

Bluestar Adisseo Company
Internal Reporting System of Material Matters

(2015)

Chapter 1 General Provisions

Article 1 In order to strengthen the contact with investors, ensure the timeliness, accuracy, completeness and sufficiency of the Company's information disclosure, Bluestar Adisseo Company ("the Company"), as a public company which has issued stocks publicly and got listed for transaction, has specially made the Internal Reporting System of Material Matters ("the System") in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules for Listing of Stocks on Shanghai Stock Exchange ("the Listing Rules"), Guidelines of the Shanghai Stock Exchange on the System of Managing Information Disclosure Matters of Listed Companies etc., as well as the Articles of Association and the Information Disclosure Management System of the Company.

Article 2 The internal reporting system of material matters of the Company is a system that, in case any situation or event appears, occurs or will occur, which will significantly impact the market price of the Company's shares and derivatives, relevant personnel and companies obligated to report

according to the System shall report relevant information to the Chairman of the Board of Directors of the Company (“the Chairman”) and the Secretary of the Board of Directors of the Company in time.

Article 3 The System applies to the Company’s departments, branch companies, subsidiary companies, and joint-ventures the Company is able to impact materially.

Article 4 Internal reporting obligators of material matters of the Company (“the internal reporting obligators”) include: the Chairman, the supervisors, the senior executive members and the principals of the Company’s each department, branch company, subsidiary company and joint-ventures. The Company’s controlling shareholders and shareholders holding more than 5% of shares; other entities, personal and departments obliged to disclose information

Article 5 The Company’s branch companies, subsidiary companies, and joint-ventures may appoint one person who is familiar with relevant businesses and regulations to administer securities affair information, and inform the Secretary of the Board of Directors upon nomination.

Article 6 The Board of Directors shall uniformly lead and manage the Company’s information disclosure. Chairman is primary person responsible for the Company’s information disclosure affairs. The Office of the Secretary of the Board of Directors takes charge of coordination and arrangement concerning detailed matters in the Company’s information disclosure. The Company’s Secretary of the Board of Directors implements the Company’s information disclosure affairs. Where the Secretary of the Board of Directors cannot fulfil such duties, the securities affairs representative shall act on behalf of the Secretary of the Board of

Directors.

Article 7 The Company's directors, supervisors, the Secretary of the Board of Directors, other senior executive members, and personnel who obtain access to the Company's information during work shall undertake the duty of confidentiality prior to such information is disclosed.

Article 8 The Company may publish the information disclosed through other media, but such publication shall not be earlier than that at the specified newspaper and website. The Company may disclose related business operation information at the Company's website disclosed publicly: [[http://www. bluestar-adisseo.com](http://www.bluestar-adisseo.com)].

Article 9 According to the Company's actual situations the Secretary of the Board of Directors of the Company shall periodically train relevant personnel who are obligated to report material information to the company, so as to ensure prompt and accurate reporting of the material information within the Company.

Chapter 2 Scope of Material Matters

Article 10 *The material matters* mentioned in the previous article indicates the matters which may significantly impact the market price of the Company's securities or derivatives, and are not available to investors. Material matters include:

- (1) Material alternations in the Company's operation policy and business scope;
- (2) Major investment activities and major decisions in light of asset acquisition;
- (3) The Company concludes major contracts which may materially

- impact the Company's assets, liabilities, equity interest and operation achievements;
- (4) The Company incurs major debts or defaults on major debts, or it is liable of large amount compensation;
 - (5) Major losses or major damage incurred by the Company;
 - (6) Significant alteration in the external circumstances where the Company operates;
 - (7) Change in directors or managers; change in more than 1/3 of the supervisors; the Chairman of the Board of Directors ("the Chairman") or the manager fails to perform his or her duties;
 - (8) Material change in the control or the percentage of shareholding of any shareholder holding more than 5% of the Company's shares or the Company's actual controllers;
 - (9) The Company's resolutions on decrease of capital, merger, division, dissolution or filing for bankruptcy; inauguration of bankruptcy procedure in accordance with the law or is ordered to close the business by the government authorities;
 - (10) Significant litigation or arbitration involving the Company occurs, or resolutions of the shareholders' general meeting or the Board of Directors, are rescinded or declared void in accordance with the law;
 - (11) The Company is investigated by authorities for violation of laws and rules, or is subject to criminal penalties or severe administrative sanctions; the Company's directors, supervisors and senior executive members are subject to investigation or coercive measures by authorities for violation of laws and rules;
 - (12) New laws, rules, regulations and industrial policies which may significantly impact the Company are promulgated;
 - (13) The Board of Directors passes resolutions on refinancing plans such as issuance of new shares, and stock incentive plans;

- (14) The controlling shareholders are prohibited from transferring their shares to others by the People's Court; more than 5% of shares of the Company held by any single shareholder is pledged, frozen, judicially auctioned, in custody, entrusted, or restricted on the voting rights in accordance with the law;
- (15) Major assets are sealed-up, distrained, frozen, mortgaged or pledged;
- (16) Core businesses or all businesses suspend;
- (17) The company provides significant guarantees for external entities;
- (18) The company obtains additional revenues that may materially impact the Company's assets, liabilities, equity interest or operation achievements, such as huge government subsidy;
- (19) Alterations in accounting policies or accounting estimates;
- (20) The Company rectifies by orders from related authorities or under the decision of the Board of Directors due to the information mistakenly disclosed, the information not disclosed in line with regulations, or the disclosed information containing misrepresentation;
- (21) Other situations specified by laws, regulations, CSRC and Shanghai Stock Exchange.

Article 11 If the situations specified in Article 10 or in the following arise or is about to arise in the Company, the Company's branch companies, the Company's branch companies, subsidiary companies, and joint-ventures, the relevant personnel obligated to report shall report relevant information promptly, accurately, authentically and completely, to the Secretary of the Board of Directors of the Company, which mainly includes:

- (1) Proposals submitted to the Board of Directors and the Board of Supervisors;

- (2) Notice of meetings of the Board of Directors and the Board of Supervisors, Notice of Shareholders' General Meeting (including notice on the date adjustment of such meetings) and the resolutions thereof;
- (3) Declaration, opinions and reports of independent directors.

Article 12 If the Company's controlling shareholder plans to transfer his or her shares of the Company, and such transfer will change the Company's controlling shareholder, such controlling shareholder, after arriving at an agreement in principal with the transferee regarding share transferring, shall promptly report such information to the Secretary of the Board of Directors, and keep the Company updated of the transferring progress. Should the controlling shareholder be prohibited from transferring his or her shares in the Company by the People's Court, the Company's controlling shareholders shall report such information to the Secretary of the Board of Directors of the Company in time after receiving such ruling of the People's Court.

Article 13 If the shares held by the shareholders who hold more than 5% of the Company's shares are subject to pledge, freezing, judicial sale, custody or trust setting, this shareholder shall report related information to the chairman and secretary of the Board of Directors of the Company in time.

Article 14 Internal reporting obligators and companies obligated to report according to the regulations of the System shall provide material information in writing to the Secretary of the Board of Directors of the Company, including but not limited to the relevant agreements or contracts, government approval, laws, rules, judicial decision, and introduction of situation, etc...

Chapter 3 Reporting Procedures of Internal Material Information

Article 15 Internal reporting obligators and companies obligated to report according to the regulations of the System shall, within two business days after obtaining the material internal information prescribed herein, report relevant information to the Office of the Secretary of the Board of Directors of the Company by phone, and meanwhile, fax and then mail the written documents concerning such information to the Office of the Secretary of the Board of Directors.

Article 16 The relevant personnel and companies that report material matters shall submit the following documents to the Secretary of the Board of Directors:

- (1) internal reports on pertinent matters;
- (2) agreements or letters of intent related to the matters (if applicable);
- (3) competent authority's approval (if applicable);
- (4) opinions issued by securities service agencies (if applicable); and
- (5) minutes of the internal meetings on the material matters (if applicable).

Article 17 After receiving the material information reported by the Company's relevant personnel, the Secretary of the Board of Directors shall immediately report the situation to the Chairman.

Article 18 The Secretary of the Board of Directors shall analyze and decide on the reported internal material information in accordance with laws, rules, regulations such as the Rules for Listing on Shanghai Stock Exchange, Guidelines of the Shanghai Stock Exchange on the System of Managing Information Disclosure Matters of Listed Companies, the Articles of

Association and the Information Disclosure Management System of the Company. If the Company is considered under the duty to disclose, the Secretary of the Board of Directors of the Company shall promptly report to the Board of Directors and the Board of Supervisors of the Company, request the Board of Directors and the Board of Supervisors to undertake corresponding procedures and disclose the information according to relevant regulations.

Article 19 The Secretary of the Board of Directors shall appoint special personnel to compile and deposit the information appropriately.

Article 20 Prior to information disclosure, the directors, supervisors and senior executive members of the Company shall limit the number of persons who has access to the information within the minimum scope and keep relevant information strictly confidential. They shall not leak such information, engage in insider trading or collaborate with others to manipulate the market prices of the company's stocks and of derivatives.

Article 21 Internal reporting obligator should be diligent and strictly comply with the regulations in the System. If material matters prescribed in the System that shall have been reported up promptly was not reported in time, resulting in retard in the Company's information disclosure or misrepresentations or mistakes, and the Company or the investors suffers damages or is subject to sanction of regulatory institutions such as CSRC and Shanghai Stock Exchange, the Company shall impose liabilities on related persons. Such persons are subject to censure, warning, monetary sanctions, dismissal of titles and as far as legal liabilities.

Chapter 4 Supplementary Provisions

Article 22 Where the System is inconsistent with the Administrative Measures on Information Disclosure by Listed Companies, the Listing Rules, the Company's AOA or there are matters not mentioned herein, the aforesaid laws, regulations and rules shall prevail.

Article 23 The System shall be implemented from the date it is adopted by the Company's Board of Directors.

Article 24 The Company's Board of Directors is responsible for the interpretation of the System.

**Bluestar Adisseo Company
December 16, 2015**