Bluestar Adisseo Company

Report of Audit Committee

On 23 October 2015， the audit committee held first meeting for this term. The audit committee passed the proposal to rotate the auditing firm of both financial statement audit and internal control audit, and formulate an written opinion; on the meeting, audit committee also reviewed the Q3 report of 2015 and agreed to submit it to board of directors for approval.

In order to implement the rules and regulations of CSRC, BSRC and SSE for the preparation of 2015 annual reports, as well as <Implementation Rules for the Audit Committee> of the Company, the members of audit committee review the Company’s annual report in a diligent and responsible manner.

On 16 December 2015, audit committee made an pre-audit communication on 2015 annual audit and made audit plan for annual report considering the Company’s status and needs. The signing CPAs, engagement manager communicate with the members for findings in the pre-final audit.

Also on this meeting, the audit committee review the proposal to waive disclosure of self-assessment report on internal control. Considering in accordance with related regulation Cai (2012) No. 30, jointly published by the CSRC and MoF on August 2012, BAC falls in the scope of “special implementation cases”, i.e. “a listed company which just completed a Major Asset Restructuring and could not establish the comprehensive C-sox system within the current year, is allowed to disclose its annual self-assessment report in the next fiscal year.” The audit committee agreed that the Company waive the disclosure of self-assessment report on internal control.

After the auditor has draft opinion, audit committee made another communication with auditors. On 11 April 2016, the audit committee reviewed the draft audit report together with financial statements, and concluded that the financial statement of 2015 can fairly reflect the financial position of the Company as of 31 December and operating results and cash flow of the year 2015 in all material aspects. Meantime, the audit committee asked the auditor to wrap up audit work quickly and ensure the progress to finish 2015 annual report.

After the annual report was finalized, the audit committee summarize and evaluate the annual audit work on 13 April 2016 and concluded that the financial statement of 2015 can fairly reflect the financial position of the Company as of 31 December and operating results and cash flow of the year 2015 in all material aspects, and agree to submit the 2015 financial statements audited by KPMG Huazhen LLP. to the board of directors meeting for approval.

Members of the audit committee:

Mr. Cliff Chau	Mr. Jean Falgoux
Ms. Fanny Yang	