

Bluestar Adisseo Company

The Third Quarter Report 2018

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1 Important Notice

1.1 The Board of Directors, and Supervisory Committee of Bluestar Adisseo Company (hereinafter referred to as “BAC” or “the Company”), as well as all the directors, supervisors and senior executives hereby confirm that the whole content of the quarterly report is true, accurate and complete, and no false statement, misleading statements or important omissions carried in this report, and that they shall take all responsibilities jointly and individually for such content.

1.2 All directors were present at the meeting of the Board for deliberating the third quarter report of the Company.

1.3 The legal representative of the Company Jean-Marc DUBLANC, person in charge of finance function Jean-Marc DUBLANC and the head of the accounting department (accountants in charge) Yun CAI, hereby confirm that the truthfulness, accuracy and completeness of the financial statements in the third quarter report 2018.

1.4 The financial statements in the third quarter report 2018 have not been audited.

1.5 This is an English translation of the 2018 Q3 Report of Bluestar Adisseo Company. If there is any conflict between the Chinese version and its English translation, the Chinese version will prevail.

2 Basic Information of the Company

2.1 Major financial data

Unit: Yuan

Currency: RMB

	As of September 30 2018	As of December 31 2017	Changes in comparison with the end of last year (%)
Total assets	21,097,484,933	21,329,082,225	-1%
Net assets attributable to the shareholders of the Company	13,524,109,026	13,164,279,736	3%
	From January 1 2018 to September 30 2018	From January 1 2017 to September 30 2017	Changes in comparison with the same period of last year (%)
Net cash flow arising from operating activities	738,686,767	1,585,430,847	-53%
	From January 1 2018 to September 30 2018	From January 1 2017 to September 30 2017	Changes in comparison with the same period of last year (%)
Operating revenues	8,525,305,727	7,617,619,505	12%
Net profits attributable to shareholders of the Company	709,514,301	911,670,690	-22%
Net profits attributable to shareholders of the Company deducting non-recurring profit or losses	698,631,182	900,612,686	-22%
Weighted average return on net assets	5.34	7.30	-1.96
Basic earnings per share (Yuan/share)	0.26	0.34	-24%
Diluted earnings per share (Yuan/share)	0.26	0.34	-24%

The Company recorded an operating revenue of CNY8,525 million, representing a yoy increase of 12% mainly driven by the steady volume growth in liquid methionine; exceptional contribution from Vitamin business in a context of volatile market supply situation as well as the strong growth in specialty products due to new product development as well as continued portfolio expansion including Nutriad offering despite the dairy market crisis in US.

Facing the deteriorated environment such as raw material costs increase, fiercer competition and uncertain FX impact, the gross profit margin remained flat as H1 2018 at 35%. The net profit contributed to shareholders landed at CNY710 million, representing a yoy decrease of 22% mainly driven by increased depreciation arising

from the continuous investments as well as negative FX impact.

Non-recurring profit/loss items

☒ Applicable ☐ Not applicable

Unit: Yuan

Currency: RMB

Item	Amount for current period (July. – Sept. 2018)	Amount of from the beginning of this year to the end of the reporting period	Description
Net profit/loss on disposal of non-current assets	341,648	(1,778,595)	Scrapping of nonconform or defective equipment
Government grants recognized in profit or loss, other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	3,360,244	16,845,801	Mainly grants for land use right return and industrial structure adjustment for the Nanjing plant
Other non-operating income or expenses other than the above	3,262,628	3,093,996	
Impacts attributable to minority interests (after tax)	(728,100)	(1,920,551)	
Impact of income tax	(2,110,517)	(5,357,531)	
Total	4,125,903	10,883,120	

2.2 Total number of shareholders, and details on top ten shareholders and top ten shareholders without trade restrictions as of the end of reporting period

Unit: Share

Total number of shareholders					21,695	
Details on top ten shareholders						
Name of shareholder	Number of ordinary	Proportion of ordinary shares held (%)	Number of restricted ordinary shares held	Number of ordinary share pledged/frozen		Nature of shareholder
				Share status	Number	
China National Bluestar (Group) Co., Ltd.	2,389,387,160	89.09%	2,107,341,862	Frozen	10,000,000	SOE
Perseverance Asset Management (Shanghai) LLP.	50,000,000	1.86%	0	Unknown	0	Unknown
China Securities Finance Corporation Limited	13,794,697	0.51%	0	Unknown	0	Unknown
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	6,607,000	0.25%	0	Unknown	0	Unknown
Changshi Investment Company Ltd	6,563,822	0.24%	0	Pledged	6,560,000	Unknown
China Electronic Investment Holding Company	5,185,185	0.19%	0	Unknown	0	Unknown
Yi HE	4,000,000	0.15%	0	Unknown	0	Unknown
Beijing Research and Design Institute of Rubber Industry	3,737,262	0.14%	0	Unknown	0	Unknown
Beijing international trust co. LTD-Northern trust changshi no. 6 structured securities investment fund trust plan	2,730,147	0.10%	0	Unknown	0	Unknown
Industrial bank co. LTD-Xingquan organic growth flexible allocation of hybrid securities investment funds	2,671,800	0.10%	0	Unknown	0	Unknown
Details on top ten shareholders without trade restrictions						

Name of shareholder	Number of unrestricted shares held at the end of the reporting period	Type of shares	
		Type	Number
China National Bluestar (Group) Co., Ltd.	282,045,298	RMB Common share	282,045,298
Preseverance Asset Management (Shanghai) LLP.	50,000,000	RMB Common share	50,000,000
China Securities Finance Corporation Limited	13,794,697	RMB Common share	13,794,697
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	6,607,000	RMB Common share	6,607,000
Changshi Investment Company Ltd	6,563,822	RMB Common share	6,563,822
China Electronic Investment Holding Company	5,185,185	RMB Common share	5,185,185
Yi He	4,000,000	RMB Common share	4,000,000
Beijing Research and Design Institute of Rubber Industry	3,737,262	RMB Common share	3,737,262
Northern international trust co. LTD-Northern trust changshi no. 6 structured securities investment fund trust plan	2,730,147	RMB Common share	2,730,147
Industrial bank co. LTD-Xingquan organic growth flexible allocation of hybrid securities investment funds	2,671,800	RMB Common share	2,671,800
Statement on related relationship or acting in concert among the above shareholders	The State-owned corporation shareholders, China National Bluestar (Group) Co., Ltd. and Beijing Research and Design Institute of Rubber Industry (who owns 3,737,262 shares), are subsidiaries of China National Chemical Corporation. Except for the abovementioned shareholders, the Company does not know whether any related relationship exists among other shareholders, or whether the other shareholders have acted in concert as regulated by the Administrative Measures for Purchasing of Listed Companies.		
Details on preferred shareholders with voting rights and the quantity of shares held	Not applicable		

2.3 Total number of preferred shareholders, and details on top ten preferred shareholders and top ten preferred shareholders without trade restrictions as of the end of reporting period

☐ Applicable ☒ Not applicable

3 Important Matters

3.1 Major changes to any of the main items in the financial statements or financial indicators of the Company for the reporting period and the reasons for such changes

3.1

☒ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Balance Sheet Items	30/09/2018	31/12/2017	Total Fluctuation		Explanations on fluctuation
			RMB	%	
Cash at bank and on hand	5,083,858,092	7,659,509,312	(2,575,651,220)	-34%	Nutriad Acquisition
Other receivables	24,497,380	43,080,271	(18,582,891)	-43%	Payment received linked to the insurance compensation of a 2015 losse in Nanjing plant
Other current assets	576,169,630	371,771,619	204,398,011	55%	Tax prepayment
Available-for-sale financial assets	26,162,538	16,866,929	9,295,609	55%	Creation of the AVF fund, managed by Seventure
Long-term receivables	59,512,882	33,774,008	25,738,874	76%	Deposit in Brazil Nutriad affiliate
Construction in progress	1,399,893,732	887,324,323	512,569,409	58%	Increase linked to European and Nanjing platforms expansion and A-Dry+ projects
Goodwill	1,598,245,659	872,298,201	725,947,458	83%	Nutriad acquisition
Other non-current assets	87,024,340	8,468,000	78,556,340	928%	Miscellaneous prepayments for the third platform construction in Nanjing.
Derivative financial liabilities	5,599,759	9,495,399	(3,895,640)	-41%	Change related to hedging of EUR/USD
Advances from customers	17,695,351	4,551,000	13,144,351	289%	Increase of consignment sales
Wages and benefits payable	434,725,134	690,155,511	(255,430,377)	-37%	Decrease linked to the payment of employee benefits with maturity less than one year at the end of 2017
Dividends payable	0	154,485,540	(154,485,540)	-100%	Payment on June 13
Other payables	253,815,574	383,467,988	(129,652,414)	-34%	Payments of CAPEX suppliers on European platform expansion and A-Dry+ projects
Other comprehensive income	(317,205,384)	(484,132,396)	166,927,012	34%	Impact of exchange rate EUR/CNY

Income statement items	1/01/2018- 30/09/2018	1/01/2017- 30/09/2017	Total Fluctuation		Explanations on fluctuation
			RMB	%	
General and administrative expenses	538,745,530	392,819,838	145,925,692	37%	Increase linked to Nutriad acquisition (-1% at constant scope)
Financial expenses - net	47,119,600	(45,471,183)	92,590,783	-204%	Negative FX result in 2018 linked to South America currencies' weakness and Interest expenses impacted by increase in fair value of long-term incentive plan
Asset impairment losses	6,600,566	(18,083,722)	24,684,288	-137%	Reversal of inventories depreciation on 2017 vs New provisions for inventories and bad debt in 2018
Add: Gains (losses) from changes in fair values	(645,201)	64,569,647	(65,214,848)	-101%	Evolution of hedging linked to EUR/USD
Gain (loss) from disposal of assets	(1,778,596)	0	(1,778,596)	100%	Previously recognize in non-operating-expenses
Other income	16,845,801	0	16,845,801	100%	Government grants related to assets previously recognized as non-operating income
Add: Non-operating income	3,575,759	19,659,544	(16,083,785)	-82%	Government grants related to assets now recognize in operating income
Less: Non-operating expenses	481,762	1,590,911	(1,109,149)	-70%	Losses from disposal of assets now recognize in operating result
VI. Net other comprehensive income	258,519,449	621,352,378	(362,832,929)	-58%	Impact of exchange rate EUR/CNY

Cash flow statement items	1/01/2018- 30/09/2018	1/01/2017- 30/09/2017	Total Fluctuation		Explanations on fluctuation
			RMB	%	
Net Cash Flow generated from Operating Activities	738,686,767	1,585,430,847	(846,744,080)	-53%	Decrease linked to the increased working capital
Net Cash Flow used in Investing Activities	(2,002,489,883)	(754,780,949)	(1,247,708,934)	165%	Increase of investments linked to Nutriad acquisition

Net Cash Flow from Financing Activities	(1,297,397,723)	(745,308,211)	(552,089,512)	74%	Redemption of the preferred shares for USD 80 million
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3.2 Progress and impact of important events, and the analysis of the solutions

☐ Applicable ☒ Not applicable

3.3 Unsatisfied or overdue commitments in the reporting period

☐ Applicable ☒ Not applicable

3.4 Warning of loss forecasted from the beginning of the year to the end of next reporting period, or significant fluctuation in the net profit compared with the same period of last year, and explanations.

☐ Applicable ☒ Not applicable

Entity 公司名称	Bluestar Adisseo Company. 蓝星安迪苏股份有限公司
Legal representative 法定代表人	Jean-Marc Dublanc
Date 日期	2018 年 10 月 25 日

4 Appendix

4.1 Financial statements

Consolidated Balance Sheet

As of September 30 2018

Prepared by: Bluestar Adisseo Company

Unit: Yuan

Currency: RMB

Audit Type: Unaudited

	Closing balance	Opening balance
Current Assets:		
Cash at bank and on hand	5,083,858,092	7,659,509,312
Financial assets at fair value through profit or loss		
Derivative financial assets	18,689,896	19,287,286
Notes receivable & Accounts receivable	1,716,048,078	1,400,215,744
Including: notes receivable	0	0
accounts receivable	1,716,048,078	1,400,215,744
Advances to suppliers	74,959,285	60,193,006
Other receivables	36,239,424	52,774,014
Including: interest receivable	11,742,044	9,693,743
dividend receivable	0	0
Inventories	1,825,675,893	1,600,497,917
Other current assets	576,169,630	371,771,619
Total current assets	9,331,640,298	11,164,248,898
Non-current Assets:		
Available-for-sale financial assets	26,162,538	16,866,929
Long-term receivables	59,512,882	33,774,008
Long-term equity investments		
Investment properties		
Fixed assets	6,110,942,909	6,348,953,422
Construction in progress	1,399,893,732	887,324,323
Construction materials		
Fixed assets pending for disposal		
Intangible assets	2,291,689,641	1,781,185,185
Development costs	82,898,863	78,920,265
Goodwill	1,598,245,659	872,298,201
Long-term prepaid expenses	0	0
Deferred tax assets	109,474,071	137,042,994
Other non-current assets	87,024,340	8,468,000
Total non-current assets	11,765,844,635	10,164,833,327
TOTAL ASSETS	21,097,484,933	21,329,082,225

	Closing balance	Opening balance
Current Liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	5,599,759	9,495,399
Notes payable & accounts payable	1,144,766,203	1,219,258,270
Advances from customers	17,695,351	4,551,000
Wages and benefits payable	434,725,134	690,155,511
Taxes payable	281,239,579	221,281,764
Other payables	261,137,869	546,513,420
Including: interest payable	7,322,295	8,559,892
dividends payable	0	154,485,540
Current portion of non-current liabilities	61,699,892	85,191,616
Other current liabilities	19,306,778	23,477,500
Total current liabilities	2,226,170,565	2,799,924,480
Non-current Liabilities:		
Long-term borrowings	10,911,118	12,531,930
Long-term payables	8,914,600	9,894,097
Long-term employee benefits payable	454,773,797	407,467,115
Special payables		
Provisions		
Deferred income	170,091,369	169,014,905
Deferred tax liabilities	835,418,499	673,175,847
Other non-current liabilities		
Total non-current liabilities	1,480,109,383	1,272,083,894
Total liabilities	3,706,279,948	4,072,008,374
SHAREHOLDERS' EQUITY:		
Paid-in capital	2,681,901,273	2,681,901,273
Other equity instruments		
Capital reserve	2,232,457,348	2,232,457,348
Other comprehensive income	(317,205,384)	(484,132,396)
Special reserve		
Surplus reserve	354,049,173	351,560,696
Undistributed profits	8,572,906,616	8,382,492,815
Total equity attributable to equity holders of the Company	13,524,109,026	13,164,279,736
Non-controlling interests	3,867,095,959	4,092,794,115
Total owners' equity	17,391,204,985	17,257,073,851
TOTAL LIABILITIES AND OWNERS' EQUITY	21,097,484,933	21,329,082,225

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

Balance Sheet of the Company

As of September 30 2018

Prepared by: Bluestar Adisseo Company

Unit: Yuan

Currency: RMB

Audit Type: Unaudited

Item	Closing balance	Opening balance
Current Assets:		
Cash at bank and on hand	2,674,995,256	2,241,610,694
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable & accounts receivable		
Including: notes receivable		
accounts receivable		
Advances to suppliers	244,098	89,591
Other receivables	11,710,000	884,628,060
Including: interest receivable	11,710,000	9,210,000
dividend receivable	0	875,418,060
Inventories		
Assets held for sale		
Other current assets		
Total Current Assets	2,686,949,354	3,126,328,345
Non-current Assets:		
Available-for-sale financial assets		
Long-term receivables		
Long-term equity investments	7,492,295,416	7,492,295,416
Investment properties		
Fixed assets	68,071	98,632
Construction in progress		
Construction materials		
Fixed assets pending for disposal		
Intangible assets	16,212	32,424
Development costs		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets		
Other non-current assets	2,680,383	2,141,853
Total Non-current Assets	7,495,060,082	7,494,568,325
Total Assets	10,182,009,436	10,620,896,670
Current Liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		

Derivative financial liabilities		
Notes payable & accounts payable		
Advances from customers		
Wages and benefits payable	84,000	84,000
Taxes payable	155,323	110,877
Interest payable		
Dividends payable		
Other payables	34,806,682	34,654,210
Including: interest payable	0	0
dividend payable	0	0
Liabilities held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total Current Liabilities	35,046,005	34,849,087
Non-current Liabilities:		
Long-term borrowings		
Notes payables		
Long-term payables		
Long-term employee benefits payable		
Special payables		
Provisions		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total Non-current Liabilities		
Total Liabilities	35,046,005	34,849,087
Shareholders' Equity:		
Paid-in capital	2,681,901,273	2,681,901,273
Other equity instruments		
Including: Preferred shares		
Capital reserve	6,681,557,628	6,681,557,628
Other comprehensive income		
Special reserve		
Surplus reserve	354,049,173	351,560,696
Undistributed profits	429,455,357	871,027,986
Total Owners' Equity	10,146,963,431	10,586,047,583
Total Liabilities And Owners' Equity	10,182,009,436	10,620,896,670

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

Consolidated Income Statement

Prepared by: Bluestar Adisseo Company

Unit: Yuan

Currency: RMB

Audit Type: Unaudited

Item	3 months ended September 30 2018	3 months ended September 30 2017	9 months ended September 30 2018	9 months ended September 30 2017
I. Total operating revenues	2,775,317,639	2,685,499,272	8,525,305,727	7,617,619,505
Including: Operating income	2,775,317,639	2,685,499,272	8,525,305,727	7,617,619,505
II. Total operating costs	2,400,639,140	2,114,538,009	7,239,130,166	6,081,672,163
Including: Cost of sales	1,823,637,394	1,715,446,717	5,568,355,058	4,801,873,322
Business taxes and surcharges	24,232,769	23,681,804	72,698,306	71,045,412
Selling and distribution expenses	291,207,997	259,011,897	816,724,977	730,907,281
General and administrative expenses	182,687,763	127,422,715	538,745,530	392,819,838
Research and development expenses	53,185,619	50,438,788	188,886,129	148,581,215
Financial expenses - net	26,271,284	(54,717,509)	47,119,600	(45,471,183)
Including: Interest expenses	891,128	925, 560	3,293,321	5,196,146
Interest income	(27,272,190)	(20, 501, 362)	(74,875,109)	(60,755,366)
Asset impairment losses	(583,686)	(6,746,403)	6,600,566	(18,083,722)
Add: Gains (losses) from changes in fair values	23,191,313	(15,604,661)	(645,201)	64,569,647
Investment income (Loss)				
Including: Income from investments in associates and joint ventures				
Gain (loss) from disposal of assets	341,648		(1,778,596)	
Other income	3,360,244		16,845,801	
III. Operating profit (Loss)	401,571,704	555,356,602	1,300,597,565	1,600,516,989
Add: Non-operating income	3,442,474	6,302,885	3,575,759	19,659,544
Including: Gains from disposal of non-current assets				
Less: Non-operating expenses	179,845	(4,523,998)	481,762	1,590,911
Losses from disposal of non-current		65,087		285,086
IV. Total profit (Total loss)	404,834,333	566,183,485	1,303,691,562	1,618,585,622
Less: Income tax expenses	123,920,642	137,285,337	384,587,311	453,203,974
V. Net profit (Net loss)	280,913,691	428,898,148	919,104,251	1,165,381,648
Net profit (loss) from continuing operations	280,913,691	428,898,148	919,104,251	1,165,381,648

Item	3 months ended September 30 2018	3 months ended September 30 2017	9 months ended September 30 2018	9 months ended September 30 2017
Net profit (loss) from discontinued operations				
Net profit attributable to non-controlling interests	60,610,958	94,598,179	209,589,950	253,710,958
Net profit attributable to equity holders of the Company	220,302,733	334,299,969	709,514,301	911,670,690
VI. Net other comprehensive income	441,566,104	68,705,688	258,519,449	621,352,378
Other comprehensive income (net of tax) attributable to owners of the parent company	287,595,387	38,955,202	166,927,012	398,146,523
1. Other comprehensive income which will not be reclassified subsequently to profit or loss		28,814		1,653,798
1) Actuarial differences on defined benefit plans		28,814		1,653,798
2. Other comprehensive income which will be reclassified subsequently to profit or loss	287,595,387	38,926,388	166,927,012	396,492,725
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments	4,231,127	(6,483,915)	3,739,831	11,081,087
2) Differences on translation arising on translation of foreign currency financial statements ²	283,364,260	45,410,303	163,187,181	385,411,638
Net other comprehensive income to minority shareholders after tax	153,970,717	29,750,486	91,592,437	223,205,855
VII. Total comprehensive income	722,479,795	497,603,836	1,177,623,700	1,786,734,026
Total comprehensive income attributable to equity holders of the Company	507,898,120	373,255,171	876,441,313	1,309,817,213
Total comprehensive income attributable to non-controlling interests	214,581,675	124,348,665	301,182,387	476,916,813
VIII. Earnings per share				
(I) Basic earnings per share	0.08	0.12	0.26	0.34
(II) Diluted earnings per share	0.08	0.12	0.26	0.34

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

Income Statement of the Company

Prepared by: Bluestar Adisseo Company

Unit: Yuan

Currency: RMB

Audit Type: Unaudited

Item	3 months ended September 30 2018	3 months ended September 30 2017	9 months ended September 30 2018	9 months ended September 31 2017
I. Operating revenues				
Less: Cost of sales				
Business taxes and surcharges				
Selling and distribution expenses				
General and Administrative expenses	3,465,379	4,433,512	11,905,455	12,913,960
Research and development expenses				
Financial expenses – net	(24,877,864)	(17,450,289)	(36,810,223)	(77,705,221)
Including: interest expenses	0	0	0	0
interest income	(25,589,084)	(18,630,664)	(67,488,029)	(54,821,310)
Asset impairment losses				
Add: Gains from changes in fair values (Losses)				
Investment income (Loss)				
Including: Income from investments in associates and joint ventures				
Gain (loss) from disposal of assets				
Other income				
II. Operating profit (Loss)	21,412,485	13,016,777	24,904,768	64,791,261

Item	3 months ended September 30 2018	3 months ended September 30 2017	9 months ended September 30 2018	9 months ended September 31 2017
Add: Non-operating income			60,000	
Less: Non-operating expenses			80,000	
III. Total profit (Total loss)	21,412,485	13,016,777	24,884,768	64,791,261
Less: Income tax expenses				
IV. Net profit (Net loss)	21,412,485	13,016,777	24,884,768	64,791,261
Net profit (loss) from continuing operations	21,412,485	13,016,777	24,884,768	64,791,261
Net profit (loss) from discontinued operations	0	0	0	0
V. Net other comprehensive income				
1. Other comprehensive income which will not be reclassified subsequently to profit or loss				
1) Actuarial differences on net defined benefit plan				
2. Other comprehensive income which will be reclassified subsequently to profit or loss				
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments				
2) Difference on translation arising on translation of foreign currency financial statements				
VI. Total comprehensive income	21,412,485	13,016,777	24,884,768	64,791,261
VII. Earnings per				

Item	3 months ended September 30 2018	3 months ended September 30 2017	9 months ended September 30 2018	9 months ended September 31 2017
share:				
(I) Basic earnings per share	Non-applicable	Non-applicable	Non-applicable	Non-applicable
(II) Diluted earnings per share)	Non-applicable	Non-applicable	Non-applicable	Non-applicable

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

Consolidated Cash Flow Statement

Three months ended September 30 2018

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item 项目	9 months ended September 30 2018	9 months ended September 30 2017
I. Cash Flows from Operating Activities:		
Cash received from sale of goods or rendering of services	6,928,440,218	7,621,684,141
Refunds of taxes and surcharges		
Cash received relating to other operating activities	89,408,466	45,324,982
Sub-total of cash inflows from operating activities	7,017,848,684	7,667,009,123
Cash paid for goods and services	4,501,531,339	4,533,937,800
Cash paid to and on behalf of employees	1,257,624,003	992,928,073
Payments of taxes and surcharges	428,711,973	500,963,242
Cash paid relating to other operating activities	91,294,602	53,749,161
Sub-total of cash outflows from operating activities	6,279,161,917	6,081,578,276
Net Cash Flow generated from Operating Activities	738,686,767	1,585,430,847
II. Cash Flows from Investing Activities:		
Cash received from disposals of investments		
Cash received from investment income and interest income	72,546,126	0
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	751,133	135,662
Net cash received from disposals of subsidiaries and other business units		
Cash received relating to other investing activities	843,078	291,798
Sub-total of cash inflows from investing activities	74,140,337	427,460
Cash paid to purchase fixed assets, intangible assets and other long-term assets	916,157,471	754,099,392
Cash paid to acquire investments	8,581,944	
Net cash paid for acquisitions of subsidiaries	1,151,333,837	
Cash paid relating to other investing activities	556,968	1,109,017
Sub-total of cash outflows from investing activities	2,076,630,220	755,208,409
Net Cash Flow used in Investing Activities	(2,002,489,883)	(754,780,949)
III. Cash Flows from Financing Activities:		
Cash received from capital contributions	(515,143,622)	
Including: cash received from capital contributions by non-controlling interests of subsidiaries	(462,494,761)	
Cash received from borrowings		

Item 项目	9 months ended September 30 2018	9 months ended September 30 2017
Cash received from issuance of debentures		
Cash received relating to other financing activities	0	53,778,495
Sub-total of cash inflows from financing activities	(515,143,622)	53,778,495
Cash repayments of borrowings	86,997,481	3,009,169
Cash payments for interest expenses and distribution of dividends or profits	695,256,620	796,077,537
Including: dividends and profits paid to non-controlling shareholders of subsidiaries	217,713,527	65,205,790
Cash paid relating to other financing activities		
Sub-total of cash outflows from financing activities	782,254,101	799,086,706
Net Cash Flow from Financing Activities	(1,297,397,723)	(745,308,211)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(14,450,381)	244,106,181
V. Net Increase in Cash and Cash Equivalents	(2,575,651,220)	329,447,868
Add: Opening balance of Cash and Cash Equivalents	7,659,509,312	6,681,296,187
VI. Closing Balance of Cash and Cash Equivalents	5,083,858,092	7,010,744,055

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

Cash Flow Statement of the Company

Nine months ended September 30 2018

Prepared by: Bluestar Adisseo Company, Ltd.

Unit: Yuan

Currency: RMB

Audit Type: Unaudited

Item	9 months ended September 30 2018	9 months ended September 30 2017
I. Cash Flows from Operating Activities:		
Cash received from sale of goods or rendering of services		
Refunds of taxes and surcharges		
Cash received relating to other operating activities	88,206,875	48,626,395
Sub-total of cash inflows from operating activities	88,206,875	48,626,395
Cash paid for goods and services		
Cash paid to and on behalf of employees	1,866,827	3,552,006
Payments of taxes and surcharges	1,308,139	886,433
Cash paid relating to other operating activities	33,170,165	8,001,443
Sub-total of cash outflows from operating activities	36,345,131	12,439,882
Net Cash Flow generated from Operating Activities	51,861,744	36,186,513
II. Cash Flows from Investing Activities:		
Cash received from disposals of investments		
Cash received from investment income and interest income	845,438,220	614,763,374
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		
Net cash received from disposals of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	845,438,220	614,763,374
Cash paid to purchase fixed assets, intangible assets and other long-term assets	13,749	0
Cash paid to acquire investments		
Net cash paid for acquisitions of subsidiaries		
Cash paid relating to other investing activities		

Item	9 months ended September 30 2018	9 months ended September 30 2017
Sub-total of cash outflows from investing activities	13,749	0
Net Cash Flow used in Investing Activities	845,424,471	614,763,374
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities		
Cash repayments of borrowings		
Cash payments for interest expenses and distribution of dividends or profits	463,968,920	611,473,490
Cash payments relating to other financing activities		
Sub-total of cash outflows from financing activities	463,968,920	611,473,490
Net Cash Flow from Financing Activities	(463,968,920)	(611,473,490)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	67,267	(1,346,378)
V. Net Increase in Cash and Cash Equivalents	433,384,562	38,130,019
Add: Opening balance of Cash and Cash Equivalents	2,241,610,694	2,188,578,354
VI. Closing Balance of Cash and Cash Equivalents	2,674,995,256	2,226,708,373

Legal Representative: Jean-Marc DUBLANC Person in Charge of the Accounting Body: Jean-Marc DUBLANC Chief Accountant: Yun CAI

4.2 Audit report

If the quarterly report has been audited by certified public accountants, the appendix shall disclose the audit report.

☐ Applicable ☒ Not applicable

(In case of discrepancies between the English version and the Chinese version of this announcement, the Chinese version, officially published and disclosed, shall prevail.)