Bluestar Adisseo Company
蓝星安迪苏股份有限公司

The First Quarter Report 2019
2019 年第一季度报告

Content

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 first 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 first quarter report 2019.

1.4 The financial statements in the first quarter report 2019 have not been audited.

1.5 This is an English translation of the 2019 Q1 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 March 31 2019	As of December 31 2018	Changes in comparison with the end of last year (%)
Total assets	20,724,991,184	21,453,362,349	-3%
Net assets attributable to the shareholders of the Company	13,559,745,748	13,602,423,751	0%
	From January 1 2019 to March 31 2019	From January 1 2018 to March 31 2018	Changes in comparison with the same period of last year (%)
Net cash flow arising from operating activities	316,150,314	(22,464,050)	1507%
	From January 1 2019 to March 31 2019	From January 1 2018 to March 31 2018	Changes in comparison with the same period of last year (%)
Operating revenues	2,732,969,498	3,013,914,234	-9%
Net profits attributable to shareholders of the Company	295,968,769	351,812,300	-16%
Net profits attributable to shareholders of the Company deducting non-recurring profit or losses	286,964,466	346,636,354	-17%
Weighted average return on net assets	2.17	2.65	Decrease of 0.48
Basic earnings per share (Yuan/share)	0.11	0.13	-15%
Diluted earnings per share (Yuan/share)	0.11	0.13	-15%

The Company recorded an operating revenue of CNY2.73bn and net profit contributed shareholders of CNY300million, representing a yoy decrease of 9% and 16% respectively mainly due to Q1 2018 benefited from unusually high vitamin prices and relatively high methionine selling prices. However, the net profit contributed to shareholders has a quarter to quarter growth of 37% thanks to the continuous growth of liquid methionine, relatively high-level Vitamin A price although normalizing as well as the continued growth of specialty business plus the progressively implemented competitiveness plan.
Non-recurring profit/loss items

☑ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for current period (Jan. – Mar. 2019)	Description
Net profit/loss on disposal of non-current assets	0	
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	3,347,875	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	1,629,990	
Impacts attributable to minority interests (after tax)	(541,348)	
Impact of income tax	(1,368,881)	
Total	**3,067,636**	

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						29,800
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%	0	Frozen	10,000,000	SOE
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
Beijing Research and Design Institute of Rubber Industry	3,737,262	0.14%	0	Unknown	0	SOE
Yi HE	3,300,000	0.12%	0	Unknown	0	Unknown
China Merchants Bank-Boshi Fund	3,253,066	0.12%	0	Unknown	0	Unknown
Agricultural Cooperative Bank-Investment Fund	2,967,711	0.11%	0	Unknown	0	Unknown
Jiayu Liu	2,211,606	0.08%	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.	2,389,387,160	RMB Common share	2,389,387,160
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
Beijing Research and Design Institute of Rubber Industry	3,737,262	RMB Common share	3,737,262
Yi He	3,300,000	RMB Common share	3,300,000
China Merchants Bank-Boshi Fund	3,253,066	RMB Common share	3,253,066
Agricultural Cooperative Bank-Investment Fund	2,967,711	RMB Common share	2,967,711
Jiayu Liu	2,211,606	RMB Common share	2,211,606
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

☑ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Balance Sheet Items	31/03/2019	31/12/2018	Total Fluctuation RMB	%	Explanations on fluctuation
Derivative financial assets	1,444,094	6,772,220	-5,328,126	-79%	Change related to hedging of EUR/USD
Derivative financial liabilities	22,924,042	67,384,765	-44,460,723	-66%	Change related to hedging of EUR/USD
Taxes payable	372,884,761	207,006,243	165,878,518	80%	Tax provision for the year 2019
Other payables	260,483,696	480,809,430	(220,325,734)	-46%	Projects payments linked to POLAR project.
Other comprehensive income	(727,064,681)	(455,324,355)	-271,740,326	-60%	linked to EUR/USD FX rate

Income statement items	1/01/2019-31/03/2019	1/01/2018-31/03/2018	Total Fluctuation RMB	%	Explanations on fluctuation
Financial expenses - net	(13,894,502)	(1,069,536)	(12,824,966)	1199%	Increase of interest income and Interest expenses impacted by increase in phantom shares fair value
Asset impairment losses	(10,928,238)	2,123,614	(13,051,852)	-615%	Reversal of inventories depreciation on 2019.
Gains (losses) from changes in fair values	(436,871)	(3,703,552)	3,266,681	-88%	Evolution of hedging linked to EUR/USD
Gain (loss) from disposal of assets	0	40,194	(40,194)	-100%	No scrapping in Q1 2018
Other income	3,347,875	10,147,954	(6,800,079)	-67%	Government subsidy on BANC R&D project received in Q1 2018 for RMB 6.8M
Non-operating income	1,924,488	112,363	1,812,125	1613%	Miscellaneous income
Non-operating expenses	294,498	1,623,143	(1,328,645)	-82%	Miscellaneous expenses
Income tax expenses	130,596,447	187,292,545	(56,696,098)	-30%	Impact of decrease of net income
Net other comprehensive income	**(320,181,718)**	**(78,217,290)**	**(241,964,428)**	**309%**	Impact of exchange rate EUR/CNY

Cash flow statement items	1/01/2019-31/03/2019	1/01/2018-31/03/2018	Total Fluctuation		Explanations on fluctuation
			RMB	%	
Net Cash Flow generated from Operating Activities	316,150,314	(22,464,050)	338,614,364	-1507%	Increase linked to impact of Nutriad acquisition and factoring in 2018 on Working capital
Net Cash Flow generated from investing Activities	(399,745,155)	(1,470,969,267)	1,071,224,112	-73%	Decrease of investments linked to Nutriad acquisition in 2018
Net Cash Flow from Financing Activities	(478,575,498)	(597,538,923)	118,963,425	-20%	Redemption of preferred shares from 80m USD to 70m USD

3.2 Progress and impact of important events, and the analysis of the solutions

☐ Applicable ☑Not applicable

3.3 Unsatisfied or overdued 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	2019/4/24

4 Appendix

4.1 Financial statements

Consolidated Balance Sheet

As of March 31 2019

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

	Closing balance	Opening balance
Current Assets:		
Cash at bank and on hand	4,672,700,188	5,282,336,110
Financial assets held for trading	0	0
Financial assets at fair value through profit or loss	0	0
Derivative financial assets	1,444,094	6,772,220
Notes receivable & Accounts receivable	1,728,983,786	1,655,198,111
Including: notes receivable	0	0
accounts receivable	1,728,983,786	1,655,198,111
Advances to suppliers	46,358,238	46,697,860
Other receivables	41,488,399	40,992,988
Including: interest receivable	14,923,642	12,600,350
dividend receivable	0	0
Inventories	1,779,612,377	1,769,193,112
Contract assets	0	0
Other current assets	635,313,832	583,989,258
Total current assets	**8,905,900,914**	**9,385,179,659**
Non-current Assets:		
Available-for-sale financial assets	0	25,627,615
Debt investments	0	0
Other debt investments	0	0
Long-term receivables	58,642,458	59,891,031
Long-term equity investments	0	0
Investments in other equity instruments	20,059,228	0
Other non-current financial assets	10,333,542	0
Investment properties	0	0
Fixed assets	6,127,343,933	6,346,723,686
Construction in progress	1,520,124,334	1,410,987,041
Construction materials	0	0
Fixed assets pending for disposal	0	0
Right-of-use assets	0	0
Intangible assets	2,217,332,122	2,277,382,580

	Closing balance	Opening balance
Development costs	82,423,818	88,608,667
Goodwill	1,566,711,008	1,626,099,606
Long-term prepaid expenses	0	0
Deferred tax assets	140,343,537	143,248,146
Other non-current assets	75,776,290	89,614,318
Total non-current assets	**11,819,090,270**	**12,068,182,690**
TOTAL ASSETS	**20,724,991,184**	**21,453,362,349**
Current Liabilities:		
Short-term borrowings	0	0
Financial liabilities held for trading	0	0
Financial liabilities at fair value through profit or loss	0	0
Derivative financial liabilities	22,924,042	67,384,765
Notes payable & accounts payable	1,121,377,084	1,225,671,845
Advances from customers	4,965,662	7,076,771
Contract liabilities	0	0
Wages and benefits payable	401,032,307	412,554,992
Taxes payable	372,884,761	207,006,243
Other payables	271,198,190	480,809,430
Including: interest payable	7,312,180	5,731,676
dividends payable	3,402,315	3,531,285
Current portion of non-current liabilities	120,782,614	135,567,900
Other current liabilities	16,413,640	20,449,970
Total current liabilities	**2,331,578,300**	**2,556,521,916**
Non-current Liabilities:		
Long-term borrowings	27,710,041	30,592,778
Lease liabilities	0	0
Long-term payables	8,404,474	8,350,312
Long-term employee benefits payable	405,246,925	424,096,220
Special payables	0	0
Provisions	1,571,000	1,630,551
Deferred income	163,364,645	167,318,650
Deferred tax liabilities	835,313,967	866,478,848
Other non-current liabilities	0	0
Total non-current liabilities	**1,441,611,052**	**1,498,467,359**
Total liabilities	**3,773,189,352**	**4,054,989,275**
SHAREHOLDERS' EQUITY:		
Paid-in capital	2,681,901,273	2,681,901,273
Other equity instruments	0	0
Capital reserve	2,112,861,977	2,179,598,513
Other comprehensive income	(727,064,681)	(455,324,355)
Special reserve	0	0
Surplus reserve	360,251,940	358,037,159
Undistributed profits	9,131,795,239	8,838,211,161
Total equity attributable to equity holders of the Company	**13,559,745,748**	**13,602,423,751**
Non-controlling interests	3,392,056,084	3,795,949,323

	Closing balance	Opening balance
Total owners' equity	**16,951,801,832**	**17,398,373,074**
TOTAL LIABILITIES AND OWNERS' EQUITY	**20,724,991,184**	**21,453,362,349**

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 March 31 2019

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	2,720,530,249	2,697,734,689
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable & accounts receivable		
Including: notes receivable		
accounts receivable		
Advances to suppliers	0	79,652
Other receivables	33,749,785	32,320,615
Including: interest receivable	14,470,000	12,310,000
dividend receivable	19,279,785	20,010,615
Inventories		
Contract assets		
Assets held for sale		
Other current assets		
Total Current Assets	2,754,280,034	2,730,134,956
Non-current Assets:		
Available-for-sale financial assets		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	7,492,295,416	7,492,295,416
Investments in other equity instruments		
Other non-current financial assets		
Investment properties		
Fixed assets	38,608	53,339
Construction in progress		
Construction materials		
Fixed assets pending for disposal		
Right-of-use assets		
Intangible assets	5,404	10,808
Development costs		
Goodwill		
Long-term prepaid expenses		

Deferred tax assets		
Other non-current assets	2,828,704	2,726,153
Total Non-current Assets	7,495,168,132	7,495,085,716
Total Assets	10,249,448,166	10,225,220,672
Current Liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable & accounts payable		
Advances from customers		
Contract liabilities		
Wages and benefits payable	84,000	84,000
Taxes payable	337,750	79,487
Interest payable		
Dividends payable		
Other payables	40,036,956	38,213,891
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	40,458,706	38,377,378
Non-current Liabilities:		
Long-term borrowings		
Notes payables		
Lease liabilities		
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	40,458,706	38,377,378
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	360,251,776	358,037,159
Undistributed profits	485,278,783	465,347,234
Total Owners' Equity	10,208,989,460	10,186,843,294
Total Liabilities And Owners'	10,249,448,166	10,225,220,672

Equity		

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 March 31 2019	3 months ended March 31 2018
I. Total operating revenues	**2,732,969,498**	**3,013,914,234**
Including: Operating income	2,732,969,498	3,013,914,234
II. Total operating costs	**2,263,262,920**	**2,384,608,264**
Including: Cost of sales	1,733,514,645	1,793,208,808
Business taxes and surcharges	21,793,236	25,513,833
Selling and distribution expenses	296,007,837	267,847,270
General and administrative expenses	160,745,599	228,951,833
Research and development expenses	76,024,343	68,032,442
Financial expenses - net	(13,894,502)	(1,069,536)
Including: Interest expenses	1,570,042	1,281,822
Interest income	(29,894,297)	(23,641,481)
Asset impairment losses	(10,928,238)	2,123,614
Add: Gains (losses) from changes in fair values	(436,871)	(3,703,552)
Investment income (Loss)	648,600	0
Including: Income from investments in associates and joint ventures	0	
Gain (loss) from disposal of assets	0	40,194
Other income	3,347,875	10,147,954
III. Operating profit (Loss)	**473,266,182**	**635,790,566**
Add: Non-operating income	1,924,488	112,363
Including: Gains from disposal of non-current assets	0	
Less: Non-operating expenses	294,498	1,623,143
Losses from disposal of non-current	0	
IV. Total profit (Total loss)	**474,896,172**	**634,279,786**
Less: Income tax expenses	130,596,447	187,292,544
V. Net profit (Net loss)	**344,299,725**	**446,987,241**
Net profit (loss) from continuing operations	344,299,725	446,987,241
Net profit (loss) from discontinued operations	0	0

Item	3 months ended March 31 2019	3 months ended March 31 2018
Net profit attributable to non-controlling interests	48,330,956	95,174,941
Net profit attributable to equity holders of the Company	295,968,769	351,812,300
VI. Net other comprehensive income	**(320,181,718)**	**(78,217,290)**
Other comprehensive income (net of tax) attributable to owners of the parent company	**(271,740,325)**	**(50,095,813)**
1.Other comprehensive income which will not be reclassified subsequently to profit or loss	**0**	**0**
1)Actuarial differences on defined benefit plans	0	0
2.Other comprehensive income which will be reclassified subsequently to profit or loss	**(271,740,325)**	**(50,095,813)**
1) Financial assets that is reclassified to other comprehensive income	18,710,333	5,299,829
2)Effective hedging portion of gains or losses arising from cash flow hedging instruments	(290,450,658)	(55,395,642)
3)Differences on translation arising on translation of foreign currency financial statements2		
Net other comprehensive income to minority shareholders after tax	**(48,441,393)**	**(28,121,477)**
VII. Total comprehensive income	**24,118,007**	**368,769,951**
Total comprehensive income attributable to equity holders of the Company	24,228,444	301,716,487
Total comprehensive income attributable to non-controlling interests	(110,437)	67,053,464
VIII. Earnings per share		
(I) Basic earnings per share	0.11	0.13
(II) Diluted earnings per share	0.11	0.13

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 March 31 2019	3 months ended March 31 2018
I. Operating revenues		
Less: Cost of sales		
Business taxes and surcharges		
Selling and distribution expenses		
General and Administrative expenses	3,425,255	5,382,685
Research and development expenses		
Financial expenses – net	(25,571,421)	(13,885,106)
Including: interest expenses	0	0
interest income	(25,855,327)	(20,655,883)
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)	22,146,166	8,502,421
Add: Non-operating income		
Less: Non-operating expenses		
III. Total profit (Total loss)	22,146,166	8,502,421
Less: Income tax expenses		
IV. Net profit (Net loss)	22,146,166	8,502,421
Net profit (loss) from continuing operations	22,146,166	8,502,421
Net profit (loss) from discontinued operations	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) Financial assets that is reclassified to other comprehensive income		
2) Effective hedging portion of gains or losses arising from cash flow hedging instruments		
3) Difference on translation arising on translation of foreign currency financial		

Item	3 months ended March 31 2019	3 months ended March 31 2018
statements		
VI. Total comprehensive income	22,146,166	8,502,421
VII. Earnings per share:		
(I) Basic earnings per share	Non-applicable	Non-applicable
(II) Diluted earnings per share)	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 March 31 2019

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	3 months ended March 31 2019	3 months ended March 31 2018
I. Cash Flows from Operating Activities:		
Cash received from sale of goods or rendering of services	2,700,233,750	3,112,737,186
Refunds of taxes and surcharges	0	0
Cash received relating to other operating activities	20,675,315	34,040,978
Sub-total of cash inflows from operating activities	**2,720,909,065**	**3,146,778,164**
Cash paid for goods and services	1,927,990,617	2,636,161,876
Cash paid to and on behalf of employees	369,263,006	319,831,375
Payments of taxes and surcharges	87,052,620	188,304,432
Cash paid relating to other operating activities	20,452,508	24,944,531
Sub-total of cash outflows from operating activities	**2,404,758,751**	**3,169,242,214**
Net Cash Flow generated from Operating Activities	**316,150,314**	**(22,464,050)**
II. Cash Flows from Investing Activities:		0
Cash received from disposals of investments	648,600	0
Cash received from investment income and interest income	27,535,022	22,000,228
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1,949,346	177,922
Net cash received from disposals of subsidiaries and other business units		0
Cash received relating to other investing activities	593,792	704,892
Sub-total of cash inflows from investing activities	**30,726,760**	**22,883,042**
Cash paid to purchase fixed assets, intangible assets and other long-term assets	424,529,476	334,316,161
Cash paid to acquire investments	5,702,314	4,125,475
Net cash paid for acquisitions of subsidiaries	0	1,153,290,573
Cash paid relating to other investing activities	240,125	2,120,100
Sub-total of cash outflows from investing activities	**430,471,915**	**1,493,852,309**
Net Cash Flow used in Investing Activities	**(399,745,155)**	**(1,470,969,267)**
III. Cash Flows from Financing Activities:		0
Cash received from capital contributions	(470,495,274)	(518,946,226)
Including: cash received from capital contributions by non-controlling interests of subsidiaries	(403,760,380)	(518,946,226)
Cash received from borrowings	720,454	0

Item	3 months ended March 31 2019	3 months ended March 31 2018
Cash received from issuance of debentures		0
Cash received relating to other financing activities	0	0
Sub-total of cash inflows from financing activities	**(469,774,820)**	**(518,946,226)**
Cash repayments of borrowings	2,871,153	74,322,906
Cash payments for interest expenses and distribution of dividends or profits	5,929,525	4,269,791
Including: dividends and profits paid to non-controlling shareholders of subsidiaries	0	0
Cash paid relating to other financing activities	0	0
Sub-total of cash outflows from financing activities	**8,800,678**	**78,592,697**
Net Cash Flow from Financing Activities	**(478,575,498)**	**(597,538,923)**
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	**(47,465,583)**	**(1,340,226)**
V. Net Increase in Cash and Cash Equivalents	**(609,635,922)**	**(2,092,312,466)**
Add: Opening balance of Cash and Cash Equivalents	5,282,336,110	7,659,509,312
VI. Closing Balance of Cash and Cash Equivalents	**4,672,700,188**	**5,567,196,846**

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

Three months ended March 31 2019

Prepared by: Bluestar Adisseo Company, Ltd.

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	3 months ended March 31 2019	3 months ended March 31 2018
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	345,944	19,237,984
Sub-total of cash inflows from operating activities	345,944	19,237,984
Cash paid for goods and services		
Cash paid to and on behalf of employees	519,832	415,918
Payments of taxes and surcharges	203,048	307,797
Cash paid relating to other operating activities	482,612	4,087,185
Sub-total of cash outflows from operating activities	1,205,492	4,810,900
Net Cash Flow generated from Operating Activities	(859,548)	14,427,084
II. Cash Flows from Investing Activities:		
Cash received from disposals of investments		
Cash received from investment income and interest income	23,695,326	0
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	23,695,326	0
Cash paid to purchase fixed assets, intangible assets and other long-term assets	0	8,750
Cash paid to acquire investments		
Net cash paid for acquisitions of subsidiaries		
Cash paid relating to other investing activities		

Item	3 months ended March 31 2019	3 months ended March 31 2018
Sub-total of cash outflows from investing activities	0	8,750
Net Cash Flow used in Investing Activities	23,695,326	(8,750)
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		
Cash payments relating to other financing activities		
Sub-total of cash outflows from financing activities		
Net Cash Flow from Financing Activities		
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(40,218)	47
V. Net Increase in Cash and Cash Equivalents	22,795,560	14,418,381
Add: Opening balance of Cash and Cash Equivalents	2,697,734,689	2,241,610,694
VI. Closing Balance of Cash and Cash Equivalents	2,720,530,249	2,256,029,075

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

4.2 Adjustments of relevant opening accounts when first implementation of the new financial instruments standards, new revenue standards and new leases standards.

☑ Applicable ☐ Not applicable

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

	2018/12/31	**2019/01/01**	**Adjustment amount**
Current Assets:			
Cash at bank and on hand	5,282,336,110	5,282,336,110	
Financial assets held for trading	0	0	
Financial assets at fair value through profit or loss	0	0	
Derivative financial assets	6,772,220	6,772,220	
Notes receivable & Accounts receivable	1,655,198,111	1,655,198,111	
Including: notes receivable	0	0	
accounts receivable	1,655,198,111	1,655,198,111	
Advances to suppliers	46,697,860	46,697,860	
Other receivables	40,992,988	40,992,988	
Including: interest receivable	12,600,350	12,600,350	
dividend receivable	0	0	
Inventories	1,769,193,112	1,769,193,112	
Contract assets	0	0	
Other current assets	583,989,258	583,989,258	
Total current assets	**9,385,179,659**	**9,385,179,659**	
Non-current Assets:			
Available-for-sale financial assets	25,627,615	0	(25,627,615)
Debt investments	0	0	
Other debt investments	0	0	
Long-term receivables	59,891,031	59,891,031	
Long-term equity investments	0	0	
Investments in other equity instruments	0	16,964,196	16,964,196
Other non-current financial assets	0	8,663,419	8,663,419
Investment properties	0	0	
Fixed assets	6,346,723,686	6,346,723,686	
Construction in progress	1,410,987,041	1,410,987,041	
Construction materials	0	0	
Fixed assets pending for disposal	0	0	
Right-of-use assets	0	0	
Intangible assets	2,277,382,580	2,277,382,580	
Development costs	88,608,667	88,608,667	
Goodwill	1,626,099,606	1,626,099,606	

	2018/12/31	2019/01/01	Adjustment amount
Long-term prepaid expenses	0	0	
Deferred tax assets	143,248,146	143,248,146	
Other non-current assets	89,614,318	89,614,318	
Total non-current assets	**12,068,182,690**	**12,068,182,690**	
TOTAL ASSETS	**21,453,362,349**	**21,453,362,349**	
Current Liabilities:			
Short-term borrowings	0	0	
Financial liabilities held for trading	0	0	
Financial liabilities at fair value through profit or loss	0	0	
Derivative financial liabilities	67,384,765	67,384,765	
Notes payable & accounts payable	1,225,671,845	1,225,671,845	
Advances from customers	7,076,771	7,076,771	
Contract liabilities	0	0	
Wages and benefits payable	412,554,992	412,554,992	
Taxes payable	207,006,243	207,006,243	
Other payables	480,809,430	480,809,430	
Including: interest payable	5,731,676	5,731,676	
dividends payable	3,531,285	3,531,285	
Current portion of non-current liabilities	135,567,900	135,567,900	
Other current liabilities	20,449,970	20,449,970	
Total current liabilities	**2,556,521,916**	**2,556,521,916**	
Non-current Liabilities:			
Long-term borrowings	30,592,778	30,592,778	
Lease liabilities	0	0	
Long-term payables	8,350,312	8,350,312	
Long-term employee benefits payable	424,096,220	424,096,220	
Special payables	0	0	
Provisions	1,630,551	1,630,551	
Deferred income	167,318,650	167,318,650	
Deferred tax liabilities	866,478,848	866,478,848	
Other non-current liabilities	0	0	
Total non-current liabilities	**1,498,467,359**	**1,498,467,359**	
Total liabilities	**4,054,989,275**	**4,054,989,275**	
SHAREHOLDERS' EQUITY:			
Paid-in capital	2,681,901,273	2,681,901,273	
Other equity instruments	0	0	
Capital reserve	2,179,598,513	2,179,598,513	
Other comprehensive income	(455,324,355)	(455,324,355)	
Special reserve	0	0	
Surplus reserve	358,037,159	358,037,159	
Undistributed profits	8,838,211,161	8,838,211,161	
Total equity attributable to equity holders of the Company	**13,602,423,751**	**13,602,423,751**	
Non-controlling interests	3,795,949,323	3,795,949,323	
Total owners' equity	**17,398,373,074**	**17,398,373,074**	

	2018/12/31	2019/01/01	Adjustment amount
TOTAL LIABILITIES AND OWNERS' EQUITY	**21,453,362,349**	**21,453,362,349**	

Explanation on adjustment items:

☑Applicable ☐ Not applicable

On January 1, 2019, Adisseo began to apply the new financial instrument standards, and according to the new financial instrument standards guidelines, for the equity investments originally classified as available for sale financial assets was designated as fair value through other comprehensive income, therefore these equity investments were classified to investments in other equity instruments. However, according to the new financial instrument standards, units in mutual funds are not eligible to the option for fair value through other comprehensive income measurement; they are now measured at fair value through profit or loss.

Balance Sheet of the Company

Unit: Yuan Currency: RMB

Item	2018/12/31	2019/01/01	Adjustment amount
Current Assets:			
Cash at bank and on hand	2,697,734,689	2,697,734,689	
Financial assets held for trading			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable & accounts receivable			
Including: notes receivable			
accounts receivable			
Advances to suppliers	79,652	79,652	
Other receivables	32,320,615	32,320,615	
Including: interest receivable	12,310,000	12,310,000	
dividend receivable	20,010,615	20,010,615	
Inventories			
Contract assets			
Assets held for sale			
Other current assets			
Total Current Assets	2,730,134,956	2,730,134,956	
Non-current Assets:			
Available-for-sale financial assets			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	7,492,295,416	7,492,295,416	
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets	53,339	53,339	
Construction in progress			
Construction materials			
Fixed assets pending for disposal			
Right-of-use assets			
Intangible assets	10,808	10,808	
Development costs			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets	2,726,153	2,726,153	
Total Non-current Assets	7,495,085,716	7,495,085,716	

Total Assets	10,225,220,672	10,225,220,672	
Current Liabilities：			
Short-term borrowings			
Financial liabilities held for trading			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable & accounts payable			
Advances from customers			
Contract liabilities			
Wages and benefits payable	84,000	84,000	
Taxes payable	79,487	79,487	
Interest payable			
Dividends payable			
Other payables	38,213,891	38,213,891	
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	38,377,378	38,377,378	
Non-current Liabilities：			
Long-term borrowings			
Notes payables			
Lease liabilities			
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	38,377,378	38,377,378	
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	358,037,159	358,037,159	
Undistributed profits	465,347,234	465,347,234	
Total Owners' Equity	10,186,843,294	10,186,843,294	
Total Liabilities And Owners' Equity	10,225,220,672	10,225,220,672	

Explanation on adjustment items:
☐Applicable ☑Not applicable

4.3 Explanations for comparison adjustment of opening accounts balances when first implementation of the new financial instruments standards and new leases standards.

☐ Applicable ☑ Not applicable

4.4 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.)