



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)

2026 中期報告 INTERIM REPORT

股票代碼 HKSE CODE 3983



Contents

01	Financial Highlights
02	Operational Highlights
03	CEO's Report
04	Management Discussion and Analysis
11	Supplemental Information
13	Report on Review of Interim Financial Information
14	Condensed Consolidated Statement of Comprehensive Income
16	Condensed Consolidated Statement of Financial Position
18	Condensed Consolidated Statement of Changes in Equity
20	Condensed Consolidated Statement of Cash Flows
21	Notes to the Interim Condensed Consolidated Financial Statements
45	Company Information

Financial Highlights

Selected data of condensed consolidated statement of comprehensive income

For the six months ended 30 June 2026

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

Selected data	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Revenue	5,619,200	5,850,248
Cost of sales	(4,820,797)	(5,002,371)
Gross profit	798,403	847,877
Other income	41,026	25,160
Other gains and losses, net	332	83,716
Selling and distribution costs	(33,838)	(33,526)
Administrative expenses	(292,654)	(283,355)
Other expenses	(30,014)	(27,049)
Change in fair value of financial assets at fair value through profit or loss	(1,136)	21,671
Finance income	159,587	162,908
Finance costs	(20,855)	(24,448)
(Impairment loss) Reversal of impairment loss	(181,810)	17
Exchange (losses) gains, net	(5,885)	823
Share of profits of joint ventures	84,012	61,025
Share of profits of associates	3,510	4,256
Profit before income tax	520,678	839,075
Income tax expenses	(114,945)	(115,310)
Profit for the period	405,733	723,765
Profit for the period attributable to:		
Owners of the Company	507,446	640,561
Non-controlling interests	(101,713)	83,204
	405,733	723,765
Earnings per share attributable to owners of the Company		
- Basic and diluted for the period (RMB per share)	0.11	0.14

Selected data of condensed consolidated statement of financial position

As at 30 June 2026

(All amounts expressed in thousands of Renminbi)

Selected data	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets		
Non-current assets	8,440,803	8,465,071
Current assets	16,335,184	16,372,603
Total assets	24,775,987	24,837,674
Equity and liabilities		
Total equity	19,740,316	19,967,742
Non-current liabilities	1,538,234	1,323,738
Current liabilities	3,497,437	3,546,194
Total equity and liabilities	24,775,987	24,837,674

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 (%)		
		2026	2025	Change %	2026	2025	Change
Chemical Fertilisers							
Urea	Fudao Phase I	201,241	274,365	(26.7)	77.4	105.5	(26.6)
	Fudao Phase II	413,229	357,682	15.5	103.3	89.4	15.5
	CNOOC Huahe	340,125	335,600	1.3	130.8	129.1	1.3
	Group total	954,595	967,647	(1.3)	103.8	105.2	(1.3)
Phosphate Fertilisers and Compound Fertilisers	DYK MAP	29,321	34,028	(13.8)	39.1	45.4	(13.9)
	DYK DAP Phase I (Note 1)	106,636	167,806	(36.5)	60.9	95.9	(36.5)
	DYK DAP Phase II	151,452	247,794	(38.9)	60.6	97.8	(38.0)
	Group total	287,409	449,628	(36.1)	57.5	89.9	(36.0)
Chemical Products							
Methanol	Hainan Phase I	285,031	345,313	(17.5)	95.0	115.1	(17.5)
	Hainan Phase II	434,653	436,153	(0.3)	108.7	109.0	(0.3)
	Group total	719,684	781,466	(7.9)	102.8	111.6	(7.9)
Acrylonitrile and relating products	Acrylonitrile	82,006	95,367	(14.0)	82.0	95.4	(14.0)
	Acetonitrile	2,667	3,219	(17.1)	88.9	107.3	(17.1)
	MMA	24,976	33,592	(25.6)	71.4	96.0	(25.6)
	Group total	109,649	132,178	(17.0)	79.5	95.8	(17.0)

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

		For the six months ended 30 June		
		2026	2025	Change %
Chemical Fertilisers				
Urea	Fudao Phase I	192,496	265,479	(27.5)
	Fudao Phase II	395,004	373,106	5.9
	CNOOC Huahe	349,969	357,248	(2.0)
	Group total	937,469	995,833	(5.9)
Phosphate Fertilisers and Compound Fertilisers	DYK MAP	27,033	29,158	(7.3)
	DYK DAP Phase I (Note 1)	121,581	172,664	(29.6)
	DYK DAP Phase II	158,188	183,979	(14.0)
	Group total	306,802	385,801	(20.5)
Chemical Products				
Methanol	Hainan Phase I	293,376	318,406	(7.9)
	Hainan Phase II	429,919	407,768	5.4
	Group total	723,295	726,174	(0.4)
Acrylonitrile and relating products	Acrylonitrile	78,969	93,652	(15.7)
	Acetonitrile	2,481	3,095	(19.8)
	MMA	22,486	30,597	(26.5)
	Group total	103,936	127,344	(18.4)

Note 1: In the first half of 2026, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 106,636 tonnes of compound fertilisers, amounting to 106,636 tonnes in total, and sold 0 tonnes of DAP and 121,581 tonnes of compound fertilisers, amounting to 121,581 tonnes in total. 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.

CEO's Report

Dear shareholders,

In the first half of 2026, global geopolitical disruptions intensified, domestic economy recovered moderately but internal demand remained under pressure. The market conditions of the fertiliser and chemical industries were differentiated with increased volatility. Domestically, the fertiliser market surged during the spring-ploughing peak season before experiencing a choppy pullback. A reduction in import supply from the Middle East triggered sharp fluctuation in prices of basic chemical products such as methanol, adding to the operating pressure confronting the industry. Against these complex and evolving internal and external challenges, the Company continued to strengthen the bottom line of safe production. Leveraging on digital and intelligent management, it has strengthened the level of long-cycle, stable operation of production facilities. The Company also accurately gauged market rhythm to better align with marketing deployment. It continued to deepen lean operational initiatives, digital and intelligent upgrades and pursuit of greener energy-efficiency improvement. Through coordinating and advancing steady operations, deeper reforms, cost reduction and efficiency enhancement, the key business indicators showed resilient performance in the first half of the year. For the first half of the year, the Company achieved revenue of RMB5,619 million and recorded a net profit attributable to the owners of the Company of RMB507 million.

The Company focused on building a “branded chemicals” strategy. In 2026, the brand value of the Company reached RMB7.327 billion, reflecting continued growth in its overall strength and marking a new high in its brand development. It has won the “2026 ESG Model Enterprise Award” at the 5th 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 vigorously advanced fundamental safe production initiatives. Focusing on enhancing safety awareness, the Company continuously strengthened safety culture development and enhanced the level of refined operational control in production. In the first half of the year, four out of our five major units operated continuously for over 100 days. As a result of this, the Company produced 955,000 tonnes of urea; 720,000 tonnes of methanol; 287,000 tonnes of phosphorus fertilisers and compound fertilisers; and 110,000 tonnes of acrylonitrile series products in the first half of the year.

In terms of marketing, the Company actively responded to external disruptions such as geopolitical conflicts in the Middle East, innovatively launched e-commerce auction sales for methanol, and proactively expanded direct sales markets for high-end chemicals, automotive products and fuels. It steadily advanced pilot reforms for market-oriented marketing, streamlined production-sales coordination mechanisms; strengthened market analysis, improved the precision pricing system, continuously optimized product structure and expanded markets for differentiated, high value-added products. In the first half of the year, the Company sold 937,000 tonnes of urea; 723,000 tonnes of methanol; 307,000 tonnes of phosphorus fertilisers and compound fertilisers; and 104,000 tonnes of acrylonitrile series products.

In terms of digital and intelligent empowerment, the Company accelerated the implementation of smart factory construction. Relying on intelligent equipment such as inspection robots and drones, intelligent plant inspections and digital inventory counts have been achieved throughout the production plant.

During the reporting period, the Company continued to implement the concept of green development and strengthen its foundation in environmental protection and energy conservation. Fudao Company accelerated the remediation of legacy groundwater issues, reducing pollutant concentrations by 79%. DYK Company steadily advanced the resource recovery of solid waste and ecological restoration, maintaining a comprehensive utilisation rate of phosphogypsum at 100%. The Company vigorously promoted the substitution of clean energy, consuming 24.39 million kWh of green electricity, achieving energy savings of 7,390 tonnes of standard coal and carbon emissions reductions of 23,000 tonnes.

It should be noted that during the reporting period, the ongoing escalation of geopolitical tensions in the Middle East tightened global sulfur supply and drove a sharp surge in prices. Domestically, sulfur prices rose from around RMB3,900 per tonne at the beginning of the year to RMB12,000 per tonne by mid-June, an increase of over 250% over the six-month period, setting a record high and directly raising the production cost of the phosphorus fertiliser business of the Company, which is one of the key factors affecting our performance in the first half of the year. In response to the cost-side shock, the Company took a multi-dimensional approach to wholly mitigate the impact of significant price volatility of raw materials on its operating results during the first half of the year.

Outlook for the second half of 2026

Looking ahead to the second half of the year, urea will remain in a cycle of continuous capacity expansion. Although demand may be temporarily supported by fertiliser stocking for winter, the overall situation of supply exceeding demand is unlikely to change. MAP prices are likely to oscillate within a narrow range at elevated levels. The DAP market is expected to face an ongoing interplay between “strong cost support” and “gradual recovery of demand”. Prices will fluctuate at high levels. For methanol, the loose supply and demand pattern remains unchanged. Frequent market shifts with a wide fluctuation are expected. For acrylonitrile, the market is expected to follow a trajectory of “short-term pressure, medium-term recovery and long-term in excess”, making it difficult to sustain a trend of upward movement and will mostly stay close to the baseline cost.

In the second half of the year, the Company will deepen closed-loop safety governance, implement lean equipment life cycle management; continuously deepen market-oriented marketing reforms and continue to expand the market for high-end, differentiated products; accelerate the implementation of digital and intelligent transformation projects to lay a solid foundation for digital and intelligent transformation; continue to increase investment in research and development, and continuously enhance the scientific research support for emerging and future industries; continuously improve the Company's compliance management standard, improve system construction and promote the enhancement of internal control management; and actively promote projects related to the utilisation of carbon-rich natural gas and phosphorous-fluorine chemicals.

Rao Shicai
Chief Executive Officer (CEO), President



Management Discussion and Analysis

Sector Review

Chemical fertiliser industry

In the first half of 2026, driven by a significant increase in sulfur prices, geopolitical turbulence in the Middle East, and the combined impact of factors such as seasonal misalignment between export schedules and domestic agricultural demand, the domestic fertiliser market landscape is generally “supported by strong raw material costs with fluctuating seasonal demand and narrow price fluctuations”. The cost of raw materials and seasonal variations in domestic demand were the core factors that influenced prices.

(I) Urea

The urea market fluctuated repeatedly amid an ongoing tug-of-war between export expectations and weak fundamentals. In the first quarter, bolstered by a concentrated rollout of spring ploughing and positive developments from overseas tenders, prices rose from their lows, climbing from RMB1,640 per tonne in early January to RMB1,896 per tonne by the end of April, reaching a first-half high. In the second quarter, demand from large-scale farmland operations tapered off, industrial demand also softened and newly added capacity was released in stages. Combined with falling international prices, the market shifted to a choppy pullback, with mainstream prices falling back to the range between RMB1,760 and RMB1,830 per tonne by the end of June.

(II) Phosphate fertilisers

The market prices of Phosphorus fertilisers broadly remained at high levels mainly underpinned by the rigid increase in sulfur costs. The market showed a pattern of cost pressure at elevated levels, price volatility with an upward bias while losses persisted across the sector.

The average price of MAP was RMB3,892 per tonne in the first half of the year, up 19.10% compared with last year. The weak outlook at the beginning of the first quarter, which continued from the end of last year, led to low utilisation rates for MAP plants and sluggish demand, causing prices to dip to a first-half low of RMB3,320 per tonne. Subsequently, sulfur prices surged sharply due to geopolitical tensions in the Middle East, and coupled with the release of essential demand for spring fertilisers, prices continued to rebound. After the demand of spring fertilisers subsided in the second quarter, prices underwent a brief correction, but the price of sulfur raw material continued to climb, breaking through RMB10,000 per tonne. The cost support has strengthened again, driving a second round of price increase that reached a first-half high of RMB4,450 per tonne.

The average price of DAP was RMB4,316 per tonne in the first half of the year, up 9.16% compared with last year. Overall, the market was characterized by a continuous upward shift in the centre of gravity of prices and relatively weak end-user demand. The slow progress in winter fertiliser preparations in the first quarter and stagnant trading during the Spring Festival pushed prices down to a first-half low of RMB3,890 per tonne. Later, prices gradually rebounded as a result of an increase in sulfur cost and release of pent-up essential demand for spring fertiliser preparations. In the second quarter, supported by the demand for spring fertiliser, cost pressure and a contraction in supply, DAP prices rose firmly to a first-half high of RMB4,950 per tonne.

Chemical industry

In the first half of 2026, international oil prices fluctuated widely due to geopolitical conflicts, while shipping disruptions in the Middle East disrupted import supplies. Domestically, cost and supply-demand strategic interaction of chemical products resulted in industry prices that were initially strong but later weakened, with significant volatility throughout the period.

(I) Methanol

The methanol market oscillated at high levels with significant price volatility. In the first quarter, geopolitical crises drove up crude oil and methanol futures, causing prices to continue surging. Prices in Guangdong fluctuated between RMB2,173 and RMB3,525 per tonne, while in Fujian between RMB2,173 and RMB3,510 per tonne. In the second quarter, import arrivals declined sharply, coastal port inventories remained low and localized supply-demand imbalances emerged. As tensions between the U.S. and Iran eased, prices retreated after their initial surge. During this period, prices in Guangdong ranged from RMB2,745 to RMB3,630 per tonne, and in Fujian from RMB3,025 to RMB3,650 per tonne.

(II) Acrylonitrile

The domestic acrylonitrile market showed “an upward spike in the first quarter followed by oscillation with a weak bias in the second quarter”. In the first quarter, affected by the war in the Middle East, geopolitical tensions drove up raw material costs. The price of propylene, an upstream raw material, rose sharply, causing acrylonitrile prices to surge in the short term, peaking at nearly RMB11,200 per tonne. In the second quarter, the concentrated resumption of operations at maintenance

plants and the steady release of new production capacity led to the easing of supply and drove year-over-year growth in output. Although demand improved (with year-on-year increase in downstream demand for ABS, acrylamide and acrylic fibre), the overall supply-demand balance remained skewed, causing prices to retreat and fluctuate at the lower end of the range from RMB8,100 to RMB8,800 per tonne.

Business Review

During the reporting period, the Company vigorously advanced fundamental safe production initiatives. Focusing on enhancing safety awareness, the Company continuously strengthened safety culture development and enhanced the level of refined operational control in production. In the first half of the year, the scheduled maintenance of Fudao Phase I fertiliser plant was successfully completed. The upgraded First Reformer and Secondary Reformer were installed and put into operation successfully, resolving the technical challenges associated with upgrading equipment that had not been dismantled for an extended period. Four out of our five major units operated continuously for over 100 days. As a result, the Company produced 955,000 tonnes of urea; 720,000 tonnes of methanol; 287,000 tonnes of phosphorus fertilisers and compound fertilisers; and 110,000 tonnes of acrylonitrile series products in the first half of the year.

The Company actively responded to external disruptions such as geopolitical conflicts in the Middle East, innovatively launched e-commerce auction sales for methanol, and proactively expanded direct sales markets for high-end chemicals, automotive products and fuels. It steadily advanced pilot reforms for market-oriented marketing, streamlined production-sales coordination mechanisms; strengthened market analysis, improved the precision pricing system, continuously optimized product structure and expanded markets for differentiated, high value-added products. In the first half of the year, the Company sold 937,000 tonnes of urea; 723,000 tonnes of methanol; 307,000 tonnes of phosphorus fertilisers and compound fertilisers; and 104,000 tonnes of acrylonitrile series products.

In the first half of the year, the Company accelerated the implementation of smart factory construction. Relying on intelligent equipment such as inspection robots and drones, intelligent plant inspections and digital inventory counts have been achieved throughout the production plant.

During the reporting period, the Company continued to implement the concept of green development and strengthen its foundation in environmental protection and energy conservation. Fudao Company accelerated the remediation of legacy groundwater issues, reducing pollutant concentrations by 79%. DYK Company steadily advanced the resource recovery of solid waste and ecological restoration, maintaining a comprehensive utilisation rate of phosphogypsum at 100%. The Company vigorously promoted the substitution of clean energy, consuming 24.39 million kWh of green electricity, achieving energy savings of 7,390 tonnes of standard coal and carbon emissions reductions of 23,000 tonnes.

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					
	2026			2025		
	Production volume (tonnes)	Sales volume (tonnes)	Utilisation rate (%)	Production volume (tonnes)	Sales volume (tonnes)	Utilisation rate (%)
Chemical fertilisers						
Urea						
CNOOC Fudao Phase I	201,241	192,496	77.4	274,365	265,479	105.5
CNOOC Fudao Phase II	413,229	395,004	103.3	357,682	373,106	89.4
CNOOC Huahe	340,125	349,969	130.8	335,600	357,248	129.1
Group total	954,595	937,469	103.8	967,647	995,833	105.2
Phosphate fertilisers and Compound fertilisers						
DYK MAP	29,321	27,033	39.1	34,028	29,158	45.4
DYK DAP Phase I (Note 1)	106,636	121,581	60.9	167,806	172,664	95.9
DYK DAP Phase II	151,452	158,188	60.6	247,794	183,979	97.8
Group total	287,409	306,802	57.5	449,628	385,801	89.9
Chemical products						
Methanol						
Hainan Phase I	285,031	293,376	95.0	345,313	318,406	115.1
Hainan Phase II	434,653	429,919	108.7	436,153	407,768	109.0
Group total	719,684	723,295	102.8	781,466	726,174	111.6
Acrylonitrile and relating products						
Acrylonitrile	82,006	78,969	82.0	95,367	93,652	95.4
Acetonitrile	2,667	2,481	88.9	3,219	3,095	107.3
MMA	24,976	22,486	71.4	33,592	30,597	96.0
Group total	109,649	103,936	79.5	132,178	127,344	95.8

Note 1: In the first half of 2026, the DYK DAP Phase I Plant produced 0 tonnes of DAP and 106,636 tonnes of compound fertilisers, amounting to 106,636 tonnes in total, and sold 0 tonnes of DAP and 121,581 tonnes of compound fertilisers, amounting to 121,581 tonnes in total. 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.

BB fertilisers

In the first half of 2026, the Group produced a total of 10,334 tonnes of BB fertilisers with a sales volume of 10,334 tonnes.

Financial Review

Revenue and gross profit

During the reporting period, the Group's revenue was RMB5,619.2 million, representing a decrease of RMB231.0 million, or 3.9%, from that of RMB5,850.2 million in the same period of 2025. This was primarily attributable to the fluctuation in the phosphorus and compound fertiliser and acrylonitrile markets, resulting in a year-on-year decrease in the sales volume.

During the reporting period, the Group realised an external revenue from urea of RMB1,665.3 million, representing an increase of RMB4.5 million, or 0.3%, from that of RMB1,660.8 million during the same period of 2025. This was primarily attributable to (1) an increase of RMB108.6 per tonne in the selling price of urea, resulting in an increase of RMB101.8 million in revenue; and (2) a decrease of 58,363.9 tonnes in the sales volume of urea, resulting in a decrease of RMB97.3 million in revenue.

During the reporting period, the Group realised an external revenue from phosphorus and compound fertilisers of RMB1,143.2 million, representing a decrease of RMB200.0 million, or 14.9%, from that of RMB1,343.2 million in the same period of 2025. This was primarily attributable to (1) an increase of RMB309.5 per tonne in the selling price of phosphorus and compound fertilisers, resulting in an increase of RMB98.8 million in revenue; and (2) a decrease of 91,284.3 tonnes in the sales volume of phosphorus and compound fertilisers, resulting in a decrease of RMB298.8 million in revenue.

During the reporting period, the Group realised an external revenue from methanol of RMB1,758.9 million, representing an increase of RMB166.1 million, or 10.4%, from that of RMB1,592.8 million in the same period of 2025. This was primarily attributable to (1) an increase of RMB238.5 per tonne in the selling price of methanol, which increased the revenue by RMB172.5 million; and (2) a decrease of 2,878.7 tonnes in the sales volume of methanol, which decreased the revenue by RMB6.4 million.

During the reporting period, the Group realised an external revenue from acrylonitrile series products of RMB870.0 million, representing a decrease of RMB204.7 million, or 19.0%, from that of RMB1,074.7 million in the same period of 2025. This was primarily attributable to (1) a decrease of RMB69.5 per tonne in the selling price of acrylonitrile series products, which decreased the revenue by RMB7.2 million; and (2) a decrease of 23,408.6 tonnes in the sales volume of acrylonitrile series products, which decreased the revenue by RMB197.5 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 RMB181.8 million, representing an increase of RMB3.1 million, or 1.7%, from that of RMB178.7 million in the same period of 2025. This was primarily attributable to an increase in revenue from the sales of liquid ammonia, formaldehyde and carbon dioxide, etc.

During the reporting period, the Group's gross profit was RMB798.4 million, representing a decrease of RMB49.5 million, or 5.8%, from RMB847.9 million in the same period of 2025. This was primarily attributable to (1) higher urea prices offsetting the lower sales volume and higher costs, resulting in an increase of RMB56.7 million in gross profit; (2) a decrease in sales volume and increase in cost of phosphorus and compound fertilisers, offsetting the increase in price, resulting in a decrease of RMB105.4 million in the gross profit; (3) an increase in price of methanol offsetting a decrease in sales volume and increase in cost, resulting in an increase of RMB106.7 million in the gross profit; (4) a decrease in price, increase in cost and decrease in sales volume of acrylonitrile, resulting in a decrease of RMB67.4 million in the gross profit; and (5) a decrease of RMB40.1 million in the gross profit due to a decrease in cargo handling and transportation volumes at Basuo Port, coupled with rising costs of liquid ammonia and other by-products, etc.

Other income and other gains and losses

During the reporting period, the Group's other income amounted to RMB41.0 million, representing an increase of RMB15.8 million, or 62.7%, from that of RMB25.2 million in the same period of 2025. This was primarily due to year-on-year changes stemming from government grants and material sales.

During the reporting period, the Group's other gains and losses amounted to RMB0.3 million, representing a decrease of RMB83.4 million or 99.6% compared to RMB83.7 million in the same period of 2025. This was primarily attributable to the gain of RMB77.9 million on disposal of assets related to the shanty town renovation and expropriation project of Basuo Port Company in the last year.

Selling and distribution costs

During the reporting period, the Group's selling and distribution costs amounted to RMB33.8 million, representing an increase of RMB0.3 million, or 0.9%, from that of RMB33.5 million in the same period of 2025. This was primarily attributable to (1) a year-on-year increase of RMB2.9 million in labour costs for sales agency; (2) a year-on-year decrease of RMB1.9 million in travel expenses, conference expenses and advertising expenses, etc; and (3) a year-on-year decrease of direct selling expenses by RMB0.7 million.

Administrative expenses

During the reporting period, the Group's administrative expenses amounted to RMB292.7 million, representing an increase of RMB9.3 million, or 3.3%, from that of RMB283.4 million in the same period of 2025. This was mainly due to a year-on-year increase in remuneration of R&D personnel and R&D expenses of RMB11.1 million.

Other expenses

During the reporting period, the Group's other expenses amounted to RMB30.0 million, representing an increase of RMB3.0 million, or 11.1%, from that of RMB27.0 million in the same period of 2025. This was primarily attributable to (1) a year-on-year decrease of RMB4.8 million in external donations this year; and (2) a year-on-year increase of RMB7.4 million in late payment penalties and contract compensation.

Finance income and finance costs

During the reporting period, the Group's finance income amounted to RMB159.6 million, representing a decrease of RMB3.3 million, or 2.0%, from that of RMB162.9 million in the same period of 2025. This was primarily due to a decline in the average yield on large-denomination certificates of deposit and time deposits.

During the reporting period, the Group's finance costs amounted to RMB20.9 million, representing a decrease of RMB3.5 million, or 14.3%, from that of RMB24.4 million in the same period of 2025. This was primarily attributable to the decrease in the scale of average annual borrowings.

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

Exchange (losses) gains, net

During the reporting period, the Group recorded a net exchange loss of RMB5.9 million, representing an increase in losses of RMB6.7 million as compared to a net exchange gain of RMB0.8 million for the same period of 2025. This was primarily attributable to the year-on-year increase in export business during the period, which resulted in higher exchange losses due to exchange rate fluctuations.

Impairment loss on assets

During the reporting period, the Group recognised an asset impairment of RMB181.8 million. This was primarily attributable to Fudao Chemical experiencing a sharp rise in raw material prices due to the impact of geopolitical and other factors, resulting in a significant widening of its operating loss. The related long-term assets showed signs of impairment, which were evaluated and recognised.

Gain on disposal of certain subsidiaries

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

Share of profits of associates and joint ventures

During the reporting period, the Group's share of profits of associates and joint ventures amounted to RMB87.5 million, representing an increase of RMB22.2 million, or 34.0%, from that of RMB65.3 million for the same period in 2025. This was primarily attributable to the year-on-year increase in operating results of Guizhou Jinlin Chemical Co., Ltd. (貴州錦麟化工有限公司).

Income tax expenses

During the reporting period, the Group's income tax expense amounted to RMB114.9 million, representing a decrease of RMB0.4 million, or 0.3%, from RMB115.3 million for the same period in 2025. The main reason was that the year-on-year decline in profit was primarily centered on Fudao Chemical and DYK Company. As the income tax liability of both entities was relatively low in the same period of last year, the year-on-year decrease in profit during the current period had a limited impact on income tax expenses.

Net profit for the period

During the reporting period, the Group's net profit was RMB405.7 million, representing a decrease of RMB318.1 million or 43.9% as compared to that of RMB723.8 million in the same period of 2025.

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 2026. During the reporting period, the Company made dividend payments for 2025 in cash in the total amount of RMB516.3 million.

Capital expenditure

During the reporting period, the Group's capital expenditure in respect of acquisitions, property, plant and equipment as well as prepaid land lease payments amounted to RMB252 million.

Among them, (1) expenditure of RMB58 million for Phase IV Project of Dams 1 and 2 of DYK Company Tailings Pond; (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 RMB49 million; and (3) expenditure of RMB43 million for Fudao Company's affordable rental housing construction project.

Pledge of assets

During the reporting period, the Group did not pledge any property, plant and equipment as collateral to secure its interest-bearing bank borrowings.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit ranking and a sound capital structure in order to safeguard its normal production and operations 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 our capital structure, the Group may raise capital by way of new debts or issue of new shares. The gearing ratio of the Group as at 30 June 2026 (calculated as interest-bearing liabilities divided by the sum of total equity and interest-bearing liabilities) was 11.0%, representing an increase of 0.3% compared to 10.7% as at 30 June 2025, which was primarily attributable to the increase in its lease liabilities and interest-bearing bank borrowings by RMB93.6 million during the reporting period as compared to last year.

Cash and cash equivalents

At the beginning of 2026, the Group had cash and cash equivalents of RMB736.6 million. For the first half of 2026, net cash inflow from operating activities was RMB307.6 million, net cash inflow from investing activities was RMB40.1 million, net cash outflow from financing activities was RMB333.0 million, and the decrease in cash and cash equivalents due to the effect of foreign exchange rate changes was RMB0.04 million. As at 30 June 2026, the Group's cash and cash equivalents were RMB751.2 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 2026, the Group had a total of 3,601 employees. The aggregate of employees' wages and allowances for the first half of 2026 was approximately RMB441.4 million. 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 policy effectively provides incentive to its staff. The Company determines staff remuneration according to their positions, performance and capabilities.

As of 30 June 2026, the Company strictly implemented its annual training plan, and recorded 26,105 enrollments with a total of 94,712 training hours. The Company also organised a total of 2,426 courses on safety training (on-site safety education and three-level safety training with contractors attended), internet safety training and external training with 35,709 enrollments and 78,740 training hours.

Market risk

The major market risks to which the Group is exposed arise from changes in selling prices of the main products and in costs of raw materials (mainly natural gas, coal, phosphorus 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 product selling prices and the costs of raw materials and fuels.

Interest rate risk

The market interest rate risk to which the Group is exposed 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 USD; 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 6.8109 and 7.0124. Fluctuations in RMB to USD exchange rate have impacts on the Company's import of equipment and raw materials, export of products as well as the financing activities in USD.

As of 30 June 2026, the balance of the Group's deposits in USD was USD13.0 million and the balance of the Group's deposits in HKD was HKD0.003 million.

Inflation and currency risk

According to the data of National Bureau of Statistics of China, the consumer price index of the PRC increased by 1.0% year-on-year during the reporting period, which did not have any significant impact on the Group's operating results for the year.

During the reporting period, the Company did not use financial instruments for hedging purpose or other hedging instruments.

Subsequent events

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

Contingent liabilities

During the reporting period and as at 30 June 2026, the Group had no material contingent liabilities.

Material litigation and arbitration

During the reporting period and as at 30 June 2026, the Group was not involved in any material litigation or arbitration.

Major acquisitions and disposals of subsidiaries and associates of the Company

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

Sector Outlook

From the perspective of chemical fertiliser industry, urea will remain in a cycle of continuous capacity expansion during the second half of 2026. Although demand is temporarily supported by autumn storage and overseas exports, the overall situation of supply exceeding demand is unlikely to change. In the third quarter, due to the combined effects of traditional export window and autumn agricultural demand, prices may experience a temporary uptick. However, entering the fourth quarter, as new production capacity ramps up and demand for farm fertilisers weakens, prices are expected to remain under sustained pressure. MAP prices are likely to oscillate within a narrow range at elevated levels. On the one hand, the costs of raw material such as sulfur and phosphate ore provide strong support. On the other hand, autumn storage and export demand create positive tailwinds. The DAP market is expected to keep oscillating at high levels, featuring the core theme of an ongoing interplay between “strong cost support” and “gradual recovery of demand”. The scope of significant price decline is limited but due to high price levels, a rapid rebound is also unlikely. In the third quarter, domestic autumn storage preparations and overseas export demand is expected to converge, leading to robust overall trading activity and stable prices. In the fourth quarter, agricultural demand for phosphorus fertilisers is expected to decline generally, creating a downward pressure on prices. However, high production costs act as a solid price floor which restricts the extent of price fluctuations.

In the chemicals sector, during the second half of the year, the utilisation rates at domestic coal-to-methanol plants remained high, and import volumes are expected to increase significantly quarter-over-quarter following the resumption of shipping in the Middle East. Although the market will experience the traditional peak season of “Golden September and Silver October” with demand of downstream MTO and traditional chemicals likely to improve temporarily, the loose supply and demand pattern remains unchanged. Frequent market shifts with a wide fluctuation are expected. Key factors to monitor going forward include seasonal changes in downstream operating rates, volatility in international crude oil prices, the pace of Middle Eastern cargo arrivals and market sentiment in methanol futures. For acrylonitrile, both supply and demand will continue to expand in tandem during the second half of the year with new capacity continuing to come online. The market is expected to follow a trajectory of “short-term pressure, medium-term recovery and long-term in excess”. The overall price level has shifted downward compared to the first half of the year, making it difficult to sustain a trend of upward movement and will mostly stay close to the baseline cost. After new capacity comes online in the fourth quarter, market pressure will intensify further.

Our Key Tasks in the second half of 2026

1. Deepen closed-loop safety governance, implement lean equipment life cycle management;
2. Continuously deepen market-oriented marketing reforms and continue to expand the market for high-end, differentiated products;
3. Accelerate the implementation of digital and intelligent transformation projects to lay a solid foundation for digital and intelligent transformation;
4. Continue to increase investment in research and development, and continuously enhance the scientific research support for emerging and future industries;
5. Continuously improve the Company’s compliance management standard, improve system construction and promote the enhancement of internal control management; and
6. Actively promote projects related to the utilisation of carbon-rich natural gas and phosphorous-fluorine chemicals.

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 2026. The Group's unaudited interim results for the six months ended 30 June 2026 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 2026, 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").

Disclosures on Changes of Directors and Chief Executive

On 11 May 2026, Ms. He Qunhui resigned from her position as an executive Director of the Company due to other work arrangements.

Save as stated above, no other information of the Directors is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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

In respect of the transactions of securities by our Directors, 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 to the Listing Rules. The Board confirms that, having made specific enquiries with all directors of the Company, during the six months ended 30 June 2026, all members of the Board have complied with the required standards as set out in the Model Code.

Interests of Substantial Shareholders

As at 30 June 2026, 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 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 ("CNOOC") (Note 2)	Beneficial owner	2,738,999,512(L)	Domestic Shares	97.33(L)	59.41(L)
Hermes Investment Management Ltd	Investment manager	251,537,630(L)	H Shares	14.01(L)	5.46(L)
MGD Holdings (Note 3)	Interests in controlled corporation	196,444,000(L)	H Shares	10.94(L)	4.26(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 2026, 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 serves as the deputy general manager at Strategy and Development Department of CNOOC; Mr. He Qizhong, the non-executive Director, also serves as a full-time director of a unit affiliated to 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 2026, no person (other than a Director 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 2026, 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 2026, the Company did not have any treasury shares.

Interests and Short Positions of Directors and Chief Executive in Shares

As at 30 June 2026, none of the Directors, 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.

Report on Review of Interim Financial Information



FORVIS MAZARS CPA LIMITED
 富睿瑪澤會計師事務所有限公司
 42nd Floor, Central Plaza
 18 Harbour Road, Wanchai, Hong Kong
 香港灣仔港灣道18號中環廣場42樓
 Tel 電話: (852) 2909 5555
 Fax 傳真: (852) 2810 0032
 Email 電郵: info.hk@forvismazars.com
 Website 網址: www.forvismazars.com/hk

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 44, which comprise the condensed consolidated statement of financial position as at 30 June 2026 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, 19 August 2026

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Notes	Six months ended	
		30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Revenue	4	5,619,200	5,850,248
Cost of sales	8	(4,820,797)	(5,002,371)
Gross profit		798,403	847,877
Other income	4	41,026	25,160
Other gains and losses, net	5	332	83,716
Selling and distribution costs		(33,838)	(33,526)
Administrative expenses		(292,654)	(283,355)
Other expenses		(30,014)	(27,049)
Change in fair value of financial assets at fair value through profit or loss		(1,136)	21,671
Finance income		159,587	162,908
Finance costs	6	(20,855)	(24,448)
(Impairment loss) Reversal of impairment loss	8	(181,810)	17
Exchange (losses) gains, net	7	(5,885)	823
Share of profits of joint ventures		84,012	61,025
Share of profits of associates		3,510	4,256
Profit before income tax	8	520,678	839,075
Income tax expenses	9	(114,945)	(115,310)
Profit for the period		405,733	723,765
Other comprehensive income for the period			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations		(39)	(82)
Share of other comprehensive income of joint ventures		1,864	2,471
Other comprehensive income for the period, net of tax		1,825	2,389
Total comprehensive income for the period		407,558	726,154

Condensed Consolidated Statement of Comprehensive Income - Continued

For the six months ended 30 June 2026

		Six months ended	
		30 June 2026	30 June 2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
Owners of the Company		507,446	640,561
Non-controlling interests		(101,713)	83,204
		405,733	723,765
Total comprehensive income for the period attributable to:			
Owners of the Company		509,271	642,950
Non-controlling interests		(101,713)	83,204
		407,558	726,154
Earnings per share attributable to owners of the Company			
- Basic and diluted for the period (RMB per share)	10	0.11	0.14

Condensed Consolidated Statement of Financial Position

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	6,699,463	6,982,712
Mining rights		126,179	126,321
Prepaid lease payments	12	312,243	317,989
Investment properties		57,801	59,993
Intangible assets		92,183	117,336
Interests in joint ventures	13	614,946	517,379
Interests in associates	14	94,443	104,241
Financial assets at fair value through other comprehensive income		600	600
Deferred tax assets	15	175,555	164,177
Other long-term prepayment for property, plant and equipment		59,140	74,323
Loan receivable	16	208,250	-
		8,440,803	8,465,071
CURRENT ASSETS			
Inventories	17	1,224,441	1,042,803
Trade receivables	18	128,091	62,806
Bills receivable	19	103,201	141,159
Contract assets		22,801	16,325
Prepayments, deposits and other receivables	20	670,946	738,815
Loan receivable	16	-	208,252
Financial assets at fair value through profit or loss	21	-	1,166,305
Value-added tax recoverable		169,657	128,870
Pledged bank deposits	22	14,874	13,292
Restricted bank deposits	22	-	17,402
Time deposits with original maturity over three months	22	13,250,000	12,100,000
Cash and cash equivalents	22	751,173	736,574
		16,335,184	16,372,603
TOTAL ASSETS		24,775,987	24,837,674
EQUITY			
CAPITAL AND RESERVES			
Issued capital	23	4,610,000	4,610,000
Reserves		14,214,912	13,705,641
Proposed dividends	24	-	516,320
Equity attributable to owners of the Company		18,824,912	18,831,961
Non-controlling interests		915,404	1,135,781
TOTAL EQUITY		19,740,316	19,967,742

Condensed Consolidated Statement of Financial Position - Continued

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for retirement benefit		255,917	271,261
Interest-bearing bank and other borrowings	25	1,064,475	844,389
Lease liabilities		30,049	32,606
Deferred tax liabilities	15	32,641	22,205
Deferred revenue		129,989	134,226
Other long-term liabilities		25,163	19,051
		<u>1,538,234</u>	<u>1,323,738</u>
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	25	1,308,154	1,205,633
Trade payables	26	1,100,063	1,112,792
Contract liabilities		308,459	565,713
Other payables and accruals	27	723,304	542,593
Lease liabilities		26,052	29,376
Income tax payable		31,405	90,087
		<u>3,497,437</u>	<u>3,546,194</u>
TOTAL LIABILITIES		<u>5,035,671</u>	<u>4,869,932</u>
TOTAL EQUITY AND LIABILITIES		<u>24,775,987</u>	<u>24,837,674</u>
NET CURRENT ASSETS		<u>12,837,747</u>	<u>12,826,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,278,550</u>	<u>21,291,480</u>
NET ASSETS		<u>19,740,316</u>	<u>19,967,742</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	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 2026 (Audited)	4,610,000	1,109,316	2,241,725	81,243
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	-	-	-	5,784
2025 final dividends paid (note 24)	-	-	-	-
Dividends paid / payable to non-controlling interest	-	-	-	-
Balance at 30 June 2026 (Unaudited)	4,610,000	1,109,316	2,241,725	87,027
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

Notes:

- 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.
- 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.
- 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
	10,275,166	516,320	(1,809)	18,831,961	1,135,781	19,967,742
	507,446	-	-	507,446	(101,713)	405,733
	-	-	(39)	(39)	-	(39)
	-	-	1,864	1,864	-	1,864
	-	-	1,825	1,825	-	1,825
	507,446	-	1,825	509,271	(101,713)	407,558
	(5,784)	-	-	-	-	-
	-	(516,320)	-	(516,320)	-	(516,320)
	-	-	-	-	(118,664)	(118,664)
	10,776,828	-	16	18,824,912	915,404	19,740,316
	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

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Net cash generated from operating activities	307,624	584,778
INVESTING ACTIVITIES		
Interest received	159,587	6,343
Dividend received from associates	13,308	2,114
Dividend received from joint ventures	-	539
Government grants received	25,451	27,113
Placement of time deposits with original maturity over three months	(1,150,000)	(1,000,000)
Increase in pledged bank deposits	(1,582)	(1,574)
Decrease in restricted cash	17,402	-
Purchase of property, plant and equipment	(189,276)	(69,094)
Proceeds from disposal of property, plant and equipment	-	5,463
Proceeds from disposal of prepaid lease payments	-	80,100
Purchase of financial assets at fair value through profit or loss	-	(1,150,000)
Proceeds from disposal of financial assets at fair value through profit or loss	1,165,169	1,849,432
Net cash flow from (used in) investing activities	40,059	(249,564)
FINANCING ACTIVITIES		
Dividends paid	(516,320)	(556,888)
Dividends paid to non-controlling interests	(107,908)	(104,500)
New bank and other borrowings raised	893,076	1,025,154
Repayment of bank and other borrowings	(570,469)	(805,634)
Interest paid	(20,106)	(23,770)
Payment of lease liabilities	(11,318)	(16,365)
Net cash flow used in financing activities	(333,045)	(482,003)
Net increase (decrease) in cash and cash equivalents	14,638	(146,789)
Cash and cash equivalents at beginning of the period	736,574	679,928
Effect of foreign exchange rate changes	(39)	(82)
Cash and cash equivalents at end of the period	751,173	533,057

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

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 Offshore 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.

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 2026 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2025.

The IASB has issued revised IFRS Accounting Standards that is first effective on 1 January 2026 and is therefore applicable for the current accounting period of the Group.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards	Volume 11

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 2026

3. OPERATING SEGMENT INFORMATION

Information reported to the Chief Executive Officer, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods and services delivered or produced. The measure reported for resources allocation and segment's performance assessment is the same as last annual financial statements. Hence, the Group has reportable operating segments as follows:

- (a) the urea segment is engaged in the manufacture and sale of urea;
- (b) the phosphorus and compound fertiliser segment is engaged in the manufacture and sale of phosphorus fertilisers which include Bulk Blending ("BB") fertiliser, MAP, DAP and compound fertilisers;
- (c) the methanol segment is engaged in the manufacture and sale of methanol;
- (d) the acrylonitrile segment is engaged in the manufacture and sale of acrylonitrile and related products; and
- (e) the "others" segment mainly comprises segments engaged in provision of port operations and transportation services and trading of other fertilisers and chemicals.

Segment performance is evaluated based on segment result and is measured consistently with profit before income tax in the interim condensed consolidated financial statements. However, the Group's finance income, finance costs, impairment loss and reversal of impairment loss, exchange (losses) gains, net, other gains and losses, net, other expenses, change in fair value of financial assets at fair value through profit or loss ("FVTPL"), share of results of associates and joint ventures and income tax expenses, which are managed on a group basis and are not allocated to operating segments.

Inter-segments sales are determined on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION (CONTINUED)

	Urea	Phosphorus and compound fertiliser	Methanol	Acrylonitrile	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended							
30 June 2026 (Unaudited)							
Segment revenue: Sales to external customers	1,665,265	1,143,248	1,758,926	869,961	181,800	-	5,619,200
Inter-segment sales	-	-	-	-	22,901	(22,901)	-
Total	1,665,265	1,143,248	1,758,926	869,961	204,701	(22,901)	5,619,200
Segment profit (loss) before income tax	202,034	(85,092)	598,282	(59,885)	(142,402)	-	512,937
Interest and unallocated income							158,783
Corporate and other unallocated expenses							(232,679)
Exchange loss, net							(5,885)
Share of profits of joint ventures							84,012
Share of profits of associates							3,510
Profit before income tax							520,678
Six months ended							
30 June 2025 (Unaudited)							
Segment revenue: Sales to external customers	1,660,765	1,343,230	1,592,768	1,074,748	178,737	-	5,850,248
Inter-segment sales	-	-	-	-	87,829	(87,829)	-
Total	1,660,765	1,343,230	1,592,768	1,074,748	266,566	(87,829)	5,850,248
Segment profit (loss) before income tax	122,469	21,726	465,098	15,110	(68,247)	-	556,156
Interest and unallocated income							268,295
Corporate and other unallocated expenses							(51,480)
Exchange gains, net							823
Share of profits of joint ventures							61,025
Share of profits of associates							4,256
Profit before income tax							839,075

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of goods, recognised at a point in time*	5,437,400	5,671,511
Render of services, recognised over time*	181,800	178,737
	5,619,200	5,850,248
	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Income from sale of other materials, recognised at a point in time*	7,714	1,451
Income from render of other services, recognised over time*	785	482
Gross rental income	830	805
Government grants	29,688	19,892
Indemnities received	892	1,927
Sundry income	1,117	603
	41,026	25,160

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

5. OTHER GAINS AND LOSSES, NET

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	354	5,463
Gain on disposal of prepaid lease payment	-	78,253
Loss on lease modification	(22)	-
	332	83,716

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

6. FINANCE COSTS

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	20,106	23,770
Interest on lease liabilities	749	678
	20,855	24,448

7. EXCHANGE (LOSSES) GAINS, NET

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange gains	2,332	949
Exchange losses	(8,217)	(126)
	(5,885)	823

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold, net of written-down of inventories	4,679,377	4,857,918
Cost of services provided	141,420	144,453
Cost of sales recognised as expenses	4,820,797	5,002,371
Depreciation and amortisation*:		
Depreciation of property, plant and equipment		
- Owned property, plant and equipment	302,306	297,123
- Right-of-use assets included:		
- Buildings	14,256	15,133
- Motor vehicles	1,041	1,134
Amortisation of mining rights	142	80
Depreciation of prepaid lease payments	5,746	5,215
Depreciation of investment properties	4,161	2,246
Amortisation of intangible assets	5,058	10,267
	332,710	331,198
Reversal of impairment loss on trade receivables	-	(17)
Impairment loss on property, plant and equipment, intangible assets and other long-term prepayment for property, plant and equipment	181,810	-

* Depreciation and amortisation included in "cost of sales", "selling and distribution costs" and "administrative expenses" amounting to approximately RMB294,584,000 (six months ended 30 June 2025: RMB293,567,000), RMB394,000 (six months ended 30 June 2025: RMB530,000) and RMB37,732,000 (six months ended 30 June 2025: RMB37,101,000) 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 2026

9. INCOME TAX EXPENSES

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	128,613	115,917
(Over-) Under-provision in respect of prior year	(12,726)	1,624
	115,887	117,541
Credit to deferred tax (note 15)	(942)	(2,231)
	114,945	115,310

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 operated.

(a) Enterprise Income Tax ("EIT")

Under the Enterprise 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% (*six months ended 30 June 2025: 25%*). Certain subsidiaries located in Hainan that are engaged in encouraged industries in Hainan Free Trade Port and have a practical operational record are entitled to a reduced enterprise income tax rate of 15% (*six months ended 30 June 2025: 15%*).

(b) Hong Kong Profits Tax

Hong Kong Profits Tax has not been provided as there had no assessable profits for the six months ended 30 June 2026 (*six months ended 30 June 2025: Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 30 June 2025*).

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)

Earnings

Profit for the period attributable to owners of the Company	507,446	640,561
---	---------	---------

	Six months ended	
	30 June 2026	30 June 2025
	'000	'000
	(Unaudited)	(Unaudited)

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 2026 and 2025. Diluted earnings per share is equal to basic earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment including construction in progress with an aggregate cost amounting to RMB196,029,000 (*six months ended 30 June 2025: RMB81,299,000*). Property, plant and equipment with carrying amount of RMB810,000 (*six months ended 30 June 2025: RMB2,811,000*) were disposed of during the six months ended 30 June 2026.

During the six months ended 30 June 2026, the Group engaged an independent professional valuer to perform an impairment assessment of certain property, plant and equipment, intangible assets and other long-term prepayment for property, plant and equipment. Based on the valuation using the fair value less costs of disposal method, an impairment loss of RMB181,810,000 (*six months ended 30 June 2025: Nil*) was recognised during the six months ended 30 June 2026.

12. PREPAID LEASE PAYMENTS

The Group did not acquire any land use right during the six months ended 30 June 2026 and 2025. Prepaid lease payments with carrying amounts of Nil (*six months ended 30 June 2025: RMB1,847,000*) were disposed of during the six months ended 30 June 2026.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

13. INTERESTS IN JOINT VENTURES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount for joint ventures	614,946	517,379

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.

14. INTERESTS IN ASSOCIATES

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Carrying amount in associates	94,443	104,241

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.

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 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Deferred tax assets	175,555	164,177
Deferred tax liabilities	(32,641)	(22,205)
	142,914	141,972

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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 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
(Charge) Credit to profit or loss	(3,622)	(4,746)	(74)	41,417	3,014	35,989
As at 31 December 2025 and 1 January 2026 (Audited)	(22,205)	37,252	972	108,944	17,009	141,972
(Charge) Credit to profit or loss	(10,436)	(1,089)	(42)	-	12,509	942
As at 30 June 2026 (Unaudited)	(32,641)	36,163	930	108,944	29,518	142,914
Represented by:						
As at 31 December 2025						
Deferred tax assets	-	37,252	972	108,944	17,009	164,177
Deferred tax liabilities	(22,205)	-	-	-	-	(22,205)
As at 30 June 2026						
Deferred tax assets	-	36,163	930	108,944	29,518	175,555
Deferred tax liabilities	(32,641)	-	-	-	-	(32,641)

As at 30 June 2026, the Group has unused tax losses of RMB1,177,762,000 (31 December 2025: RMB829,802,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB435,776,000 (31 December 2025: RMB435,776,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of approximately RMB741,986,000 (31 December 2025: RMB394,026,000), due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB741,986,000 (31 December 2025: RMB394,026,000) that will expire in 5 years.

At the end of the reporting period, the Group has deductible temporary differences of RMB607,738,000 (31 December 2025: RMB426,610,000) 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 2026

16. LOAN RECEIVABLE

Loan receivable comprises of:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Principal	208,250	208,252

The Group's loan receivable is due from an associate, PetroChina (Inner Mongolia) New Material Company Limited ("New Material Company"), and denominated in RMB. The loan receivable is secured with certain land and buildings, interest-bearing at 5-year Loan Prime Rate minus 1.75% per annum (*31 December 2025: unsecured, interest-bearing at 5-year Loan Prime Rate minus 1.75% per annum*) and originally repayable on 8 May 2026. During the period, the Company and New Material Company agreed to extend the loan receivable for further three years which is repayable on 7 May 2029. 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within one year	-	208,252
Over one year but within two years	-	-
Over two years but within three years	208,250	-
	208,250	208,252

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

17. INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Raw materials and spare parts	580,289	353,196
Work in progress	318,855	198,658
Finished goods	379,311	549,999
	1,278,455	1,101,853
Write-down	(54,014)	(59,050)
	1,224,441	1,042,803

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within one year	128,091	62,806

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

18. TRADE RECEIVABLES (CONTINUED)

As at 30 June 2026 and 31 December 2025, the amounts due from ultimate holding company, 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 follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CNOOC group companies	52,347	53,486
Associates	63,347	332
Joint ventures	1,195	1,074
	116,889	54,892

19. BILLS RECEIVABLE

The bills receivable of the Group as at 30 June 2026 and 31 December 2025 all mature within twelve months.

As at 30 June 2026, the Group has transferred bills receivable of RMB65,000 (31 December 2025: Nil) 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 fail 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 2026, the Group's maximum exposure to loss, which is the 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 RMB65,000 (31 December 2025: Nil).

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 2026

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments	69,953	101,514
Interest receivables	583,759	618,393
Deposits and other receivables	25,725	27,399
Less: impairment loss	(8,491)	(8,491)
	670,946	738,815

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 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CNOOC group companies	1,375	18,417
Associates	4,270	4,163
Joint ventures	-	53,619
	5,645	76,199

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Wealth management products	-	1,166,305

Financial assets at FVTPL represent wealth management products in licensed banks. Change in fair value of financial assets at FVTPL of RMB1,136,000 (*six months ended 30 June 2025: RMB21,671,000*) was recognised for the six months ended 30 June 2026. As at 31 December 2025, the wealth management products will mature within 6 months.

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank and financial institution balances	14,016,047	12,867,268
Less: Pledged bank deposits	(14,874)	(13,292)
Restricted bank deposits	-	(17,402)
Time deposits with original maturity over three months	(13,250,000)	(12,100,000)
Cash and cash equivalents in the consolidated statement of cash flows	751,173	736,574

The Group's cash and bank balances were denominated in RMB as at 30 June 2026 and 31 December 2025, except for (i) RMB88,374,000 (31 December 2025: RMB100,879,000) which was translated from USD12,975,000 (31 December 2025: USD14,352,000) and (ii) RMB2,000 (31 December 2025: RMB4,000) which was translated from HK\$2,000 (31 December 2025: HK\$4,000).

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 2026, included in the Group's cash and cash equivalents were RMB389,542,000 (31 December 2025: RMB389,480,000) deposited in CNOOC Finance Corporation Limited ("CNOOC Finance"), a licensed financial institution, which is a subsidiary of the ultimate holding company. Time deposits earn interest at rates ranging from 1.75% to 3.75% (31 December 2025: 1.75% to 3.75%) per annum, of which RMB9,100,000,000 (31 December 2025: RMB7,600,000,000) and corresponding interest receivable RMB145,505,000 (31 December 2025: RMB201,864,000) will recover over one year.

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 2026

23. ISSUED CAPITAL

	30 June 2026 (Unaudited)		31 December 2025 (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 2026 (unaudited) and 31 December 2025 (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 2026, a final dividend of RMB0.112 per share in respect of the year ended 31 December 2025 in sum of RMB516,320,000 (*six months ended 30 June 2025: a final dividend of RMB0.1208 per share in respect of the year ended 31 December 2024 in sum of RMB556,888,000*) was declared and paid to the owners of the Company.

The board of directors of the Company did not recommend the payment of an interim dividend for the six months ended 30 June 2026 (*six months ended 30 June 2025: RMBNil*).

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2026, bank borrowings of RMB2,228,816,000 (31 December 2025: RMB1,985,962,000) were unsecured with effective interest rates of 1.80% to 2.66% (31 December 2025: 1.8% to 2.7%) per annum, payable within 2026 to 2035 (31 December 2025: payable within 2026 to 2035). The amounts due were based on the scheduled repayment dates set out in the loan agreements.

As at 30 June 2026, other borrowings of RMB143,813,000 (31 December 2025: RMB64,060,000) were unsecured and due to the CNOOC Finance with effective interest rates of 2.05% to 2.11% (31 December 2025: 2.05% to 2.4%) per annum, payable within 2027 to 2034 (31 December 2025: 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within one year	1,034,078	1,046,618
Over one year but within two years	64,499	62,904
Over two years but within three years	-	1,784
Over three years	1,486	1,486
	1,100,063	1,112,792

As at 30 June 2026 and 31 December 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CNOOC group companies	504,843	428,920
Joint ventures	30,579	6,631
Other Related Parties	2,984	3,890
	538,406	439,441

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

27. OTHER PAYABLES AND ACCRUALS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Accrued payroll	364,205	172,381
Other payables	126,497	153,864
Payables to government	12,748	12,774
Other tax payables	50,325	44,801
Port construction fee payable	158,773	158,773
Dividend payable to non-controlling interest	10,756	-
	723,304	542,593

As at 30 June 2026 and 31 December 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CNOOC group companies	15,668	-
Associates	6	253
	15,674	253

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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 2026 and 31 December 2025, the Group had the following capital commitments:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided, for acquisition of plant and machinery	414,340	350,510

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

29. RELATED PARTY TRANSACTIONS

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

	Six months ended	
	30 June 2026	30 June 2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
(A) Included in revenue and other income		
(a) CNOOC group companies		
Sale of goods	610,920	377,178
Provision of packaging and assembling services	-	47,393
Provision of transportation services	8	3,529
Provision of logistics services	1	420
Provision of labour services	74,885	33,731
Lease of property and land	3,294	3,364
	689,108	465,615
(b) Other Related Parties		
Sale of goods	140,025	6,799
(B) Included in cost of sales and other expenses		
(a) CNOOC group companies		
Purchase of raw materials	3,190,378	2,401,897
Labour services	62,271	73,158
Lease of offices and related charges	19,042	20,627
Logistics services	7,233	4,684
Network services	595	5,384
Construction and installation services	3,694	-
Transportation services	-	50
	3,283,213	2,505,800
(C) Included in finance income/costs		
(a) CNOOC Finance		
Finance income	898	1,587
Fees and charges	1,627	1,623

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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 2026	31 December 2025	30 June 2026	31 December 2025
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
CNOOC group companies	63,347	83,850	570,382	491,490
Associates	276,089	212,747	1,602	12,626
Joint venture	1,543	54,693	63,608	6,631
CNOOC Finance	-	-	64,056	64,060
Other Related Parties	-	-	2,984	3,890
			30 June 2026	31 December 2025
			RMB'000	RMB'000
			(Unaudited)	(Audited)
Deposits placed by the Group with CNOOC Finance			389,542	389,480

(3) Compensation of key management personnel of the Group

	Six months ended	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	1,830	3,258
Post-employment benefits	205	83
	2,035	3,341

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

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 RMB333,041,000 (30 June 2025: RMB336,936,000) from Longmei. Urea and phosphorus sold by the Company and China BlueChemical Marketing Hainan Limited, a subsidiary of the Company, to Guangdong Tianhe Agricultural Means of Production Co. Ltd. was amounted to RMB302,544,000 (30 June 2025: RMB300,826,000) during the six months ended 30 June 2026 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 2026 and 31 December 2025, as summarised below:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and cash equivalents	361,631	347,094
Pledged bank deposits	14,874	13,292
Restricted bank deposits	-	17,402
Time deposits	13,250,000	12,100,000
	13,626,505	12,477,788
Interest-bearing bank and other borrowings	2,228,816	1,985,962

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 2026

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).

Notes to the Interim Condensed Consolidated Financial Statements - Continued

For the six months ended 30 June 2026

30. FINANCIAL INSTRUMENTS (CONTINUED)

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

	30 June 2026 (Unaudited)		
	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000
Financial assets at FVTPL			
- Wealth management products	-	-	-
Financial assets at FVOCI			
- Unlisted equity investment	-	600	600
- Bills receivable	-	103,201	103,201
	31 December 2025 (Audited)		
	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000
Financial assets at FVTPL			
- Wealth management products	1,166,305	-	1,166,305
Financial assets at FVOCI			
- Unlisted equity investment	-	600	600
- Bills receivable	-	141,159	141,159

During the six months ended 30 June 2026 and 30 June 2025, 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 2026.

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
Beijing	Tel: (86) 010 84527343 Fax: (86) 010 84527254
Website	www.chinabluechem.com.cn
Stock Code	Hong Kong Stock Exchange: 3983

www.chinabluechem.com.cn