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Bluestar Adisseo Company

Announcement of Main operating data for Half-year 2017

The Board of Directors of Bluestar Adisseo Company Ltd., as well as all the directors hereby confirm that this announcement is true, accurate and complete, and that no false or misleading statements or important omissions carried in this report, and that they shall take all responsibilities jointly and individually for such content.

In accordance with SSE industrial information disclosure guidance No. 18-Chemical Industry, the notice of HY report disclosure, here presents the 2017 half-year operating data:

1. Production volume, sales volume and earned income of the principal products

Main operation analysis by industry, by product

Unit: Yuan Currency: RMB

Main operations by industry						
By industry	Operating revenue	Cost of sales	Gross profit ratio (%)	Increase/de-crease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Health and Nutrition	4,932,120,233	3,086,426,606	37%	-9%	17%	-14%

Unit: Yuan Currency: RMB

Main operations by product						
By product	Operating revenue	Cost of sales	Gross profit ratio (%)	Increase/decrease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Performance products	3,843,777,636	2,565,741,170	33%	-15%	19%	-19%
Specialty products	834,278,107	368,915,653	56%	31%	16%	6%
Other products	254,064,490	151,769,783	40%	-14%	-7%	-5%
Total	**4,932,120,233**	**3,086,426,606**	**37%**	**-9%**	**17%**	**-14%**

Analysis of the factors impacting the income from sale of products

In comparison with HY 2016	Change in Volume	Change in sales price	Exchange rate impact
Performance products	368,686,662	(1,198,706,719)	172,892,202
Specialty products	166,743,037	(2,028,351)	31,776,806

Performance products

Operating revenue from Performance products decreased by 15% due to the impact of price decrease on the methionine market.

Methionine consolidated its leadership in a growing market demand with a high volume growth. Production plants posted an excellent operational performance with high volumes and efficacy across almost all product lines, after a period of capacity expansion in liquid methionine. The implementation of competitive measures in plants also further improved cost effectiveness. Margins remained under pressure, due to the short-term change in demand and supply dynamics.

Through cost optimization, Adisseo managed to partly offset price decrease and maintained margins on Vitamins at a reasonable level.

Specialty products

Specialty products record good performance in operating revenue and gross profit with a significant growth compared with last year (respectively by 31% and 46%) driven especially by Ruminants product Smartamine.

The improvement of the dairy market after a year of global crisis lets Adisseo confirm its leading position and ability to capture the rebound.

Enzyms grew as expected, especially with the new product Rovabio® Advance which is technically described by Adisseo as a Feedase.

Other specialty products Selisseo® and Alterion® also recorded steady increase in sales.

Main operations analysis by region

Unit: Yuan Currency: RMB

By region	Operating revenue	Increase/decrease in operating revenue on the same period of last year (%)
Europe / Africa/MO	1,538,547,097	-12%
North & Central America	1,114,859,552	8%
Asia / Pacific (excluded China)	840,364,552	3%
South America	738,160,839	-21%
China	567,054,134	-23%
Other	133,134,059	-21%
Total	**4,932,120,233**	**-9%**

Explanation on main business by regions

Although every region is impacted by the decrease of methionine price, North & Central America region and Asia Pacific recorded revenue growth in HY 2017 due to the sales of Ruminants and Vitamins.

2. Price variation of the principal products and raw materials

Pricing strategy and price variation of principal product

Our global pricing policy is implemented at three levels: global, regional and national. Our global pricing strategy is established by our global business directors. The responsibility of the regional business managers is to adapt this global pricing strategy according to the specific market and competitive environment of the countries under their responsibility.

Regular reviews facilitate Adisseo ability to secure contracts with key customers at the right price and to seize profit-maximizing opportunities. A substantial number of our contracts across all our business lines are concluded on a quarterly basis with fixed pricing for such period.

Global market demand for methionine continued to grow steadily, at a pace of around 5-6% per year. Although in H1 2017, the Chinese market is impacted by bird flu, the demand in China has come back to strong after the outbreak ended.

Although margins remained under pressure, due to the short-term change in demand and supply dynamics. the market has proved that prices have reached bottom level, which can be interpreted as a stabilization of the market conditions.

Basic information of principal raw material

Raw material	Purchasing pattern	Market value of raw material	Prices Fluctuation vs HY 2016
Propylene 95%	Long-term contract	367,638,093	24%
Methanol	Long-term contract	98,909,106	76%
Sulphur	Long-term contract	69,288,365	-7%

3. Other events that have significant impact over the company's production and operation

None.

Bluestar Adisseo Company
July 26th, 2017