Board of Directors of Bluestar Adisseo Company

Special Report on the Deposit and Actual Usage of the Funds Raised

As of Dec 31st 2016

Stock Code: 600299 **Stock Abbreviation: Adisseo** **No.: Temp 2017-005**

Special Report and Review Report on the Deposit and Actual Usage of the Funds Raised

The Company and its Board of Directors guarantee that the content in the report is authentic, accurate and complete, and they will assume individual and several & joint legal liabilities for the false statement, misleading presentation or material omissions.

In accordance with the regulations of the *Guidelines for Supervision of Listed Companies No. 2* --- *Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies ([2012] No. 44 CSRC Announcement)* of China Securities Regulatory Commission and the *Regulations of Shanghai Stock Exchange on the Management of Funds Raised by Listed Companies (SSE Document [2013] No. 13)*, the board of directors of Bluestar Adisseo Company (hereafter simply referred to as "the Company") has prepared the Special Report on the Deposit and Actual Use of the Funds Raised from Public Issue of A Shares as of Dec. 31, 2016 (hereafter simply referred to as the "Report on the Deposit and Actual Usage of the Funds Raised"). Now, the deposit and actual usage of the funds raised as of Dec. 31, 2016 is specially described as follows:

I. Basic Information on the Funds Raised

On July 24, 2015, the Company received the *Reply on Approving Bluestar Chemical New Material Co., Ltd. to Purchase Assets and Raise Supporting Funds through Stock Issuance to China Bluestar (Group) Co., Ltd.* (CSRC Approval [2015] No. 1770) from the China Securities Regulatory Commission, which approved the issuer to issue no more than 2,107,341,862 new shares non-publicly to Bluestar and to issue no more than 83,932,853 new shares to raise supporting funds for purchasing of assets through stock issuance . In line with related approvals and the *Amended Proposal on Delivery of the Replacement of Major Assets, the Purchasing of Assets and Raising of Supporting Funds through Stock Issuance and Cash Payment, and Associated Transactions of the Company*, and the *Proposal on Signing the Documents Concerning the Delivery of the Replacement of Major Assets, the Purchasing of Assets and Raising of Supporting Funds through Stock Issuance and Cash Payment, and Associated Transactions of the Company*, total funds to be raised should be no more than CNY700mil, among which, no more than CNY 350mil should be paid to Bluestar as the consideration to purchase the equity and no more than 350mil should be used to support the Company's working capital. On 22nd Oct 2015, The Company has issued 51,851,851 shares with price at CNY 13.5 per share and has collected total funds of RMB699,999,988.50. The net proceeds after deduction underwriting fee. referral fee and online issuance fee is CNY692,999,988.50, The abovementioned funds raised were fully transferred into the account on 26th Oct, 2015, and verified by the *Capital Verification Report* (No.: Reanda

Verification [2015] No. 2096) provided by Reanda Certified Public Accountants (Special General Partnership). The Company has completed the stock registration procedures in Shanghai Branch of China Securities Depository and Clearing Company Limited for the new share issued on October 28, 2015.

As of Dec. 31, 2016, the Company had accumulatively used the funds amounted to CNY350,000,000 to pay as the cash consideration to Bluestar. The Company has transferred the remaining balance of CNY344,312,638.09 (among which, CNY342,999,988.50yuan from raised funds and the associated interests income of CNY181,270.65 generated in 2015 and CNY1,131,838.94 generated in 2016 with the deduction of bank charges of CNY100 in 2015 and CNY 360 in 2016) on 18th May 2016 and 27th May 2016 respectively to the Company's general bank account. Thus, all raised funds have been utilized. On 27th May 2016, the account specialized opened for funds-raising was closed.

II. The Deposit and Management of the Funds Raised

In line with the related regulations as well as the regulation published by SSE on <Management System of Listed Company's Raised funds>, the company has its own established <Management system of Use of Raised Funds> with principle of compliance, security, efficiency and transparency. In the system, the company has clearly defined the process of funds deposit, approval, usage, management as well as supervision so as to ensure a sound system related with the usage of raised funds.

On 23rd Oct, the Company has signed a 3-party supervision agreement for raised funds> together with Beijing Anhui branch of China Construction Bank, Guo Tai Jun An Security Company, Morgan Stanley Huaxin Securities Co., Ltd. and has opened a specialized bank account at Beijing Anhui branch of China Construction Bank with bank account of11050186360000000009. There is no material difference compared with the template of 3-party supervision agreement published by SSE. Up till the end of reporting period, the Company has strictly followed the regulations in <3 party supervision agreement for raised funds> in the implementation of funds deposits, utilization and management and there is no violations occurred during its implementation phase.

The company has transferred all the remaining funds from the designated bank account opened for funds-raising at Beijing Anhui Branch of China Construction Bank to a general bank account (Account No: 11001018500053004086) opened in Beijing Anhui Branch of China Construction Bank in May 18, 2016 and May 27, 2016 to supplement the company's working capital. Thus, the raised funds have all been used. On May 27, 2016, the bank account specialized for fund-raising was closed.

Board of Directors of Bluestar Adisseo Company

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Up till 31st Dec 2016, the Company has deposited, used and managed the raised funds in line with the regulation in the <3-party supervision agreement for raised funds> and there is no violation on the usage and management of raised funds.

III. Actual Use of the Funds Raised in the Present Year

Up till 31st Dec 2016, the actual usage of the raised funds amounted to CNY692,999,988.50. Among which, CNY 300,000,000 has been paid to Bluestar as part of the cash consideration of its equity transfer and the remaining funds has been used for general purpose. Please refer to Appendix table <Utilization of the raised funds> for detailed actual utilization.

IV. Problems with the Use and Disclosure of the Funds Raised

Up till 31st Dec 2016, there is no cases that the Company has changed the usage of the funds. The Company used the raised funds in line with related laws, regulations as well as normative policies and the related disclosure on the usage of the raised funds have been made in a timely, authentic, accurate and complete manner. There is no violation on the usage and management of raised funds.

V. Verification opinion provided by securities related with the actual deposits and usage of the raised funds

Independent financial advisor verified that the saving and the utilization of the funds raised by the company in 2016 complied with the related regulation and guidelines, which includes <Management Rule of Securities Listing> as well as <Management System of Listed Company’s Raised funds (2013 version)> published by SSE in all major aspects. The funds had been saved in a special account and had been used for the purpose strictly in line with the restructuring report. There is no violation in changing the utilization of funds and there is no cases detrimental to the interests of shareholders. There is no violation on the usage and management of raised funds.

VI. Verification opinion provided by accountants related with the actual deposits and usage of the raised funds

Adisseo prepared the report of the deposits and actual usage of raised funds in accordance with the regulations of the *Guidelines for Supervision of Listed Companies No. 2 --- Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies)* of China Securities Regulatory Commission and the *Regulations of Shanghai Stock Exchange on the Management of Funds Raised by Listed Companies (SSE Document [2013] No. 13),* which covered all significant matters.

Board of Directors of Bluestar Adisseo Company
29th March 2017

Board of Directors of Bluestar Adisseo Company

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Utilization Details of the Raised Funds

Unit: Yuan

Total amount of raised funds				692,999,988.50				Utilized Amount in current year		342,999,988.50		
Funds which the utilization has been changed in the period				-				Accumulated utilization Amount		692,999,988.50		
Accumulate amount of funds with changed utilization[3]				-								
The % of the funds with changed utilization				-								
Guaranteed Utilization	Whether has changed portion	Total guaranteed amount for utilization	Adjusted amount for utilization (1)[3]	Accumulated utilization Amount)[2]	Utilized during the year	Accumulated utilized amount 2)	Difference between guaranteed amount and utilized amount (3)＝(2)-(1)[2]	Utilized ratio（%）(4)＝(2)/(1)	Date on which the investment can be put into use	Profit earned in current year	Achieved the original target or not	Whether the feasibility of the project will change significantly
Guaranteed Items	CNY350,000,000.00 has been paid to Bluestar as part of the cash consideration；Remaining 342,999,988.50 has been used for general purpose.											
Reason for why cannot achieve original target				N/A								
Explanation on the significant changes on feasibility of the project				N/A								
Utilization of the funds raised more than original planned[3]				N/A								
Explanation if the utilization location of the funds has been changed[3]				N/A								
The adjustment explanation on the implementation of the projects[3]				N/A								
The project which has been invested in advance and replaced				N/A								
The situation when the funds were used for general purpose for temporary period				N/A								
The funds has not been fully utilized				N/A								
The utilization of the remaining funds				N/A								
Others				N/A								