Stock Code: 600299 Stock Name: Adisseo No. LIN 2016-019

Bluestar Adisseo Company

Report on the Deposit and Actual Usage of the Funds Raised

The board of directors and all directors guarantee that this announcement does not contain any false statement, misleading statement or material omission, and assume personal and joint liability for the authenticity, accuracy and integrity of this announcement.

1. Basic Information on the Funds Raised

On July 24, 2015, the Company received *Reply on Approving Bluestar New Chemical Materials Co., Ltd. to Purchase Assets and Raise Supporting Funds through Stock Issuance to China National Bluestar (Group) Co., Ltd.* (CSRC Approval [2015] No. 1770) from China Securities Regulatory Commission, which approved the Company 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 *Report on the Major Assets Exchange, Purchasing of Assets and Raising of Supporting Funds through Stock Issuance and Cash Payment, and Associated Transactions of BNCM (Revised)* , total supporting funds to be raised should be no more than RMB 700,000,000, among which, no more than RMB 350,000,000 should be used for the cash consideration to Bluestar to purchase the equity and no more than RMB 350,000,000 should be used for the Company's working capital. On Oct 22, 2015, the Company issued 51,851,851 ordinary shares to specific investors non-publicly with price at RMB 13.5 per share and raised total funds of RMB 699,999,988.50. The net proceeds after deduction of issuance expenses were RMB 692,999,988.50. The abovementioned funds raised were fully transferred into the account on Oct 26, 2015, and verified by the Capital Verification Report (No.: Reanda Verification [2015] No. 2096) provided by Reanda Certified Public Accountants (LLP) on October 27, 2015. The Company has completed the stock registration procedures in China Securities Depository and Clearing Corporation Limited Shanghai Division for the new shares issued on October 28, 2015.

As of June 30, 2016, the Company has accumulatively used RMB 694,312,638.09 of the funds raised (including RMB 1,313,109.59 as interest income generated from funds raised and deduction of bank charges of RMB 460.00). The balance of the non-used funds raised is RMB 0.

2. Management of the Fund Raised

According to the related regulations as well as *Shanghai Stock Exchange Measures for Management of Funds Raised of Listed Companies*, the Company established its own *Measures for Management of Funds Raised* based on principles of compliance, security, efficiency and transparency. The Measures clearly defines 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 Oct 23, 2015, the Company signed a *Supervision Agreement for the Raised Funds Deposited in a Special Bank Account* with Beijing Anhui branch of China Construction Bank, Guotai Jun'an Securities Co., Ltd., Morgan Stanley Huaxin Securities; and opened a special bank account at Beijing Anhui Branch of China Construction Bank, and the bank account number was 11050186360000000009. There was no material difference compared with the SSE template of the *Tripartite Supervision Agreement.*

On May 18, 2016, all of the balance in the special bank account at Beijing Anhui Branch was transferred into a general bank account at Beijing Anhui Branch of China Construction Bank, and the new account number is 11001018500053004086. The closing procedures of the special account started on the same day. On May 27, 2016, the special account was officially closed.

Up until the end of the reporting period, the Company has strictly followed the *Supervision Agreement for the Raised Funds Deposited in a Special Bank Account* regarding funds deposits, usage and management and no violations occurred.

3. The Actual Usage of the Funds Raised

Up to June 30, 2016, the actual usage of the raised funds amounted to RMB 694,312,638.09, among which RMB 350,000,000 was used for cash consideration to Bluestar to purchase the equity and the remaining funds were used for working capital. Please refer to Table 1, the Illustration of the Funds Usage.

4. Problems with the Funds Usage and Information Disclosures

Until June 30, 2016, no change of the usage of raised funds in a certain investment project has occurred. The Company used the raised funds in line with related laws, regulations as well as normative policies and carried out information disclosures of the usage of the funds in a timely manner. There is no violation on the usage and management of the funds raised.

It is hereby announced.

Bluestar Adisseo Company

Board of Directors

27 July 2016

Table 1:

Illustration of the Usage of Funds Raised

Unit: Yuan

<table>
<tr><td colspan="4">Total Amount</td><td colspan="4">692,999,988.50</td><td colspan="2">Total Amount of Raised Funds Used this Year</td><td colspan="3">344,312,638.09</td></tr>
<tr><td colspan="4">Total Amount of Usage-Changed Funds Raised during the Reporting Period</td><td colspan="4">-</td><td colspan="2" rowspan="3">Accumulative Amount of Raised Funds Used</td><td colspan="3" rowspan="3">694,312,638.09</td></tr>
<tr><td colspan="4">Accumulative Amount of Usage-Changed Funds Raised</td><td colspan="4">-</td></tr>
<tr><td colspan="4">Proportion of Accumulative Amount of Usage-Changed Funds Raised</td><td colspan="4">-</td></tr>
<tr><td>Promised Investment Projects and the Investment Directions of Over-raised Funds</td><td>Projects Changed or not, including partially changed ones (if applicable)</td><td>Promised Amount of Funds Raised for Investment Projects</td><td>Amount of Funds Raised for Investment after Restated (1)</td><td>Promised Amount of Funds Raised for Investment until the End of the Reporting Period (1)</td><td>Amount of Funds Raised Used this Year</td><td>Accumulative Amount of Funds Raised Used until the End of the Reporting Period (2)</td><td>Difference between Accumulative Amount Used and Promised Amount until the End of the Reporting Period (3)=(2)-(1)</td><td>Progress of the Investment in the Project (4)=(2)/(1)</td><td>Date when the Project is Ready for Use as Planned</td><td>Profits Generated this Year</td><td>Profits this Year up to the Expectation or not</td><td>Major Changes with Feasibility of the Projects Occurred or not</td></tr>
<tr><td>Promised Investment Projects</td><td colspan="12">RMB 350,000,000 was used for cash consideration to Bluestar for purchasing equity and the remaining funds were used for working capital.</td></tr>
<tr><td colspan="4">1. Description and Reason of Failure to Fulfill Expected Progress and Profits (each project seperately)</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">2. Explanations of the Major Change with Feasibility of the Project</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">3. Amount, Usage and Progress of the Usage of Over-raised Funds</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">4. Changes with the Implementation Place of the Investment Project</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">5. Changes with the Implementation Method of the Investment Project</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">6. Up-front Investment and Replacement of the Project</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">7. Free Funds Raised as a Supplement to Working Capital Temporarily</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">8. Amount and Reason of the Excessive Surplus of Funds in Implementation of the Project</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">9. Usage and Allocation of the Non-Used Funds Raised</td><td colspan="9">Not applicable</td></tr>
<tr><td colspan="4">10. Problems and other Issues in the Usage of Funds Raised and Information Disclosures</td><td colspan="9">Not applicable</td></tr>
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