

Bluestar Adisseo Company

2023 H1 Performance Reduction Forecast

The board of directors and all directors guarantee that this announcement does not contain any false statement, misleading statement or material omission, and assume legal liability for the authenticity, accuracy and integrity of this announcement.

Important notice:

- The performance forecast for this period is applicable to achieving profitability, and the net profit has decreased by more than 50% compared to the same period last year.
- Bluestar Adisseo Company (hereinafter referred to as the "Company") is expected to achieve net profit attributable to the shareholders of the Company of RMB 30.00 million to 35.00 million yuan in the first half of 2023, a decrease of RMB 834.48 million to 839.48 million yuan compared to the same period last year, and a year-on-year decrease of 95.97% to 96.55%.
- It is expected that net profit attributable to shareholders of the Company after deduction of non-recurring profit or losses in the first half of 2023 will be RMB 10.00 million to 15.00 million yuan. Compared with the same period last year, it is expected to decrease by RMB 853.38 million to 858.38 million, a year-on-year decrease of 98.27% to 98.85%.

I. Performance forecast for 2023 H1

1. Period for performance forecast:
1st January 2023 to 30th June 2023
2. Expected performance:
 - According to preliminary calculations by the finance department, it is expected to achieve net profit attributable to the shareholders of the Company of RMB 30.00 million to 35.00 million yuan in the first half of 2023, which will decrease by RMB 834.48 million to 839.48 million yuan compared to the same period last year (legally disclosed data), and a year-on-year decrease of 95.97% to 96.55%.
 - It is expected to achieve net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses of RMB 10.00 million to 15.00 million yuan in the half year of 2023, which will decrease by RMB 853.38 million to 858.38 million compared to the same period last year (legally disclosed data), and a year-on-year decrease of 98.27% to 98.85%.
3. The performance forecast for this period is a preliminary forecast based on the company's business situation, and the expected performance has not been audited by certified public accountants.

II. Performance of the same period last year

1. Net profit attributable to the shareholders of the Company: RMB 869.48 million yuan. Net profits attributable to the shareholders of the Company deduction of non-recurring profit or losses: RMB 868.38 million yuan.
2. Basic earnings per share: RMB 0.32 yuan/share.

III. Main reasons for performance reduction

Due to the impact of international economic conditions, macro environment, and intensified industry competition in the first half of 2023, the company's product price and gross profit margins of performance products have been under significant pressure. As a result, compared with the same period last year, both the company's operating revenue and net profit attributable to shareholders of listed companies have declined. There is an increase of around CNY30 million in net profit attributable to shareholders in Q2 vs. Q1, evidencing the positive impact arising from decreasing raw material and energy costs in Q2. More benefits are expected in the following months. In addition, swift and agile action plans have been implemented to protect margins, including price optimization, product volume allocation, proactive cash management and extra cost-cutting programs, which also contributed to the positive impacts on net results.

IV. Risk implication

There are no significant uncertainties affecting the accuracy of this performance forecast in the company.

V. Others

This performance forecast is the preliminary calculation result of the Company's financial department, and the specific financial data shall be subject to the Company's half year report of 2023. Please pay attention to the general investor's investment risk.

It is hereby announced.

Bluestar Adisseo Company Board of Directors

14th July 2023

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