

**Bluestar Adisseo Company**

**The Third Quarter Report 2020  
(Abstract)**

# **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 2020.

1.4 The financial statements in the third quarter report 2020 have not been audited.

1.5 This is an English translation of the 2020 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 2020                  | As of December 31 2019                   | Changes in comparison with the end of last year (%)         |
|--------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------------------|
| Total assets                                                                                     | 19,745,952,589                           | 21,127,258,090                           | -7%                                                         |
| Net assets attributable to the shareholders of the Company                                       | 13,700,242,468                           | 13,797,572,348                           | -1%                                                         |
|                                                                                                  | From January 1 2020 to September 30 2020 | From January 1 2019 to September 30 2019 | Changes in comparison with the same period of last year (%) |
| Net cash flow arising from operating activities                                                  | 2,289,000,525                            | 1,908,200,648                            | 20%                                                         |
|                                                                                                  | From January 1 2020 to September 30 2020 | From January 1 2019 to September 30 2019 | Changes in comparison with the same period of last year (%) |
| Operating revenues                                                                               | 8,881,139,552                            | 8,312,640,283                            | 7%                                                          |
| Net profits attributable to shareholders of the Company                                          | 1,097,984,275                            | 811,801,433                              | 35%                                                         |
| Net profits attributable to shareholders of the Company deducting non-recurring profit or losses | 1,112,781,644                            | 679,039,755                              | 64%                                                         |
| Weighted average return on net assets                                                            | 8.05                                     | 5.89                                     | +2.16ppt                                                    |
| Basic earnings per share (Yuan/share)                                                            | 0.41                                     | 0.30                                     | 37%                                                         |
| Diluted earnings per share (Yuan/share)                                                          | 0.41                                     | 0.30                                     | 37%                                                         |

Non-recurring profit/loss items

☒ Applicable    ☐ Not applicable

Unit: Yuan

Currency: RMB

| Item                                                                                                                                                                                                                                    | Amount for<br>current period<br>(Jul. – Sep. 2020) | Amount for<br>current period<br>(Jan. – Sep. 2020) | Description                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------|
| Net profit/loss on disposal of non-current assets                                                                                                                                                                                       | (35,511,412)                                       | (35,486,247)                                       | Scrapping of non-conform or defective equipment - BANC2 write-off                     |
| 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 | 3,079,121                                          | 16,921,745                                         | Mainly grants for land use right and industrial structure adjustment in Nanjing plant |
| Other non-operating income or expenses other than the above                                                                                                                                                                             | (1,041,263)                                        | (1,045,532)                                        | loss of raw material disposal                                                         |
| Impacts attributable to minority interests (after tax)                                                                                                                                                                                  | 0                                                  | (237,743)                                          |                                                                                       |
| Impact of income tax                                                                                                                                                                                                                    | 8,620,848                                          | 5,050,408                                          |                                                                                       |
| Total                                                                                                                                                                                                                                   | <b>(24,852,706)</b>                                | <b>(14,797,369)</b>                                |                                                                                       |

## 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                                      |                    |                                                                       |                                           | 28,689                                  |               |                       |
|-------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------|-------------------------------------------|-----------------------------------------|---------------|-----------------------|
| 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.                         | 1,709,387,160      | 63.74                                                                 | 0                                         | Frozen                                  | 10,000,000    | SOE                   |
| Blusstar-GTJA-19 Bluestar EB Guarantee and Trust Property Account | 680,000,000        | 25.36                                                                 | 0                                         | Unknown                                 | 0             | Other                 |
| China Securities Finance Corporation Limited                      | 13,794,697         | 0.51                                                                  | 0                                         | Unknown                                 | 0             | SOE                   |
| Hong Kong Central Clearing Limited                                | 11,660,556         | 0.43                                                                  | 0                                         | Unknown                                 | 0             | Overseas legal person |
| Jiangsu Juhe Chuang yi Emerging Industry Investment Fund LLP      | 6,607,000          | 0.25                                                                  | 0                                         | Unknown                                 | 0             | Other                 |
| 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             | Unknown               |
| Zhejiang Dazhong Import and Export Company                        | 2,940,000          | 0.11                                                                  | 0                                         | Unknown                                 | 0             | Unknown               |
| Basic Pension Insurance Fund – No.903                             | 2,163,600          | 0.08                                                                  | 0                                         | Unknown                                 | 0             | Other                 |
| Norges Bank                                                       | 1,930,000          | 0.07                                                                  | 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.                         |                    | 1,709,387,160                                                         | RMB ordinary shares                       |                                         | 1,709,387,160 |                       |
| Blusstar-GTJA-19 Bluestar EB Guarantee and Trust Property Account |                    | 680,000,000                                                           | RMB Common share                          |                                         | 680,000,000   |                       |
| China Securities Finance Corporation Limited                      |                    | 13,794,697                                                            | RMB ordinary shares                       |                                         | 13,794,697    |                       |

|                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                     |            |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------|
| Hong Kong Central Clearing Limited                                                   | 11,660,556                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | RMB ordinary shares | 11,660,556 |
| Jiangsu Juhe Chuang yi Emerging Industry Investment Fund LLP                         | 6,607,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB Common share    | 6,607,000  |
| China Electronic Investment Holding Company                                          | 5,185,185                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB ordinary shares | 5,185,185  |
| Beijing Research and Design Institute of Rubber Industry                             | 3,737,262                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB ordinary shares | 3,737,262  |
| Zhejiang Dazhong Import and Export Company                                           | 2,940,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB ordinary shares | 2,940,000  |
| Basic Pension Insurance Fund – No.903                                                | 2,163,600                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB ordinary shares | 2,163,600  |
| Norges Bank                                                                          | 1,930,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RMB ordinary shares | 1,930,000  |
| Statement on related relationship or acting in concert among the above shareholders  | <p>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.</p> <p>Blusstar-GTJA-19BluestarEB Guarantee and Trust Property Account (who owns 680,000,000 shares) is a special account for China National Bluestar (Group) Co., Ltd. to guarantee and trust some of its shares when issuing exchangeable bonds. For more information, please refer to the announcements 2019-008, 2019-014, 2019-029 and 2019-034.</p> <p>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.</p> |                     |            |
| 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                        | 30/09/2020    | 31/12/2019    | Total Fluctuation |      | Explanations on fluctuation                                                                                                |
|--------------------------------------------|---------------|---------------|-------------------|------|----------------------------------------------------------------------------------------------------------------------------|
|                                            |               |               | RMB               | %    |                                                                                                                            |
| Cash at bank and on hand                   | 3,338,337,023 | 5,295,065,807 | (1,956,728,784)   | -37% | 15% BANG share buy-back transaction                                                                                        |
| Derivative financial assets                | 16,803,598    | 7,784,238     | 9,019,360         | 116% | Impact of EUR appreciation on derivatives portfolio                                                                        |
| Advances to suppliers                      | 82,281,980    | 60,862,071    | 21,419,909        | 35%  | Delayed receipt of purchased material at 2020 June end                                                                     |
| Other receivables                          | 75,194,940    | 41,123,604    | 34,071,336        | 83%  | Increase of receivable not related to main operations                                                                      |
| Other current assets                       | 292,692,384   | 380,980,363   | (88,287,979)      | -23% | Decrease of income tax prepayment                                                                                          |
| Long-term receivables                      | 292,117,178   | 62,752,154    | 229,365,024       | 366% | Increase of loan to related parties                                                                                        |
| Other non-current financial assets         | 286,126,730   | 32,676,606    | 253,450,124       | 776% | Increase of minority equity investment                                                                                     |
| Construction in Progress                   | 951,933,403   | 612,534,221   | 339,399,183       | 55%  | Increase of construction in progress for manufacturing facility improvement                                                |
| Other non-current assets                   | 144,809,660   | 48,589,640    | 96,220,020        | 198% | Miscellaneous prepayments for tangible assets                                                                              |
| Derivative financial liabilities           | 8,122,006     | 2,063,292     | 6,058,714         | 294% | Commodity derivatives transactions processed with a negative valuation and the impact of EUR appreciation on options sold. |
| Advances from customers                    | 0             | 7,568,111     | -7,568,111        | 100% | Reclassification due to adoption of new revenue standard                                                                   |
| Contract liabilities                       | 14,705,738    | 0             | 14,705,738        | NA   | Reclassification due to adoption of new revenue standard                                                                   |
| Other payables                             | 320,490,983   | 531,710,168   | (211,219,185)     | -40% | Decrease in payable to Capex supplier                                                                                      |
| Current portion of non-current liabilities | 276,953,189   | 161,462,854   | 115,490,335       | 72%  | Accrual of provisions                                                                                                      |
| Capital reserve                            | 1,260,973,699 | 2,111,544,529 | -850,570,830      | -40% | Impact from 15% BANG share buy-back transaction                                                                            |
| Non-controlling interests                  | 1,441,018,473 | 3,416,954,043 | (1,975,935,570)   | -58% | Impact from 15% BANG share buy-back transaction                                                                            |

| Income statement items   | 1/01/2020-30/09/2020 | 1/01/2019-30/09/2019 | Total Fluctuation |                | Explantations on fluctuation                |
|--------------------------|----------------------|----------------------|-------------------|----------------|---------------------------------------------|
|                          |                      |                      | RMB               | %              |                                             |
| Financial expenses - net | 110,027,812          | (67,933,766)         | 177,961,578       | Not applicable | FX impact arising from weakening currencies |

|                                            |             |              |              |       |                                                                |
|--------------------------------------------|-------------|--------------|--------------|-------|----------------------------------------------------------------|
| Other income                               | 16,921,745  | 218,585,327  | -201,663,582 | -92%  | The variance is related to the insurance reimbursement in 2019 |
| Investment income (Loss)                   | 11,994,092  | 1,347,360    | 10,646,732   | 790%  | Related to disposal of investment                              |
| Gains (losses) from changes in fair values | 7,128,294   | 3,826,502    | 3,301,792    | 86%   | Impact of positive fair value of LTIP                          |
| Credit losses                              | (1,626,413) | (21,963,371) | 20,336,958   | -93%  | Change in credit risk                                          |
| Gain (loss) from disposal of assets        | (486,247)   | (5,736,855)  | 5,250,608    | -92%  | Loss from disposal of intangible assets in 2019                |
| Non-operating expenses                     | 40,559,102  | 412,203      | 40,146,899   | 9740% | Scrapping of fixed assets                                      |

| Cash flow statement items                         | 1/01/2020-30/09/2020 | 1/01/2019-30/09/2019 | Total Fluctuation |      | Explantations on fluctuation                                     |
|---------------------------------------------------|----------------------|----------------------|-------------------|------|------------------------------------------------------------------|
|                                                   |                      |                      | RMB               | %    |                                                                  |
| Net Cash Flow generated from Operating Activities | 2,289,000,525        | 1,908,200,648        | 380,799,877       | 20%  | Performance improvement in 2020                                  |
| Net Cash Flow used in Investing Activities        | (1,308,077,119)      | (946,746,783)        | (361,330,336)     | 38%  | Due to the investment in Calyseco and other related investments. |
| Net Cash Flow from Financing Activities           | (2,985,744,999)      | (1,016,289,560)      | (1,969,455,439)   | 194% | Mainly due to 15% share buy-back                                 |

### 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<br>公司名称                | Bluestar Adisseo Company.<br>蓝星安迪苏股份有限公司 |
| Legal representative<br>法定代表人 | Jean-Marc Dublanc                        |
| Date 日期                       | 2020/10/30                               |