	206,348	96.6
Group total	449,628	385,801	89.9	445,081	401,005	89.0
Chemical products						
Methanol						
Hainan Phase I	345,313	318,406	115.1	332,234	315,953	110.7
Hainan Phase II	436,153	407,768	109.0	374,750	352,507	93.7
Group total	781,466	726,174	111.6	706,984	668,460	101.0
Acrylonitrile and relating products						
Acrylonitrile	95,367	93,652	95.4	72,712	67,157	72.7
Acetonitrile	3,219	3,095	107.3	2,306	2,077	76.9
MMA	33,592	30,597	96.0	22,473	19,184	64.2
Group total	132,178	127,344	95.8	97,491	88,418	70.6

Note 1: In the first half of 2025, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 167,806 tonnes of compound fertilisers, amounting to 167,806 tonnes in total, and sold 0 tonnes of DAP and 172,664 tonnes of compound fertilisers, amounting to 172,664 tonnes in total. In the first half of 2024, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 172,419 tonnes of compound fertilisers, amounting to 172,419 tonnes in total, and sold 0 tonnes of DAP and 165,823 tonnes of compound fertilisers, amounting to 165,823 tonnes in total.

BB fertilisers

In the first half of 2025, the Group produced a total of 13,396 tonnes of BB fertilisers with a sales volume of 11,155 tonnes.

Financial Review

Revenue and gross profit

During the reporting period, the Group's revenue was RMB5,850.2 million, representing a decrease of RMB156.4 million, or 2.6%, from that of RMB6,006.6 million in the same period of 2024. This was primarily attributable to the fluctuation in the urea market, resulting in a significant year-on-year decrease in the selling price of urea for the Group.

During the reporting period, the Group realised an external revenue from urea of RMB1,660.8 million, representing a decrease of RMB441.6 million, or 21.0%, from that of RMB2,102.4 million during the same period of 2024. This was primarily attributable to (1) a decrease of RMB427.9 per tonne in the selling price of urea, resulting in a decrease of RMB426.1 million in revenue; and (2) a decrease of 7,428.9 tonnes in the sales volume of urea, resulting in a decrease of RMB15.5 million in revenue.

During the reporting period, the Group realised an external revenue from phosphate and compound fertilisers of RMB1,343.2 million, representing a decrease of RMB28.1 million, or 2.0%, from that of RMB1,371.3 million in the same period 2024. This was primarily attributable to (1) a decrease of 2,896.5 tonnes in the sales volume of phosphate and compound fertilisers, resulting in an decrease of RMB9.6 million in revenue; and (2) a decrease of RMB45.0 per tonne in the selling price of phosphate and compound fertilisers, resulting in an decrease of RMB18.5 million in revenue.

During the reporting period, the Group realised an external revenue from methanol of RMB1,592.8 million, representing an increase of RMB114.2 million, or 7.7%, from that of RMB1,478.6 million in the same period of 2024. This was primarily attributable to (1) an decrease of RMB18.5 per tonne in the selling price of methanol, which decreased the revenue by RMB13.4 million; and (2) an increase of 57,713.7 tonnes in the sales volume of methanol, which increased the revenue by RMB127.6 million.

During the reporting period, the Group realised an external revenue from acrylonitrile series products of RMB1,074.7 million, representing an increase of RMB249.8 million, or 30.3%, from that of RMB824.9 million in the same period of 2024. This was primarily attributable to (1) a decrease of RMB889.9 per tonne in the selling price of acrylonitrile series products, which decreased the revenue by RMB113.3 million; and (2) an increase of 38,925.7 tonnes in the sales volume of acrylonitrile series products, which increased the revenue by RMB363.1 million.

During the reporting period, the Group realised an external revenue from other segments (primarily comprising port operations and provision of transportation services; trading in fertilisers and chemicals and the production and sale of liquid ammonia, etc) of RMB178.7 million, representing a decrease of RMB50.8 million, or 22.1%, from that of RMB229.5 million in the same period of 2024. This was primarily attributable to (1) a decrease in the Company's trading volume, resulting in a reduction of RMB51.0 million in trading revenue; (2) an increase of RMB2.8 million in revenue due to cargo handling and transportation volumes of Basuo Port; (3) a decrease of RMB2.6 million in revenue from the sales of liquid ammonia, formaldehyde and carbon dioxide, etc.

During the reporting period, the Group's gross profit was RMB847.9 million, representing a decrease of RMB155.2 million, or 15.5%, from RMB1,003.1 million in the same period of 2024. This was primarily attributable to (1) a decrease of RMB263.5 million in gross profit of urea due to a decrease in sales volume and price of urea, offset by a decrease in its cost; (2) a decrease of RMB73.1 million in gross profit of phosphate and compound fertilisers due to a decrease of sales volume, a decrease in price and a decrease in cost; (3) an increase of RMB149.3 million in the gross profit due to an increase in sales volume of methanol and a decrease in cost, offsetting the decrease in price; (4) a decrease of RMB3.3 million in the gross profit of acrylonitrile series products due to a decrease in price and an increase in cost, partially offset by an increase in sales volume; and (5) an increase of RMB35.4 million in the gross profit due to an increase in cargo handling and transportation volumes at Basuo Port, partially offset by a reduction in trade volume.

Other income and other gains and losses, net

During the reporting period, the Group's other income amounted to RMB25.2 million, representing an increase of RMB7.4 million, or 22.7%, from that of RMB32.6 million in the same period of 2024. This was primarily due to decreases of RMB2.2 million in labor services revenue and RMB3.6 million in materials sales revenue.

During the reporting period, the Group's other gains and losses, net amounted to RMB83.7 million, representing an increase of RMB81.7 million compared to RMB2.0 million in the same period of 2024, a growth rate of 4,085.0%. The increase was primarily attributable to the disposal gain related to urban renewal projects by the Basuo Port companies, which resulted in an increase of RMB77.9 million compared to the same period last year.

Selling and distribution costs

During the reporting period, the Group's selling and distribution costs amounted to RMB33.5 million, representing a decrease of RMB6.5 million, or 16.3%, from that of RMB40.0 million in the same period of 2024. This was primarily attributable to (1) a year-on-year decrease of RMB3.4 million in labour costs for sales agency; (2) a year-on-year decrease of RMB1.1 million in promotional expenses due to the impact of exhibition and sales plans.

Administrative expenses

During the reporting period, the Group's administrative expenses amounted to RMB283.4 million, representing an increase of RMB1.9 million, or 0.7%, from that of RMB281.5 million in the same period of 2024, remaining largely unchanged year-on-year.

Other expenses

During the reporting period, the Group's other expenses amounted to RMB27.0 million, representing an increase of RMB24.4 million, or 938.5%, from that of RMB2.6 million in the same period of 2024. This was primarily attributable to a year-on-year increase of RMB25.0 million in external donations during the current year.

Finance income and finance costs

During the reporting period, the Group's finance income amounted to RMB162.9 million (of which finance income from sizable certificate of deposit business amounted to RMB156.6 million), representing a decrease of RMB9.7 million, or 5.6%, from that of RMB172.6 million (of which finance income from sizable certificate of deposit business amounted to RMB163.8 million) in the same period of 2024.

During the reporting period, the Group's finance costs amounted to RMB24.4 million, representing a decrease by RMB2.6 million, or 9.6%, from that of RMB27.0 million in the same period of 2024. This was primarily attributable to the year-on-year decreased of loan interest rates.

During the reporting period, the Group had sound financial resources, mainly including bank borrowings and financings from other financial institutions.

Net exchange gains (losses), net

During the reporting period, the Group recorded net exchange gains of RMB0.8 million, representing an increase in gain of RMB6.7 million from net exchange losses of RMB5.9 million in the same period of 2024. This was primarily attributable to significant fluctuations in the exchange rate between the announcement and distribution of H shares dividends last year.

Gain on disposal of subsidiaries

During the reporting period, the Group had no disposal of subsidiaries.

Share of net gains and losses of associates and joint ventures

During the reporting period, the Group's share of profits of associates and joint ventures amounted to RMB65.3 million, representing an increase of RMB60.9 million, or 1,384.1%, from that of RMB4.4 million in the same period of 2024. This was primarily attributable to significant year-on-year increase in the operating performance of Guizhou Jinlin Chemical Co., Ltd. (貴州錦麟化工有限責任公司) for the year, resulting in the recognition of an increase of RMB58.5 million in the investment income in it for the year.

Income tax expense

During the reporting period, the Group's income tax expense amounted to RMB115.3 million, representing a decrease of RMB40.0 million from that of RMB155.3 million in the same period of 2024, representing a decrease of 25.8%. This was primarily attributable to (1) a year-on-year decrease in operating profit before tax recorded by the Group for the year, which resulted in a corresponding decrease of RMB49.5 million in current income tax expense; and (2) the disposal gains related to urban renewal projects by the Basuo Port companies increased current income tax expenses by RMB11.7 million.

Net profit for the period

During the reporting period, the Group's net profit was RMB723.8 million, representing a decrease of RMB19.6 million, or 2.6%, as compared with that of RMB743.4 million for the same period of 2024.

Dividends

The board of directors of the Company (the "Board") does not recommend payment of an interim dividend for the six months period ended 30 June 2025. During the reporting period, the Company made dividend payments for 2024 in cash in the total amount of RMB556.9 million.

Capital expenditures

During the reporting period, the Group had total capital expenditures of RMB78.76 million, including RMB49.76 million for construction of the midstream and downstream projects, RMB0.37 million for base construction (production accessories), RMB16.82 million for technical renovation projects, RMB4.07 million for energy conservation, safety and environmental protection projects, RMB6.71 million for informatisation construction and electronic office equipment and RMB1.03 million for technology research projects (capital expenditures).

The key projects mainly included: (1) the chemical project in respect of DYK Chupi Mountain Phosphogypsum Dry Slag Yard Project (Phase II) in the amount of RMB27.83 million; (2) the expenditure of the underground mining engineering project of DYK Company with an annual phosphate ore output of 1.60 million tonnes in the amount of RMB19.48 million; (3) the expenditure for the research and application of domestic technology in the Secondary Reformer of Fudao Phase I Plant in the amount of RMB4.01 million.

Pledge of assets

As at 30 June 2025, no property, plant and equipment was charged by the Group as collateral for interest-bearing bank borrowings.

Capital management

The primary objective of the Group's capital management is to maintain a relatively high credit ranking and sound capital structure in order to safeguard its normal production and operation and maximise shareholders' value. The Group manages its capital structure and makes timely adjustments in light of changes in economic conditions. To maintain or realign the capital structure, the Group may take the form of borrowing new debts or issuing new shares. As at 30 June 2025, the Group had total interest-bearing liabilities of RMB2,335.2 million, all of which were floating-rate liabilities. The gearing ratio of the Group as at 30 June 2025 (calculated as interest-bearing liabilities divided by the sum of equity and interest-bearing liabilities) was 10.7%.

Cash and cash equivalents

At the beginning of 2025, the Group had cash and cash equivalents of RMB679.9 million. For the first half of 2025, net cash inflow from operating activities was RMB584.8 million, net cash outflow from investing activities was RMB249.5 million, net cash outflow from financing activities was RMB482.0 million, and the decrease in cash and cash equivalents due to the effect of foreign exchange rate changes was RMB0.1 million. As at 30 June 2025, the Group's cash and cash equivalents were RMB533.1 million. The Group has sufficient working capital to meet the funding requirements for its day-to-day operation and future development.

Human resources and training

As of 30 June 2025, the Group had a total of 3,675 employees, and the total remuneration and allowances of employees amounted to approximately RMB439.9 million for the first half of 2025. The Group has a comprehensive remuneration system and a systematic welfare plan as well as an effective performance appraisal system in place to ensure that the remuneration mechanism effectively provides incentive to its staff. The Company determines staff remuneration according to their positions, performances and capabilities.

As of 30 June 2025, the Company strictly followed the annual training plan with a total of 41,140 enrolments and a total of 169,305 training hours. The Company also organised a total of 2,713 courses on safety training (on-site safety education and three-level safety training with contractors attended), internet safety training and external training, with a total of 34,557 enrolments and 99,363 training hours.

Market risks

The major market risks exposed to the Group arise from changes in the selling prices of its main products and in the costs of raw materials (mainly natural gas, coal, phosphate ore, liquid ammonium and sulphur), fuels (mainly natural gas and coal) and power.

Commodity price risk

The Group is also exposed to commodity price risk arising from changes in the selling prices of its products and the costs of raw materials and fuels.

Interest rate risk

The market interest rate risk exposed to the Group mainly arises from the Group's short-term and long-term debt obligations which are subject to floating interest rates.

Foreign exchange risk

The Group's sales revenue is primarily denominated in RMB and secondarily in United States dollar (USD). The Group's purchases of equipment and materials are primarily denominated in RMB and secondarily in USD. During the reporting period, the RMB to USD exchange rate ranged between 7.1586 and 7.1745. Fluctuations in RMB to USD exchange rate will have impacts on the Company's import of equipment and raw materials, export of products as well as the financing activities in USD.

As at 30 June 2025, the balance of the Group's deposits in USD was US\$10.1 million, and the balance of the Group's deposits in HKD was HK\$2.0 million.

Inflation and currency risk

According to the National Bureau of Statistics of China, the consumer price index of the PRC decreased by 0.1% year-on-year during the reporting period, which did not have any significant impact on the Group's operating results for the reporting period.

Subsequent events

Subsequent to the end of the recording period and up to the date of this interim report, the Group had no significant event.

Contingent liabilities

During the reporting period, the Group had no material contingent liabilities.

Material litigation and arbitration

During the reporting period, the Group was not involved in any material litigation or arbitration.

Material acquisitions and disposals of subsidiaries and associates of the Company

During the reporting period, the Group did not have any acquisition and disposal.

Sector Outlook

In the second half of 2025, urea will remain in a capacity expansion cycle. Despite some growth expectations for industrial and agricultural demand, the overall market will continue to be “oversupplied”. In the third quarter, prices may see a temporary upward trend, driven by the combined impact of the export window and agricultural demand. Entering the fourth quarter, the release of new capacity and weakening demand will create a ripple effect, and prices are expected to remain under pressure. The prices of monoammonium phosphate may fluctuate within a narrow range at a high level, supported by strong raw material costs and favourable demand factors. The diammonium phosphate market is expected to maintain a stable consolidation cycle. In the third quarter, domestic autumn storage and export demand will resonate, resulting in strong overall demand and stable prices. In the fourth quarter, the demand for phosphate fertiliser is expected to decline overall, putting downward pressure on prices, but overall fluctuations will be relatively limited, supported by cost factors.

In the second half of the year, methanol supply remains accommodative, with import arrivals projected to increase. While the market will experience its traditional peak season of September and October, and downstream demand may see a temporary improvement, the supply and demand landscape is expected to fluctuate frequently, with the overall market trend characterised by wide fluctuations. The market should be closely monitored for the impact of factors such as seasonal downstream supply and demand, crude oil price fluctuations, the pace of import arrivals and methanol futures trends. Regarding acrylonitrile, growth is expected on both the supply and demand sides in the second half of the year, but with the continued release of new production capacity, the oversupply situation will further intensify. Overall, any improvement in acrylonitrile prices will require major domestic companies to reduce plant loads.

Our Key Tasks in the second half of 2025

1. Improve the equipment management system to ensure safe and stable operation of equipment and strengthen the foundation of intrinsic safety;
2. Focus on establishing quality positioning, expand market and sales, and enhance marketing effectiveness;
3. Promote the “AI+” initiative to accelerate the deep integration of digital technology and the real economy;
4. Promote the study of key projects for the utilisation of carbon-rich natural gas;
5. Strengthen communication matrix management to continuously enhance brand value; and
6. Explore more investment opportunities in the green fuel industry.

Supplemental Information

Audit Committee

The Audit Committee has reviewed, with the management of the Company, the accounting principles and standards adopted by the Group and discussed internal control and financial reporting matters, including the review of the interim results for the six months ended 30 June 2025. The Group's unaudited interim results for the six months ended 30 June 2025 have been reviewed independently by the Company's external auditor, Forvis Mazars CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the entity, issued by the Hong Kong Institute of Certified Public Accountants. Neither the Audit Committee nor Forvis Mazars CPA Limited, the independent auditor, has any disagreement over the accounting treatments adopted in preparing the interim results for the reporting period.

Compliance with Corporate Governance Code

The Company strives to maintain a high level of corporate governance in order to enhance transparency and ensure the protection of the overall interests of the shareholders. During the six months ended 30 June 2025, save as disclosed below, the Company had complied with all code provisions of the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

On 30 March 2022, Mr. Wang Weimin resigned from the positions of the chairman of the Board and an executive director, and on the same day, Mr. Hou Xiaofeng, an executive director, was appointed by the Board to perform the duties and responsibilities of the chairman of the Board until the effective date of the appointment of the new chairman of the Board. On 30 October 2024, Mr. Hou Xiaofeng was appointed as the chairman of the Board. In view of Mr. Hou Xiaofeng's experience, personal profile and his roles in the Company, the Board considers that it has no unfavorable impact on the business prospects and operational efficiency of the Company that Mr. Hou Xiaofeng, in addition to acting as the president of the Company, serves as the chairman of the Board. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there is sufficient check and balance in the Board as the decision to be made by the Board requires approval by at least a majority of the directors and the number of independent non-executive directors of the Company is in compliance with the Listing Rules; (ii) Mr. Hou Xiaofeng and the other directors are aware of and undertake to fulfill their fiduciary duties as directors, which require, among other things, that they act for the benefit and in the best interest of the Company and make decisions for the Company accordingly; (iii) the balance of power and responsibilities is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels. On 18 March 2025, Mr. Hou Xiaofeng resigned as the chief executive officer and president of the Company. Since then, the Company has re-complied with code provision C.2.1 of the Corporate Governance Code.

Under code provision F.1.3 of the Corporate Governance Code, the chairman of the Board should attend the annual general meeting of the Company. Mr. Hou Xiaofeng was unable to attend the 2024 annual general meeting, H Shareholders' class meeting and domestic Shareholders' class meeting held on 29 May 2025 due to other business arrangements. The above meetings were chaired by Ms. He Qunhui at the time, being an executive Director. Ms. He Qunhui, together with other members of the Board who attended the annual general meeting and the Shareholders' class meeting, were of sufficient calibre to answer questions at the meetings and had answered questions at the meetings competently.

Disclosures on Changes of Directors, Supervisors and Chief Executive

At the annual general meeting of the Company held on 29 May 2025, Mr. Rao Shicai and Mr. He Qizhong were appointed as an executive Director and a non-executive Director of the Company, respectively. At the Board meeting convened on the same day, Mr. He Qizhong was appointed as a member of the Audit Committee of the Board and a member of the Investment Review Committee of the Board.

At the extraordinary general meeting of the Company held on 18 August 2025, the Shareholders resolved and approved the cancellation of the supervisory committee of the Company. Thereafter, the Company will no longer have a supervisory committee, and the relevant powers and functions will be exercised by the audit committee of the Board of the Company.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

In respect of the transactions of securities by our Directors and Supervisors, the Company has adopted a set of standard code on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules. The Board confirms that, having made specific enquiries with all directors and then supervisors of the Company, during the six months ended 30 June 2025, all members of the Board and supervisors have complied with the required standards as set out in the Model Code.

Interests of Substantial Shareholders

As at 30 June 2025, to the best knowledge of any of the Directors and chief executives of the Company, pursuant to the register required to be kept under Section 336 of the Securities and Futures Ordinance (the "SFO"), the interests and short positions in any shares and underlying shares of the Company of substantial shareholders and other persons (excluding Directors, Supervisors and chief executives of the Company) are set out as below:

Names of substantial shareholders	Capacity	Number of Shares held (shares)	Description of shares	Approximate percentage of shareholding in domestic shares / H shares (as appropriate) (%) (Note 1)	Approximate percentage of total shares in issue (%)
China National Offshore Oil Corporation (Note 2)	Beneficial owner	2,738,999,512(L)	Domestic Shares	97.33(L)	59.41(L)
MGD Holdings (Note 3)	Interests in controlled corporation	277,062,000(L)	H Shares	15.43(L)	6.01(L)
Hermes Investment Management Ltd	Investment manager	251,736,484(L)	H Shares	14.02(L)	5.46(L)
Hermes Investment Funds PLC	Beneficial owner	143,333,345(L)	H Shares	7.98(L)	3.11(L)
Edgbaston Investment Partners LLP	Investment manager	106,376,000(L)	H Shares	5.92(L)	2.31(L)

Notes: The letter (L) denotes long position.

- (1) The calculation is based on the total issued share capital of the Company of 4,610,000,000 shares as of 30 June 2025, including 2,813,999,878 domestic shares and 1,796,000,122 H shares.
- (2) Ms. Shao Lihua, the non-executive Director of the Company, also serve as the deputy general manager at Strategy and Planning Department of CNOOC.
- (3) MGD Holdings indirectly holds these shares through its controlled corporations, namely Daher Capital LTD and DFG LTD.

Save as disclosed above, to the best knowledge of any of the Directors and chief executives of the Company, as at 30 June 2025, no person (other than a Director, Supervisor and chief executive of the Company or their respective associates) had any interests and short positions in the shares and underlying shares (as the case may be) of the Company which were required to be entered into the register kept pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of the Listed Securities of the Company and its Subsidiaries

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company or any of its subsidiaries (including sales of treasury shares (as defined under the Listing Rules)).

As at 30 June 2025, the Company did not have any treasury shares.

Interests and Short Positions of Directors, Supervisors and Chief Executive in Shares

As at 30 June 2025, none of the Directors, Supervisors, chief executives or their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed to have or taken to have under such provisions of the SFO), or which were required to be entered in the register pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code set out in the Listing Rules, except that Mr. Hou Xiaofeng, a Director of the Company, held 310,000 H shares of the Company and the associate of Ms. Liu Lijie, a then Supervisor of the Company, held 770,000 H shares of the Company.

Report on Review of Interim Financial Information



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To the Board of Directors of China BlueChemical Ltd.
 (incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim condensed consolidated financial statements of China BlueChemical Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 14 to 46, which comprise the condensed consolidated statement of financial position as at 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended, and notes to the interim condensed consolidated financial statements, including material accounting policy information. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “*Interim Financial Reporting*” as issued by the International Accounting Standards Board (“IAS 34”). The directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Forvis Mazars CPA Limited
Certified Public Accountants
 Hong Kong,

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended	
		30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Revenue	4	5,850,248	6,006,640
Cost of sales		(5,002,371)	(5,003,497)
Gross profit		847,877	1,003,143
Other income	4	25,160	32,550
Other gains and losses, net	5	83,716	2,019
Selling and distribution costs		(33,526)	(39,963)
Administrative expenses		(283,355)	(281,526)
Other expenses		(27,049)	(2,572)
Change in fair value of financial assets at fair value through profit or loss		21,671	40,791
Finance income		162,908	172,631
Finance costs	6	(24,448)	(27,023)
Reversal of impairment loss on trade receivables	8	17	177
Exchange gains (losses), net	7	823	(5,921)
Share of profits of joint ventures		61,025	3,036
Share of profits of associates		4,256	1,377
Profit before income tax	8	839,075	898,719
Income tax expenses	9	(115,310)	(155,345)
Profit for the period		723,765	743,374
Other comprehensive income (loss) for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		(82)	41
Share of other comprehensive income (loss) of joint ventures		2,471	(4,276)
Other comprehensive income (loss) for the period, net of tax		2,389	(4,235)
Total comprehensive income for the period		726,154	739,139

Condensed Consolidated Statement of Comprehensive Income - Continued

For the six months ended 30 June 2025

	Notes	Six months ended	
		30 June 2025	30 June 2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Owners of the Company		640,561	686,827
Non-controlling interests		83,204	56,547
		723,765	743,374
Total comprehensive income for the period attributable to:			
Owners of the Company		642,950	682,592
Non-controlling interests		83,204	56,547
		726,154	739,139
Earnings per share attributable to owners of the Company			
- Basic and diluted for the period (RMB per share)	10	0.14	0.15

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,945,107	7,177,198
Mining rights		126,759	126,839
Prepaid lease payments	12	325,906	332,968
Investment properties		62,240	64,486
Intangible assets		119,424	129,691
Interests in joint ventures	13	396,863	333,906
Interests in associates	14	129,546	127,404
Financial assets at fair value through other comprehensive income		600	600
Deferred tax assets	15	124,566	123,890
Other long-term prepayment for property, plant and equipment		82,938	94,332
Loan receivable	16	-	208,252
		8,313,949	8,719,566
CURRENT ASSETS			
Inventories	17	1,220,250	1,124,718
Trade receivables	18	109,834	23,621
Bills receivable	19	122,771	80,349
Contract assets		22,216	12,783
Prepayments, deposits and other receivables	20	665,733	436,808
Loan receivable	16	208,252	-
Financial assets at fair value through profit or loss	21	1,152,724	1,830,485
Value-added tax recoverable		208,716	156,022
Pledged bank deposits	22	13,289	11,715
Time deposits with original maturity over three months	22	12,000,000	11,000,000
Cash and cash equivalents	22	533,057	679,928
		16,256,842	15,356,429
TOTAL ASSETS		24,570,791	24,075,995
EQUITY			
CAPITAL AND RESERVES			
Issued capital	23	4,610,000	4,610,000
Reserves		13,884,339	13,241,389
Proposed dividends	24	-	556,888
Equity attributable to owners of the Company		18,494,339	18,408,277
Non-controlling interests		1,077,388	1,098,684
TOTAL EQUITY		19,571,727	19,506,961

Condensed Consolidated Statement of Financial Position - Continued

As at 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for retirement benefit		236,026	252,591
Interest-bearing bank and other borrowings	25	1,372,762	1,626,693
Lease liabilities		28,081	29,680
Deferred tax liabilities	15	18,583	20,138
Deferred revenue		137,569	125,348
Other long-term liabilities		1,636	1,636
		1,794,657	2,056,086
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	25	907,861	434,410
Trade payables	26	1,022,988	1,067,996
Contract liabilities		441,843	398,273
Other payables and accruals	27	732,368	544,129
Lease liabilities		26,458	28,341
Income tax payable		72,889	39,799
		3,204,407	2,512,948
TOTAL LIABILITIES		4,999,064	4,569,034
TOTAL EQUITY AND LIABILITIES		24,570,791	24,075,995
NET CURRENT ASSETS		13,052,435	12,843,481
TOTAL ASSETS LESS CURRENT LIABILITIES		21,366,384	21,563,047
NET ASSETS		19,571,727	19,506,961

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company			
	Share capital RMB'000	Capital reserve RMB'000 (Note i)	Statutory surplus reserve RMB'000 (Note ii)	Special reserve RMB'000 (Note iii)
Balance at 1 January 2025 (Audited)	4,610,000	1,109,316	2,129,004	93,899
Profit for the period	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-
Share of other comprehensive income of joint ventures	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Appropriation and utilisation of safety fund, net	-	-	-	11,544
2024 final dividends paid (note 24)	-	-	-	-
Dividends paid to non-controlling interest	-	-	-	-
Balance at 30 June 2025 (Unaudited)	4,610,000	1,109,316	2,129,004	105,443
Balance at 1 January 2024 (Audited)	4,610,000	1,109,316	1,993,069	106,058
Profit for the period	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-
Share of other comprehensive loss of joint ventures	-	-	-	-
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-
Appropriation and utilisation of safety fund, net	-	-	-	18,586
2023 final dividends paid (note 24)	-	-	-	-
Dividends paid to non-controlling interest	-	-	-	-
Transfer to retained earnings	-	-	(101)	-
Balance at 30 June 2024 (Unaudited)	4,610,000	1,109,316	1,992,968	124,644

Notes:

- i. The capital reserve mainly comprises of (i) share premium arising from the issuance of H shares; and (ii) contribution and distribution from/to ultimate holding company.
- ii. Statutory surplus reserve represents statutory reserve fund. In accordance with relevant rules and regulations in the People's Republic of China (the "PRC"), the Group's PRC subsidiaries are required to transfer an amount of their profit after income tax to the statutory reserve fund at financial year end, until the accumulated total of the fund reaches 50% of their registered capital. The appropriation to the statutory reserve fund is determined by the articles of association of the Company's subsidiaries and approval by the boards of directors of the subsidiaries.
- iii. Special reserve represents safety fund. The Group's PRC subsidiaries are required to appropriate an amount of safety fund, in accordance with relevant PRC rules and regulations. Safety fund is used to improve, renovate and maintain safety facilities and equipment and update the safety supplies for the operation personnel, etc.

Retained earnings RMB'000	Proposed dividends RMB'000	Translation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
9,915,977	556,888	(6,807)	18,408,277	1,098,684	19,506,961
640,561	-	-	640,561	83,204	723,765
-	-	(82)	(82)	-	(82)
-	-	2,471	2,471	-	2,471
-	-	2,389	2,389	-	2,389
640,561	-	2,389	642,950	83,204	726,154
(11,544)	-	-	-	-	-
-	(556,888)	-	(556,888)	-	(556,888)
-	-	-	-	(104,500)	(104,500)
10,544,994	-	(4,418)	18,494,339	1,077,388	19,571,727
9,530,123	954,270	(1,766)	18,301,070	1,106,088	19,407,158
686,827	-	-	686,827	56,547	743,374
-	-	41	41	-	41
-	-	(4,276)	(4,276)	-	(4,276)
-	-	(4,235)	(4,235)	-	(4,235)
686,827	-	(4,235)	682,592	56,547	739,139
(18,586)	-	-	-	-	-
-	(954,270)	-	(954,270)	-	(954,270)
-	-	-	-	(87,253)	(87,253)
101	-	-	-	-	-
10,198,465	-	(6,001)	18,029,392	1,075,382	19,104,774

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	584,778	883,608
INVESTING ACTIVITIES		
Interest received	6,343	172,631
Dividend received from associates	2,114	2,023
Dividend received from joint ventures	539	495
Government grants received	27,113	20,683
Placement of time deposits with original maturity over three months	(1,000,000)	(1,500,000)
Withdrawal of time deposits with original maturity over three months	-	800,000
Increase in pledged bank deposits	(1,574)	(1,588)
Purchase of property, plant and equipment	(69,094)	(200,462)
Proceeds from disposal of property, plant and equipment	5,463	5,039
Proceeds from disposal of intangible assets	-	2,246
Proceeds from disposal of prepaid lease payments	80,100	-
Purchase of financial assets at fair value through profit or loss	(1,150,000)	(2,100,000)
Proceeds from disposal of financial assets at fair value through profit or loss	1,849,432	2,925,266
Net cash flow (used in) from investing activities	(249,564)	126,333
FINANCING ACTIVITIES		
Dividends paid	(556,888)	(954,270)
Dividends paid to non-controlling interests	(104,500)	(87,253)
New bank and other borrowings raised	1,025,154	589,615
Repayment of bank and other borrowings	(805,634)	(392,517)
Interest paid	(23,770)	(26,433)
Payment of lease liabilities	(16,365)	(10,946)
Other finance charges	-	(6,447)
Net cash flow used in financing activities	(482,003)	(888,251)
Net (decrease) increase in cash and cash equivalents	(146,789)	121,690
Cash and cash equivalents at beginning of the period	679,928	597,269
Effect of foreign exchange rate changes	(82)	41
Cash and cash equivalents at end of the period	533,057	719,000

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

China BlueChemical Ltd. (the “Company”) was established in the People’s Republic of China (the “PRC”) and the registered office of the Company is located at No.3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, PRC. The ultimate holding company of the Company is China National Off shore Oil Corporation (“CNOOC”), a state-owned enterprise established in the PRC.

The Company’s ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in the manufacture and sale of urea, methanol, phosphorus fertilisers which include mono-ammonium phosphate (“MAP”) and di-ammonium phosphate (“DAP”) fertilisers, compound fertiliser and acrylonitrile (“AN”).

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix D2 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange.

2. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies and the significant judgments made by the management in the interim condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2024.

The IASB has issued revised IFRS Accounting Standards that is first effective on 1 January 2025 and is therefore applicable for the current accounting period of the Group.

Amendments to IAS 21

Lack of Exchangeability

The adoption of the amendments does not have any significant impact on the Group’s accounting policies.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION (CONTINUED)

	Urea	Phosphorus and compound fertiliser (note a)	Methanol	Acrylonitrile	Others (note a)	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended							
30 June 2024 (Unaudited)							
Segment revenue:							
Sales to external customers	2,102,435	1,371,290	1,478,553	824,910	229,452	-	6,006,640
Inter-segment sales	-	-	-	-	88,137	(88,137)	-
Total	2,102,435	1,371,290	1,478,553	824,910	317,589	(88,137)	6,006,640
Segment profit (loss) before income tax	372,632	82,966	314,302	12,193	(67,889)	-	714,204
Interest and unallocated income							215,441
Corporate and other unallocated expenses							(29,418)
Exchange losses, net							(5,921)
Share of profits of joint ventures							3,036
Share of profits of associates							1,377
Profit before income tax							898,719

(a) Comparative figures information

Having considered the expansion of and increase in the results attributable to the Group from BB fertiliser business, the management of the Company determined to reclassify BB fertiliser business from others segment to phosphorus and compound fertiliser segment. The re-presentation of comparative information of segment revenue and segment results, where necessary, to conform to the basis of presentation and the classification adopted in the current period. As a result, the segment revenue from phosphorus and compound fertiliser segment and other segment were increased and decreased by RMB34,778,000 respectively; and the segment profit (loss) before income tax from phosphorus and compound fertiliser segment and other segment was increased and decreased by RMB1,734,000 respectively for the six months ended 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of goods, recognised at a point in time*	5,671,511	5,840,931
Render of services, recognised over time*	178,737	165,709
	5,850,248	6,006,640
	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Income from sale of other materials, recognised at a point in time*	1,451	5,012
Income from render of other services, recognised over time*	482	2,687
Gross rental income	805	1,278
Government grants ^	19,892	20,625
Indemnities received	1,927	1,171
Sundry income	603	1,777
	25,160	32,550

* Revenue from contracts with customer within the scope of IFRS 15.

^ There are no unfulfilled conditions attaching to the government grants.

5. OTHER GAINS AND LOSSES, NET

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	5,463	2,019
Gain on disposal of prepaid lease payment	78,253	-
	83,716	2,019

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

6. FINANCE COSTS

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	23,770	26,433
Interest on lease liabilities	678	590
	24,448	27,023

7. EXCHANGE GAINS (LOSSES), NET

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange gains	949	1,800
Exchange losses	(126)	(7,721)
	823	(5,921)

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

8. PROFIT BEFORE INCOME TAX

The Group's profit before income tax for the period is arrived at after charging (crediting):

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	4,869,819	4,867,848
Reversal of write-down of inventories	(11,901)	(2,711)
Cost of services provided	144,453	138,360
Cost of sales recognised as expenses	5,002,371	5,003,497
Depreciation and amortisation*:		
Depreciation of property, plant and equipment		
- Owned property, plant and equipment	297,123	332,150
- Right-of-use assets included:		
- Buildings	15,133	12,056
- Motor vehicles	1,134	239
Amortisation of mining rights	80	526
Depreciation of prepaid lease payments	5,215	4,732
Depreciation of investment properties	2,246	2,246
Amortisation of intangible assets	10,267	10,907
	331,198	362,856
Reversal of impairment loss on trade receivables	(17)	(177)

* Depreciation and amortisation included in "cost of sales", "selling and distribution costs" and "administrative expenses" amounting to approximately RMB293,567,000 (six months ended 30 June 2024: RMB328,930,000), RMB530,000 (six months ended 30 June 2024: RMB542,000) and RMB37,101,000 (six months ended 30 June 2024: RMB33,384,000) respectively in the condensed consolidated statement of comprehensive income.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

9. INCOME TAX EXPENSES

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	115,917	151,845
Under provision in respect of prior year	1,624	4,048
	117,541	155,893
Credit to deferred tax (note 15)	(2,231)	(548)
	115,310	155,345

The Group is subject to income tax on an entity basis on the profit arising in or derived from the tax jurisdictions in which the subsidiaries of the Group are domiciled and operate.

(a) Enterprise Income Tax (“EIT”)

Under the Enterprises Income Tax Law of the PRC (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Certain subsidiaries located in Hainan that for encouraged industry in Hainan Free Trade Port and have a practical operational record are entitled to a reduced enterprise income tax rate of 15%.

(b) Hong Kong Profits Tax

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2025 and 2024.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	640,561	686,827
Shares		
Number of shares in issue during the period	4,610,000	4,610,000

The Company did not have any potential ordinary shares outstanding to be issued during the six months ended 30 June 2025 and 2024. Diluted earnings per share is equal to basic earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment including construction in progress with an aggregate cost amounting to RMB81,299,000 (*six months ended 30 June 2024: RMB253,972,000*). Property, plant and equipment with carrying amount of RMB2,811,000 (*six months ended 30 June 2024: RMB3,020,000*) were disposed of during the six months ended 30 June 2025.

12. PREPAID LEASE PAYMENTS

The Group did not acquire any land use right during the six months ended 30 June 2025 and 2024. Prepaid lease payments with carrying amounts of RMB1,847,000 (*six months ended 30 June 2024: Nil*) were disposed of during the six months ended 30 June 2025.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

13. INTERESTS IN JOINT VENTURES

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount for joint ventures	396,863	333,906

The Group's trade receivables, other receivables and trade payables with its joint ventures were disclosed in notes 18, 20 and 26 to the interim condensed consolidated financial statements respectively.

Particulars of the joint ventures of the Group are set out as follows:

Name of the entity	Place and date of incorporation and operation	Registered capital '000		Percentage of equity interest attributable to the Company		Principal activities
				30 June 2025	31 December 2024	
				%	%	
貴州錦麟化工有限責任公司 (transliterated as Guizhou Jinlin Chemical Co., Ltd.) (Note (i))	The PRC, 12 April 2007	RMB584,221	Direct	33.99	33.99	Phosphorus mining and processing, manufacturing and sales of phosphorus ore and chemical products
CBC (Canada) Holding Corp. ("CBC (Canada)") (中海化學(加拿大)控股公司) (Notes (ii, iii))	Canada, 28 May 2013	CAD24,000	Direct	60.00	60.00	Investment holding
海南八所港勞動服務有限公司 (transliterated as Hainan Basuo Port Labour Service Limited) (Note (i))	The PRC, 24 April 2005	RMB5,000	Indirect	36.56	36.56	Provision of overseas shipping services
中國八所外輪代理有限公司 (transliterated as China Basuo Overseas Shipping Agency Co., Ltd.) (Note (i))	The PRC, 16 October 2000	RMB1,800	Indirect	36.56	36.56	Provision of overseas shipping services

Notes:

- (i) The English translation of the company names of the companies established in the PRC is for reference only. The official names of these joint ventures are in Chinese.
- (ii) The Chinese translation of the company name of the company established in the Canada is for reference only. The official name of this joint venture is in English.
- (iii) The Company and another shareholder mutually agreed in writing on 1 April 2016 to establish joint control over CBC (Canada) by requiring unanimous votes in all CBC (Canada)'s resolutions. The Company has determined that it has no control but joint control over CBC (Canada), accordingly, the Company considers CBC (Canada) as a joint venture.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

14. INTERESTS IN ASSOCIATES

	30 June 2025	31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount in associates	129,546	127,404

The Group's loan receivable, trade receivables, other receivables and other payables with its associates were disclosed in notes 16, 18, 20 and 27 respectively.

Particulars of the associates of the Group are set out as follows:

Name of the entity (Note (i))	Place and date of incorporation and place of operation	Registered capital		Percentage of equity interest attributable to the Company		Principal activities
				30 June 2025	31 December 2024	
				'000	%	
廣西惠多利農業科技有限公司 (transliterated as Guangxi Huiduoli Agricultural Technology Company Limited) ("Guangxi Huiduoli")	The PRC, 11 January 2003	RMB30,000	Indirect	34.00	34.00	Trading of fertilisers and chemicals
中石油(內蒙古)新材料有限責任公司 (transliterated as PetroChina (Inner Mongolia) New Material Company Limited) ("New Material Company")	The PRC, 18 December 2000	RMB2,272,856	Direct	25.27	25.27	Manufacturing and sale of fertilisers and methanol
聯合惠農農資(北京)有限公司 (transliterated as United Agricultural Means of Production (Beijing) Co., Ltd.)	The PRC, 7 June 2016	RMB100,000	Direct	30.00	30.00	Merchandising

Note:

- (i) The English translation of the company names of the companies established in the PRC is for reference only. The official names of these associates are in Chinese.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

15. DEFERRED TAX ASSETS / LIABILITIES

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been off set. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deferred tax assets	124,566	123,890
Deferred tax liabilities	(18,583)	(20,138)
	105,983	103,752

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

15. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

The following are the major deferred tax liabilities and assets recognised and movements during the period:

	Accelerated tax depreciation RMB'000	Impairment losses RMB'000	Wages and salaries RMB'000	Unused tax losses RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024 (Audited)	(16,430)	43,658	207	100,092	11,165	138,692
(Charge) Credit to profit or loss	(742)	(1,564)	-	-	2,854	548
As at 30 June 2024 (Unaudited)	(17,172)	42,094	207	100,092	14,019	139,240
(Charge) Credit to profit or loss	(2,966)	326	839	(32,565)	(1,122)	(35,488)
As at 31 December 2024 and 1 January 2025 (Audited)	(20,138)	42,420	1,046	67,527	12,897	103,752
Credit (Charge) to profit or loss	1,555	(422)	-	-	1,098	2,231
As at 30 June 2025 (Unaudited)	(18,583)	41,998	1,046	67,527	13,995	105,983
Represented by:						
As at 31 December 2024						
Deferred tax assets	-	42,420	1,046	67,527	12,897	123,890
Deferred tax liabilities	(20,138)	-	-	-	-	(20,138)
As at 30 June 2025						
Deferred tax assets	-	41,998	1,046	67,527	13,995	124,566
Deferred tax liabilities	(18,583)	-	-	-	-	(18,583)

As at 30 June 2025, the Group has unused tax losses of RMB619,638,000 (31 December 2024: RMB575,530,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB270,108,000 (31 December 2024: RMB270,108,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately RMB349,530,000 (31 December 2024: RMB305,422,000), due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB349,530,000 (31 December 2024: RMB305,422,000) that will expire in 5 years.

At the end of the reporting period, the Group has deductible temporary differences of RMB350,151,000 (31 December 2024: RMB436,679,000) that has not been recognised as deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

16. LOAN RECEIVABLE

Loan receivable comprises of:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Unsecured loan		
- Principal	208,252	208,252

The Group's loan receivable is due from an associate, New Material Company, and denominated in RMB. The loan receivable is unsecured, interest-bearing at 5-year Loan Prime Rate minus 1.75% per annum and repayable on 8 May 2026. The interest would be paid by quarter.

A maturity profile of the loan receivable as at the end of the reporting periods, based on the maturity date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	208,252	-
Over one year but within two years	-	208,252
	208,252	208,252
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current portion	208,252	-
Non-current portion	-	208,252
	208,252	208,252

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

17. INVENTORIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials and spare parts	412,475	402,558
Work in progress	181,884	239,847
Finished goods	673,375	541,698
	1,267,734	1,184,103
Write-down	(47,484)	(59,385)
	1,220,250	1,124,718

18. TRADE RECEIVABLES

Sales of the Group's fertilisers and chemicals including urea, MAP, DAP, acrylonitrile and methanol are normally settled on an advance receipt basis whereby the customers are required to pay in advance either by cash or by bank acceptance drafts. In the case of export sales, the Group may accept irrevocable letters of credit issued in its favour.

The trading terms of the Group with its customers other than the above are mainly on credit. The credit period is generally one-month, except for some high-credit customers, where payments may be extended.

An aging analysis of trade receivables at the end of the reporting period, based on the invoice date and net of impairment of trade receivables of the Group, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	106,950	20,777
Over one year but within two years	-	-
Over two years but within three years	-	534
Over three years	2,884	2,310
	109,834	23,621

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

18. TRADE RECEIVABLES (CONTINUED)

As at 30 June 2025, the amounts due from associates, joint venture and the Company's subsidiaries' non-controlling shareholders and the non-controlling shareholders' subsidiaries (the "Other Related Parties") and the subsidiaries and associates of the ultimate holding company, excluding CNOOC Finance Corporation Limited (collectively referred to as the "CNOOC group companies") included in the trade receivables which are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to the major customers of the Group, are detailed as follow:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
CNOOC group companies	78,212	9,065
Associates	2,844	2,844
Joint ventures	1,111	1,714
	82,167	13,623

19. BILLS RECEIVABLE

The bills receivable of the Group as at 30 June 2025 and 31 December 2024 all mature within twelve months.

As at 30 June 2025, the Group has transferred bills receivable of nil (*31 December 2024: RMB101,547,000*) having maturity less than twelve months from the reporting dates to its suppliers to settle its payables through endorsing the bills to its suppliers. The Group has derecognised these bills receivable and the payables to suppliers in their entirety. In the opinion of the directors of the Company, the Group has limited exposure in respect of the settlement obligation of these bills receivable under relevant PRC rules and regulations should the issuing bank failed to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the risk of non-settlement by the issuing banks on maturity is insignificant.

As at 30 June 2025, the Group's maximum exposure to loss, which is same as the amount payable by the Group to banks or the suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to nil (*31 December 2024: RMB101,547,000*).

The fair value of bills receivable are close to their carrying amounts given all bills receivable will mature within twelve months.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Prepayments	111,466	36,292
Interest receivables	512,315	355,750
Deposits and other receivables	61,580	64,394
Less: impairment loss	(19,628)	(19,628)
	665,733	436,808

Except for certain other receivables from associates that had significant increase in credit risk, there was neither significant increase in credit risk for other remaining receivables since initial recognition nor credit impairment that has occurred during the period / year. The loss allowance for these other remaining receivables was limited to 12 months ECLs.

Apart from the loss allowance mentioned above, none of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

The amounts due from the ultimate holding company, CNOOC group companies, associates and joint ventures included in the above, which are unsecured, non-interest bearing and have no fixed repayment terms, can be analysed as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Ultimate holding company	-	5,001
CNOOC group companies	39,082	17,768
Associates	28,904	28,249
Joint ventures	26,125	7,358
	94,111	58,376

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Wealth management products	1,152,724	1,830,485

Financial assets at FVTPL represent wealth management products in licensed banks. Change in fair value of financial assets at FVTPL of RMB21,671,000 (*six months ended 30 June 2024: RMB40,791,000*) was recognised for the six months ended 30 June 2025. The wealth management products will mature within one year. (*31 December 2024: the wealth management products will mature within 6 months*).

22. CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND TIME DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and bank and financial institution balances	12,546,346	11,691,643
Less: Pledged bank deposits	(13,289)	(11,715)
Time deposits with original maturity over three months	(12,000,000)	(11,000,000)
Cash and cash equivalents in the consolidated statement of cash flows	533,057	679,928

The Group's cash and bank balances were denominated in RMB as at 30 June 2025 and 31 December 2024, except for amounts of RMB72,087,000 (*31 December 2024: RMB10,666,000*) which was translated from US\$10,070,000 (*31 December 2024: US\$1,484,000*) and RMB1,826,000 (*31 December 2024: RMB1,856,000*) which was translated from HK\$2,003,000 (*31 December 2024: HK\$2,004,000*).

The RMB is not freely convertible into other currencies. However, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2025, included in the Group's cash and cash equivalents were RMB389,500,000 (*31 December 2024: RMB388,974,000*) deposited in CNOOC Finance Corporation Limited ("CNOOC Finance"), a licensed financial institution, which is a subsidiary of the ultimate holding company.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

23. ISSUED CAPITAL

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Number of shares '000	Nominal value RMB'000	Number of shares '000	Nominal value RMB'000
Registered capital	4,610,000	4,610,000	4,610,000	4,610,000
Issued and fully paid:				
Domestic Shares of RMB1 each, currently not listed:				
- State-owned shares	2,739,000	2,739,000	2,739,000	2,739,000
- Other legal person shares	75,000	75,000	75,000	75,000
H shares of RMB1 each	1,796,000	1,796,000	1,796,000	1,796,000
As at 30 June 2025 (unaudited) and 31 December 2024 (audited)	4,610,000	4,610,000	4,610,000	4,610,000

24. PROPOSED DIVIDENDS

Upon listing of the Company's shares on the Stock Exchange, the Company may not distribute dividends exceeding the lower of the profit after tax as determined under Chinese Accounting Standards for Business Enterprises ("CAS") and IFRS Accounting Standards.

Pursuant to the State Administration of Taxation Circular Guoshuihan [2008] No. 897, the Company is required to withhold a 10% enterprise income tax when it distributes dividends to its non-resident enterprise shareholders out of profit earned in 2008 and beyond. In respect of all shareholders whose names appear on the Company's register of members who are not individuals, which are considered as non-resident enterprise shareholders, the Company will distribute the dividend after deducting enterprise income tax of 10%.

During the six months ended 30 June 2025, a final dividend of RMB0.1208 per share in respect of the year ended 31 December 2024 (*six months ended 30 June 2024: a final dividend of RMB0.207 per share in respect of the year ended 31 December 2023*) was declared and paid to the owners of the Company. The dividend declared and paid during the six months ended 30 June 2025 amounted to RMB556,888,000 (*six months ended 30 June 2024: RMB954,270,000*).

The board of directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (*six months ended 30 June 2024: RMBNil*).

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2025, bank borrowings of RMB2,199,523,000 (31 December 2024: RMB1,980,005,000) were unsecured with effective interest rates of 1.80%-2.66% (31 December 2024: 1.9%-2.6%) per annum, payable within 2025 to 2034 (31 December 2024: payable within 2025 to 2034). The amounts due were based on the scheduled repayment dates set out in the loan agreements.

As at 30 June 2025, other borrowings of RMB81,100,000 (31 December 2024: RMB81,098,000) were unsecured and due to the CNOOC Finance with effective interest rates of 2.15%-2.5% (31 December 2024: 2.15%-2.9%) per annum, payable within 2029 to 2034 (31 December 2024: payable within 2029). The amounts due were based on the scheduled repayment dates set out in the loan agreements.

26. TRADE PAYABLES

The trade payables are unsecured, non-interest-bearing and are normally settled in 30 to 180 days. An aging analysis of trade payables of the Group, based on invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within one year	1,020,751	1,022,590
Over one year but within two years	751	42,349
Over two years but within three years	-	1,527
Over three years	1,486	1,530
	1,022,988	1,067,996

As at 30 June 2025, the amounts due to CNOOC group companies, joint ventures and the Other Related Parties included in the above, which are unsecured, non-interest bearing and have no fixed repayment terms, can be analysed as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
CNOOC group companies	433,344	364,373
Joint ventures	3,338	71
Other Related Parties	1,214	6,346
	437,896	370,790

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

27. OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accrued payroll	404,261	189,756
Other payables	114,676	108,012
Payables to government	13,101	17,015
Other tax payables	41,557	70,573
Port construction fee payable	158,773	158,773
	732,368	544,129

As at 30 June 2025, the amounts due to CNOOC group companies and associates included in the above, which are unsecured, non-interest bearing and have no fixed repayment terms, can be analysed as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
CNOOC group companies	952	810
Associates	6,959	6,959
	7,911	7,769

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

28. COMMITMENTS AND CONTINGENT LIABILITIES

a. Contingent liabilities

At the end of the reporting period, the Group did not have any significant contingent liability.

b. Capital commitments

As at 30 June 2025 and 31 December 2024, the Group had the following capital commitments:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Contracted, but not provided, for acquisition of plant and machinery	427,946	219,664

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

29. RELATED PARTY TRANSACTIONS

(1) During the period, the Group had the following material transactions with related parties:

	Six months ended	
	30 June 2025	30 June 2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(A) Included in revenue and other income		
(a) CNOOC group companies		
Sale of goods	377,178	419,821
Provision of packaging and assembling services	47,393	41,277
Provision of transportation services	3,529	2,403
Provision of logistics services	420	376
Provision of labour services	33,731	29,810
Lease of property and land	3,364	3,323
	465,615	497,010
(b) Other Related Parties		
Sale of goods	6,799	110,417
(B) Included in cost of sales and other expenses		
(a) CNOOC group companies		
Purchase of raw materials	2,401,897	2,118,960
Purchase of finished goods	-	800,445
Labour services	73,158	59,637
Lease of offices and related charges	20,627	16,623
Logistics services	4,684	2,792
Network services	5,384	2,502
Transportation services	50	260
	2,505,800	3,001,219
(C) Included in finance income/costs		
(a) CNOOC Finance		
Finance income	1,587	2,572
Fees and charges	1,623	1,941

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Balances with related parties

Details of the following balances are set out in loan receivable (note 16), trade receivables (note 18), contract assets, prepayments, deposits and other receivables (note 20), cash and cash equivalents, pledged bank deposits and time deposits with original maturity over three months (note 22), interest-bearing bank and other borrowings (note 25), trade payables (note 26), contract liabilities and other payables and accruals (note 27) to the interim condensed consolidated financial statements. The balance with CNOOC Finance resulted from interest and loans. Others were mainly formed through routine trading transactions, reception of construction services, and other miscellaneous transactions with related parties.

	Amounts due from		Amounts due to	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Unaudited)	RMB'000 (Audited)
Ultimate holding company	-	5,001	-	-
CNOOC group companies	130,915	34,967	484,930	382,504
Associates	240,000	239,345	9,712	13,575
Joint venture	27,236	9,072	3,338	71
CNOOC Finance	-	-	81,100	81,098
Other Related Parties	-	-	1,214	6,346
			30 June 2025	31 December 2024
			RMB'000 (Unaudited)	RMB'000 (Audited)
Deposits placed by the Group with CNOOC Finance			389,500	388,974

(3) Compensation of key management personnel of the Group

	Six months ended	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Short-term employee benefits	3,258	2,211
Post-employment benefits	83	76
	3,341	2,287

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

29. RELATED PARTY TRANSACTIONS (CONTINUED)

(4) Transactions with other state-owned enterprises (“SOE”) in the PRC

The Group has entered into extensive transactions covering the sales of goods and rendering of services, receipt of construction services, purchases of goods, services or property, plant and equipment and making deposits and borrowings with state-owned banks in the PRC, with SOEs other than CNOOC group companies, in the normal course of business at terms comparable to those with other non-SOEs. Certain specific and major raw materials provided by SOE suppliers are from Heilongjiang Longmei Hegang Mining Co., Ltd. (the “Longmei”) and Longmei mainly supplied coal to a subsidiary of the Company, CNOOC Huahe Coal Chemical Limited. During the reporting period, the Group made a total procurement of RMB336,936,000 (30 June 2024: RMB422,164,000) from Longmei. Urea and phosphorus sold by the Company and CNOOC Fudao (Shanghai) Chemical Limited, a subsidiary of the Company, to the Guangdong Tianhe Agricultural Means of Production Co. Ltd. was amounted to RMB300,826,000 (30 June 2024: RMB414,395,000) during the period ended 30 June 2025 which constituted most of the sales to SOEs. Except for the above two SOEs, sales to and procurements from other SOEs are considered as specific but not significant transactions.

The Group has certain of its cash, pledged bank deposits and time deposits and outstanding interest-bearing bank and other borrowings with certain state-owned banks in the PRC, excluding CNOOC Finance as at 30 June 2025 and 31 December 2024, as summarised below:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash and cash equivalents	143,557	290,944
Pledged bank deposits	13,289	11,715
Time deposits	12,000,000	11,000,000
	12,156,846	11,302,659
Interest-bearing bank and other borrowings	2,199,522	1,980,005

Deposit interest rates and loan interest rates are at the market rates.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

30. FINANCIAL INSTRUMENTS

(a) Financial instruments measured at fair value

The valuation techniques used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

Information about level 2 fair value measurements

The fair value of wealth management products was calculated as the present value of the estimated future cash flows based on market interest rates of instruments with similar terms and risks.

Information about level 3 fair value measurements

The fair value of unlisted equity investment was determined based on transaction price and factors or events that have occurred after the acquisition date. Since there was no significant change in market condition or the performance and operation of the investment, the directors considered the fair value of the unlisted equity investment was approximately the transaction price.

The fair value of bills receivable was close to their carrying amounts given all bills receivable will mature within twelve months.

There were no changes in valuation techniques during the period.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

	30 June 2025 (Unaudited)		
	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL			
- Wealth management products	1,152,724	-	1,152,724
Financial assets at FVOCI			
- Unlisted equity investment	-	600	600
- Bills receivable	-	122,771	122,771

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2025

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial instruments measured at fair value (Continued)

	31 December 2024 (Audited)		
	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL			
- Wealth management products	1,830,485	-	1,830,485
Financial assets at FVOCI			
- Unlisted equity investment	-	600	600
- Bills receivable	-	80,349	80,349

During the six months ended 30 June 2025 and 30 June 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

31. EVENTS AFTER THE REPORTING PERIOD

There is no material event after the reporting period.

32. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 19 August 2025.

Company Information

Registered Office	No.3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, the PRC
Address of headquarter	Kaikang CNOOC Mansion, No.15, Sanqu, Anzhenxili, Chaoyang District, Beijing, the PRC
Principal place of business in the PRC	No.3, Park Third Road, Basuo Town, Dongfang City, Hainan Province, the PRC
Representative Office in Hong Kong	65/F., Bank of China Tower, No.1 Garden Road, Central, Hong Kong
Joint Company Secretary	Kuang Xiaobing Ng Sau Mei
Authorized representatives	Hou Xiaofeng Kuang Xiaobing
Principal banker	Industrial and Commercial Bank of China, Hainan Branch
Auditor	Forvis Mazars CPA Limited 42nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Hong Kong law legal adviser	Freshfields Bruckhaus Deringer 55th Floor, One Island East, Taikoo Place, Quarry Bay, Hong Kong
The PRC law legal adviser	Jun He Law Offices China Resources Building, 20th Floor, 8 Jianguomenbei Avenue
H Share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong
Investor Relations/Public Relations Hong Kong	Tel: (852) 22132533 Fax: (852) 25259322
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