Company Abbreviation: Adisseo Company Code: 600299

Bluestar Adisseo Company

Private Issuing of A-shares

Prospectus

(Filing Version)

中信证券股份有限公司
CITIC Securities Company Limited

April 2025

(In case of discrepancies between the English version and the Chinese version of this prospectus the Chinese version, officially published and disclosed, shall prevail.)

Statements

The Company and all Directors, Supervisors and Senior Executives undertake that there are no false records, misleading statements or material omissions in the Prospectus and other information disclosure materials and and will take individual and joint responsibilities for the truthfulness, accuracy, and completeness of the announcement.

The person in charge of the Company, the person in charge of accounting work and the person in charge of the accounting organization guarantee the truthfulness and completeness of the financial and accounting information in the private issuing prospectus.

Any decision or opinion made by the China Securities Regulatory Commission or the Shanghai Stock Exchange in respect of the private issuing does not indicate that it guarantees the truthfulness, accuracy and completeness of the Declaration Documents and the information disclosed therein, nor does it indicate that it has made any material judgment or warranty as to the profitability of the Issuer, the value of the investment, or as to the profitability of the investors. Any statement to the contrary is a false misrepresentation.

According to *the "Securities Law"*, the issuer is solely responsible for any changes in the issuer's operations and earnings after the securities are legally issued. Investors judge the investment value of the issuer and make their own investment decisions, and bear the investment risks arising from changes in the issuer's operations and earnings or changes in the price of the securities after the issuance of the securities in accordance with the law.

Significant Prompts

The Company would like to draw the attention of investors to the need to read the Prospectus carefully before making any investment decision and pay attention to the following summary of risks, which are summarized below, and for a more detailed understanding, please read ‘Chapter 6: Risk Factors Relating to the Private Issuing’ of the Prospectus.

1 Risks related to underperformance in UoP projects

The planned use of the Use of Proceeds (“UoP") funds includes Project of performance products “The powder methionine project with an annual production capacity of 150,000 tons”, Projects of specialty products “The specialty feed additives project with an annual production capacity of 37,000 tons” and “SPain Ester Adisseo transfeR”, Sustainable development project “Acrylic acid wastewater treatment and recycled water project”, and Supplementary working capital. The above projects have been rigorously studied and demonstrated in terms of feasibility, necessity, and other aspects. It not only has good development prospects, but also conforms to the company's overall future strategy, helps the development of multiple core businesses, effectively enhances the company's core competitiveness and management efficiency, and achieves long-term high-quality development. Although the company has conducted in-depth market research and analysis, the actual benefits of the project are still subject to uncontrollable factors such as market, policies, project progress, changes in competitive conditions, and technological updates, which result in the inability to achieve expected internal rate of return and other performance indicators after the completion of the fundraising project, leading to the risk of extended investment payback period.

The project of SPain Ester Adisseo transfeR marks the company's first expansion in Europe, involving the addition of a liquid Metasmart® esterification production line in Spain. The proposed investment scale is based on market forecasts and engineering designs at the project initiation stage. However, during implementation, the project involves multiple phases, including engineering management, detailed design, construction, equipment procurement, installation, and commissioning. Although the company has established measures and standardized processes for schedule management, quality control, and procurement, risks such as rising labor costs, equipment price increases, and delays may lead to higher costs, budget overruns, or failure to meet the planned production timeline. Furthermore, while the project has undergone prudent feasibility assessments, unforeseen risks during execution and post-operation market fluctuations may create discrepancies between the actual investment returns and initial estimates, potentially impacting the company's financial performance.

2 Risks related to pending overseas project filing approvals for UoP projects

As of the signing date of this prospectus, Adisseo has not yet obtained the required overseas investment filing from the commerce department or foreign exchange administration registration for the SPain Ester Adisseo transfeR project. The Company is actively progressing with relevant procedures. If these filings are not secured as anticipated, the expected benefits for the corresponding project could be adversely impacted.

3 Risks related to cross-border operations, oversight and business expansion

As a global producer of nutritional feed additives, Adisseo is implementing and is operating businesses all over the world. Cross-border operations are exposed to the risks related to changes in the market, economy, geopolitics, demographics, public consensus, exchange rates, trade barriers, customs and export control, regulatory, tax regimes, restrictions on foreign investment in some regions. For example, Some of Adisseo's major subsidiaries are located outside China Mainland, over 80% of its sales and a significant part of its production are outside China.

Although Adisseo has extensive experience in operating a global business, changes in policies and laws and regulations of the countries in which its assets and business are located may affect the operation of its business in such countries. Investors should be aware of the risks associated with Adisseo's cross-border operations worldwide considering that Adisseo is also developing its network of subsidiaries and participations all over the world. In this respect, the Ukraine crisis enhanced the level of uncertainties notably considering the availability of certain raw materials and energy such as natural gas. The recent Houthi attacks on shipping vessels in the Red Sea is impacting the global containers shipping activities as rerouted vessels lead to higher shipping costs and scheduling disruptions. Furthermore, the economic effects of the Israel-Hamas War are still evolving, the larger Middle Eastern region could potentially be directly impacted as the war unfolds. In this context, the likelihood of supply interruptions and impacts on Adisseo's sales, cost of procuring raw materials, or distribution costs may increase in future periods.

4 Risks related to the cyclical fluctuation of the global macro economy

As an international company, Adisseo provides products and services to around 4,200 customers in over 110 countries and regions. Its performance, financial position and future will continue to be affected by the global macro economy. The debt crisis, trade imbalances, international sanctions, exchange rate fluctuation and other issues also increase the uncertainty of such recovery. The fluctuation of the global economy will increase fluctuation in Adisseo business.

5 Risks related to imbalance of supply and demand

The methionine market, in which Adisseo carries out its main activity, is affected by global methionine production capacities, the imbalance between supply and demand, the availability and pricing of raw materials and various factors such as the global macro economy.

6 Risks related to raw materials and energy

Adisseo operates its activities in an uncertain, and challenging environment, characterized by volatile prices of raw materials, energy and logistics costs. Raw materials used by Adisseo mainly include propylene, sulphur, methanol, ammonia and natural gas. Adisseo has a limited number of suppliers for such materials as they are not easily transportable. If the suppliers fail to supply such raw materials, if the prices of such raw materials fluctuate significantly, or if Adisseo fails to acquire sufficient raw materials at a reasonable price, the Company's business, financial position, and results from operations may be materially and adversely affected. Restrictions to cross-borders shipments, the ongoing Ukraine crisis including international sanctions regulations relating thereto, as well as natural disasters damaging supplier's physical assets, could increase the risk of interruption in the sourcing of raw materials and energy.

7 Risks related to product research and development, technology upgrade and alternative methionine production technologies

In order to maintain competitiveness, Adisseo continuously invest in research and innovation, launch innovative products to meet its customers' needs and develop new production technologies that are more efficient and competitive. However, R&D projects and collaborations aiming at improving production process and technologies may be suspended because of factors such as changes in market conditions, changes in technology, and changes in government policies. If Adisseo fails to continuously launch new products or improve its production process, or if Adisseo's competitors successfully launch competitive products or improve their production process better and faster than Adisseo, its market position may be impacted, which may materially and adversely affect the business, financial positions, and results of Adisseo.

8 Risks related to improper lay-out of production plan

Adisseo's performance may be restrained by its production capacity. Adisseo has made progressive investments over the last years to increase its production capacities and proactively manage its inventories. However, customers' orders may not be fulfilled in a timely manner as a result of inappropriate production planning, malfunction of the production facilities, repairs or maintenance of the production facilities or failure to convert potential new production capacity into actual production. Failure to meet customers' needs may damage Adisseo's reputation and image as well as its relationship with its customers, which may result in decreasing purchases of Adisseo products and affect sales of the Group.

Furthermore, Adisseo's estimates of future demand for its products determine its production capacity evolution, which is based on such assumptions but if such estimates or assumptions fail to materialize or in case of certain loss events – such as fire or machinery breakdown – resulting in a temporary incapacity to operate productions facilities, Adisseo's business, financial conditions and results of operations could be materially and adversely impacted.

9 Risks related to acquisitions and equity alliances

From a historical perspective, Adisseo's growth and expansion have been driven not only by organic development but also by external acquisitions, which play a crucial role. To date, these acquisitions have provided significant complementary effects in terms of product categories, animal species, and market channels, helping Adisseo strengthen its core business while continuously expanding its portfolio of high-growth specialty products and innovative solutions in animal nutrition and health. This has further reinforced its market leadership.

At the end of each reporting period, Adisseo conducts impairment tests on all asset groups. The test results have consistently shown that the recoverable amounts exceed the carrying values, and no impairment provision has been required. However, if the company's operations are affected by factors such as international political conditions, market supply and demand, emerging technologies, or its own business performance, or if major adverse events such as force majeure occur, leading to operational performance falling short of expectations, Adisseo may face impairment risks.

10 Risks related to operation of invested enterprises

The Chongqing plant of the Company's joint venture’s subsidiary (below referred to as Calysseo) is the world's first demonstration plant for large-scale production of single-cell protein products, with an annual design capacity of 20,000 tons. Due to the complexity of the biotechnology and new difficulties encountered in the industrial amplification process, the pilot production ramp-up phase of Calysseo Chongqing plant lasted longer than expected, resulting in loss at Calysseo level. In the future, if it will still take longer-than-expected time for the FeedKind® protein technology to fully reach industrialized-scale and commercial maturity, there may continue to be losses at Calysseo level, which in turn will require continued financing support. In addition, the partner of the Company’s joint venture (Calysseo Ltd.), Calysta Inc. (in which the Company’s subsidiary, Adisseo Venture, holds a minority stake), is an American biotechnology innovation company that owns the FeedKind® R&D and production technology. Therefore, in the process of its business development, it will continue to make a large amount of R&D investment. Since the Calysseo Chongqing factory is the first production unit in the world to apply its innovative technology, Calysta Inc.

has not yet formed a fixed source of revenue from the technology. In the future, its future development may also be affected by potential macroeconomic and industry fluctuations, intensified market competition, challenging business management, and the potential loss of technical personnel. Due to the longer-than-expected timeline for the validation and commercial rollout of its innovative technology, Calysta Inc. may continue to have only very limited sources of revenue to support its financial needs over time. If, in the future, the FeedKind protein product technology developed by Calysta Inc. requires additional time to gain market acceptance, or Calysta Inc. is unable to obtain necessary financing, Calysta Inc's operations will be adversely impacted, thus causing Adisseo to face investment risks. Meanwhile, the possible going-concern difficulty of Calysta Inc. may also affect its ability to provide financial support for Calysseo Ltd., which may adversely affect the production, operation, and comprehensive industrialization and commercialization process of Calysseo.

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Definitions

In this Prospectus, unless the context otherwise requires, the following abbreviations have the following meanings:

Definitions of Common Words/Phrases		
Adisseo, Issuer, Listed Company, Company, The Company, Our company	Refers to	Bluestar Adisseo Company, formerly known as "Bluestar Chemical New Materials Company Limited" prior to its reorganization and listing in 2015 (hereinafter referred to as "Adisseo")
The Issuance / The Issuance to Specific Targets	Refers to	Bluestar Adisseo Company's issuing of shares to specific targets
Reporting period	Refers to	2022, 2023 and 2024
A share	Refers to	Ordinary shares authorized to be listed on domestic stock exchanges, denominated in RMB, subscribed and traded in RMB
Sinochem Holdings	Refers to	SinoChem Holdings Co., Ltd. is a new Company established by the SASAC of the State Council on behalf of the State Council to perform the duties of investor for the purpose of joint reorganization between SinoChem Group and ChemChina. SinoChem Group and ChemChina will be included in the new Company as a whole
Bluestar Group	Refers to	China National Bluestar (Group) Co., Ltd.
Nutriad	Refers to	Nutriad Holding B.V., a Belgium-based multinational supplier of specialty feed additives covering swine and poultry feed palatability improvers, mycotoxin adsorbents, and improved digestive performance, which Adisseo acquired in February 2018
BANG, Adisseo Group	Refers to	Bluestar Adisseo Nutrition Group Limited, The issuer-controlled enterprise in Hong Kong, China.
FRAmelco	Refers to	FRAmelco B.V., namely Franklin Group BV and its subsidiaries, a Netherlands-based producer of feed additives that market short- and medium-chain fatty acids to enhance animal performance, which Adisseo acquired on December 11, 2020
Nor-Feed	Refers to	Nor-Feed Holding S.A.S, a France-based designer, manufacturer and marketer of plant-based specialty ingredients and botanical extracts for animal feed, which Adisseo completed a control buyout in February 2023
Nanjing Plant	Refers to	Bluestar Adisseo Nanjing Co., Ltd., the issuer-controlled Chinese enterprise.
Calysta	Refers to	Calysta Inc., a US-based technology firm that has developed a proprietary Single Cell Protein and its innovative associated manufacturing process
Calysseo	Refers to	Calysseo Ltd., Adisseo has formed a joint-venture Company called Calysseo together with Calysta in March 2020
Calysseo Chongqing plant	Refers to	Calysseo (Chongqing) Company Limited, a wholly owned subsidiary of Calysseo Ltd., was established in September 2020.

Evonik	Refers to	Evonik Industries AG and its affiliates.
Novus	Refers to	Novus International, Inc. and its affiliates.
Sumitomo Group	Refers to	Sumitomo Group and its affiliates.
Sumitomo Chemical	Refers to	Sumitomo Chemical Co., Ltd.
BASF	Refers to	BASF SE and its affiliates.
Kemin	Refers to	Kemin Industries, Inc. and its affiliates.
Zhejiang Medicine	Refers to	Zhejiang Medicine Co., Ltd.
NHU	Refers to	Zhejiang NHU Company Ltd.
Hebang Biotechnology	Refers to	Sichuan Hebang Biotechnology Co., Ltd.
CSRC	Refers to	The China Securities Regulatory Commission
SSE	Refers to	Shanghai Stock Exchange
Standing Committee of the National People's Congress	Refers to	Standing Committee of the National People's Congress of the People's Republic of China.
State Council	Refers to	State Council of the People's Republic of China
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council
National Development and Reform Commission	Refers to	National Development and Reform Commission of the People's Republic of China
Ministry of Industry and Information Technology	Refers to	Ministry of Industry and Information Technology of People's Republic of China
Ministry of Agriculture and Rural Affairs	Refers to	Ministry of Agriculture and Rural Affairs of the People's Republic of China, formerly the Ministry of Agriculture of the People's Republic of China (referred to as the "former Ministry of Agriculture")
Ministry of Natural Resources	Refers to	Ministry of Natural Resources of the People's Republic of China
Ministry of Ecology and Environment	Refers to	Ministry of Ecology and Environment of the People's Republic of China
State Administration for Market Regulation	Refers to	State Administration for Market Regulation of the People's Republic of China
National Health Commission	Refers to	National Health Commission of the People's Republic of China
National Bureau of Statistics	Refers to	National Bureau of Statistics of the People's Republic of China
Company Law	Refers to	*Company Law of China*
Securities Law	Refers to	*Securities Law of China*
Listing Rules	Refers to	Rules for the Listing of Stocks on the Shanghai Stock Exchange

Measures for the Administration of Registration of Securities Offering	Refers to	Measures for the Administration of Registration of Securities Offering by Listed Companies
Securities and Futures Legal Application Opinion No. 18	Refers to	Guidance on the Application of Relevant Provisions of Articles 9, 10, 11, 13, 40, 57, and 60 of the 'Administrative Measures for the Registration of Securities Issuance by Listed Companies' — Securities and Futures Legal Application Opinion No. 18
Articles of Association	Refers to	Articles of Bluestar Adisseo Company
Shareholders' Meeting	Refers to	Shareholders' Meeting of Bluestar Adisseo Company
Board of Directors	Refers to	Board of Directors of Bluestar Adisseo Company
Board of Supervisors	Refers to	Board of Supervisors of Bluestar Adisseo Company
Yuan, Ten Thousand Yuan, One Hundred Million Yuan	Refers to	Unless otherwise specified, means RMB yuan, ten thousand RMB yuan, one hundred million RMB yuan
Sponsor, Lead Underwriter	Refers to	CITIC Securities Company Limited
Accountants	Refers to	KPMG Huazhen LLP
Lawyer	Refers to	Beijing King & Wood Mallesons
Professional Words/Phrases		
Feed additives for animal nutrition	Refers to	Feed additives are food supplements for farm animals that cannot get enough nutrients from regular feeds and have to be added to the feed for nutritional purpose; which could promote the growth, development and wellbeing of animals.
Methionine/ Methionine product	Refers to	One of the naturally occurring, sulfur-containing essential amino acid, which cannot be synthetized by animals and need to be added to the feed. Methionine product refers to those contain methionine itself or chemicals that can be bio-transformed to methionine in animals
Liquid methionine	Refers to	A methionine hydroxyl analogue, which can be naturally transformed to methionine in animals and is in a liquid state at ambient temperature
Powder methionine	Refers to	Methionine in a powdery state at ambient temperature
Ammonium sulfate	Refers to	A colorless crystalline salt, which is a by-product during the liquid methionine production process, and mainly be used as a fertilizer
Acrylic acid	Refers to	A colorless organic compound, which is one of the components in the wastewater produced during methionine production
Enzyme	Refers to	A protein molecule function as a biological catalyst and effectively promote certain biological reactions in animals, and also can be used to accelerate the reaction processes in chemical industrial production. Enzymes can be added to feed to ameliorate the feed utilization and nutrition, health and immune status of animals

Ruminants	Refers to	Refers to animals whose stomach usually divided into four compartments, namely rumen, reticulum, omasum, and abomasum, and chew a cud consisting of regurgitated, particularly digested food. Ruminants include cattle, sheep, goats, deer, giraffes, camels, etc
Rumen	Refers to	The first stomach of ruminants is mainly used for storing and digesting food under the action of microorganisms
Essential amino acids	Refers to	The amino acids that animals cannot synthesize in sufficient quantities on their own and must obtain from food
Performance products	Refers to	The following products: methionine, methionine hydroxyl analogue, vitamins, ammonium sulfate, sodium sulfate and other by-products, sulfur products
Specialty products	Refers to	Monogastric animal specialty products, ruminant animal specialty products, and aquatic products, including Norfeed, Innovia (powder preparation processing services), and FeedKind® protein series
MMP	Refers to	3- (methylthio) propanal is the first intermediate for the synthesis of methionine. It is produced by a chemical reaction between methyl mercaptan and propylene
FeedKind® protein, FeedKind protein, FeedKind®	Refers to	FeedKind® Protein is a natural, traceable, safe, non animal source protein produced through the world's only commercially certified gas fermentation process, producing high protein feed ingredients that can be used as sustainable alternatives to fish meal and other feed ingredients

Some of the totals in this prospectus may differ slightly from the sum of the direct addition of each of the additions in terms of trailing numbers, and these differences are due to rounding.

Chapter 1 Basic Information of the Company

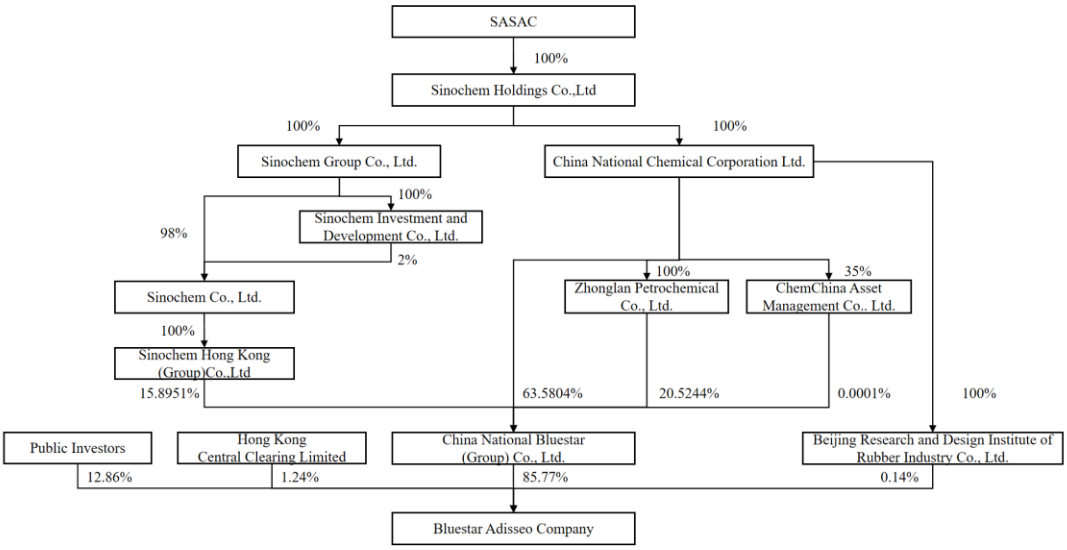
1 Basic Information of the Company

Company Name	Bluestar Adisseo Company
Legal representative	Hao Zhigang
Date of establishment	May 31, 1999
Listing place	Shanghai Stock Exchange
Company abreviation	Adisseo
Company code	600299.SH
Listing date	April 20, 2000
Registered capital	RMB 2,681,901,273
Registered address	Room 3079, 3F, Shangdi Information Industry Base Zoom, 6 Chuang Ye Road, Haidian District, Beijing
Office Address	9 West Beitucheng Road, Chaoyang District, Beijing
Postal code	100029
Tel	010-61958799
Fax	010-61958805
Website	www.adisseo.com.cn
Business scope	Poject investment; investment management; technology development, technology transfer, technical services; economic information consulting; enterprise management; (Sales of food, road cargo transportation. For projects that require approval according to the law, business activities shall be conducted following the approved content after obtaining approval from the relevant departments.)

2 Shareholding Structure, Controlling Shareholders and Ultimate Controllers

2.1 Shareholding structure

As of December 31, 2024, the Issuer's shareholding structure is shown as follows:



2.2 Top ten shareholders of the issuer

As of December 31, 2024, the top ten shareholders of the Company held shares as follows:

No.	Shareholder	Type of Shareholder	Number of Shares (Share)	Proportion of Shareholding （%）
1	China National Bluestar (GROUP) Co., Ltd.	State-owned legal entity	2,300,179,161	85.77
2	Hong Kong Central Clearing Company Limited	Foreign legal entity	33,193,184	1.24
3	National Social Security Fund 114 Portfolio	Other	12,662,998	0.47
4	Agricultural Bank of China Co., Ltd. - Fuguo CSI 500 Index Enhanced Securities Investment Fund (LOF)	Other	7,256,371	0.27
5	Jiangsu Juhe Creative Emerging Industry Investment Fund (Limited Partnership)	Other	6,600,000	0.25
6	Zhejiang Merchants Bank Co., Ltd. - Guotai CSI Livestock Breeding Trading Open Ended Index Securities Investment Fund	Other	5,555,900	0.21
7	Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	Other	5,523,161	0.21
8	China Electronics Investment Holdings Limited	State-owned legal entity	5,185,185	0.19
9	Agricultural Bank of China Limited - Huaxia CSI 500 Index Enhanced Securities	Other	4,425,824	0.17

No.	Shareholder	Type of Shareholder	Number of Shares (Share)	Proportion of Shareholding （%）
	Investment Fund			
10	Tian Gansheng	Other	4,041,200	0.15
Total			**2,384,622,984**	**88.92**

2.3 The Situation of the Controlling Shareholders and Ultimate Controller of the Issuer

As of December 31, 2024, Bluestar Group holds 85.77% of the company's shares, and Sinochem Holdings, established by the SASAC of the State Council on behalf of the State Council to perform the duties of investor, collectively holds 85.91% of the company’s shares through Bluestar Group and Beijing Research & Design Institute of Rubber Industry Co., Ltd. The controlling shareholder of the Company is Bluestar Group, and the ultimate controller is SASAC.

The specific situation of Bluestar Group is as follows:

Company Name	China National Bluestar (Group) Co. Ltd.
Unified Social Credit Code	911100001000181794
Date of Establishment	1989.04.03
Company Type	Joint-Stock Limited Company (Sino-foreign Joint Venture, Unlisted)
Registered Address	9 West Beitucheng Road, Chaoyang District, Beijing
Registered Capital	RMB 15,365,589,192
Legal Representative	Li Bo
Business Scope	Licensed project: Feed additive production [branch operation]; Food additive production [branch operation]. (Projects that need to be approved according to law can only be operated with the approval of relevant departments. The specific operation items are subject to the approval documents or licenses of relevant departments.) General projects: research and development of new materials technology; New material technology promotion service; Production of chemical products (excluding licensed chemical products); Sales of chemical products (excluding licensed chemical products); Sales of special equipment for oil refining and chemical production; Manufacture of special equipment for oil refining and chemical production; Sales of food additives; Sales of feed additives; Manufacture of special chemical products (excluding hazardous chemicals); Sales of special chemical products (excluding hazardous chemicals); Technical research and development of biochemical products; Domestic trade agent: professional cleaning, cleaning and disinfection services; Manufacturing of daily chemical products; Sales of daily chemical products; Manufacturing of synthetic materials (excluding hazardous chemicals); Petroleum products

	manufacturing (excluding hazardous chemicals); Manufacturing of special equipment for environmental protection; Water environment pollution prevention and control services; Manufacturing of ecological environmental materials; Manufacturing of special machinery and equipment for water resources; Gas and liquid separation and purification equipment manufacturing; Sales of gas and liquid separation and purification equipment; Engineering and technical research and test development; Technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion; Special equipment manufacturing (excluding licensed professional equipment manufacturing); Technology import and export; Energy conservation management services; Industrial engineering design services; Engineering management services; Import and export of goods; Foreign contracted projects; Research and development of carbon emission reduction, carbon conversion, carbon capture and carbon storage technology; General equipment manufacturing (excluding special equipment manufacturing); Non-residential real estate leasing: leasing services (excluding licensed leasing services); Environmental consulting services. (Except for the projects that need to be approved according to law, the business activities shall be carried out independently according to law with the business license) (The business activities of the projects prohibited and restricted by the national and municipal industrial policies are not allowed.)

3 Main Characteristics and Competitive Situation of the Industry in which the Company Operates

Adisseo is a global leader in the animal nutrition additives industry, mainly engaged in the research, production, and sales of animal nutrition additives. The company holds a leading position in the industry in terms of scale and technological level for several core products, including methionine, vitamins, and enzyme preparations.

According to the *"China Listed Companies Association Guidelines for Industry Classification of Listed Companies"*, the company belongs to the Food Manufacturing Industry (C14).

3.1 Main Characteristics of the Industry

3.1.1 Industry regulatory authorities and supervision system

(1) Industry regulatory authorities and supervision system

The regulatory authorities for the animal feed additives industry in China include the Ministry of Agriculture and Rural Affairs, the State Administration for Market Regulation, the National Health Commission, and the Ministry of Ecology and Environment, etc. The aforementioned departments are primarily responsible for macro-control of the industry, formulating industrial policies, and guiding technological transformation, as detailed below:

Department Name	Functions
Ministry of Agriculture and Rural Affairs	The Bureau of Animal Husbandry and Veterinary Medicine under the Ministry of Agriculture and Rural Affairs is responsible for drafting policies and plans for the development of the animal husbandry, feed, livestock slaughtering, and veterinary sectors. It supervises veterinary medical administration, veterinary drugs, and veterinary instruments. It also guides the resource utilization of livestock manure. Supervise and manage the quality and safety of livestock and poultry slaughtering, feed and its additives, and the production and acquisition of raw milk. Organize and implement domestic animal epidemic prevention and quarantine. Undertake international veterinary affairs, safety management of veterinary biological products, and work related to entry and exit animal quarantine.
State Administration for Market Regulation	Responsible for comprehensive market supervision and management. Draft relevant laws and regulations for market supervision, formulate relevant rules, policies, and standards, organize and implement the quality strong country strategy, food safety strategy, and standardization strategy, propose and organize the implementation of relevant plans, regulate and maintain market order, and create a market environment of honesty, trustworthiness, and fair competition.
National Health Commission	The Food Safety Standards and Monitoring Assessment Division of the National Health Commission is responsible for organizing the formulation of national food safety standards, conducting food safety risk monitoring, assessment, and communication, and undertaking the safety review of new food materials, new varieties of food additives, and new varieties of food-related products.
Ministry of Ecology and Environment	Responsible for establishing and improving the basic system of ecological environment, coordinating and supervising major ecological environment issues, overseeing the implementation of national emission reduction targets, proposing opinions on the scale and direction of fixed asset investment in the ecological environment field and the arrangement of national fiscal funds, approving and authorizing fixed asset investment projects within the national planning and annual plan scale according to the authority stipulated by the State Council, cooperating with relevant departments to organize, implement, and supervise work, participating in guiding and promoting the development of circular economy and ecological environmental protection industry, overseeing the prevention and control of environmental pollution, responding to climate change, organizing central ecological environment protection inspections, uniformly responsible for ecological environment supervision and law enforcement, organizing, guiding, and coordinating ecological environment publicity and education work, formulating and implementing ecological environment protection publicity and education outlines, promoting the participation of social organizations and the public in ecological environment protection, carrying out international cooperation and exchanges in ecological environment, researching and proposing suggestions on relevant issues in international ecological environment cooperation, organizing and coordinating the implementation of relevant international ecological environment treaties, participating in handling foreign-related ecological environment affairs, and participating in global terrestrial and marine ecological environment governance.

The regulatory authorities for the overseas animal feed additive industry include the European Food Safety Authority (EFSA), the European Commission, Department of Agriculture, Livestock and Food Supply (MAPA), United States of America FDA's Center for Veterinary Medicine (CVM), Singapore Food Agency (SFA) and others. The main functions of the above-mentioned departments are as follows:

Department Name	Functions
EFSA	The European Food Safety Authority is responsible for evaluating and reviewing new applications for feed additives to ensure their safety and effectiveness; Assist in developing technical specifications for feed additives to ensure their use complies with safety and labeling regulations; In addition, EFSA is responsible for monitoring and evaluating the use of feed additives, collecting relevant data and information, conducting risk assessments, and providing relevant reports and recommendations to the European Commission; Provide scientific consultation and professional advice in the field of new feed additives, and offer relevant risk assessment and management recommendations to decision-makers
European Commission	The European Commission is responsible for formulating regulations and policies related to feed additives, including establishing authorization and approval procedures for feed additives, maximum allowable levels, usage restrictions, labeling regulations, etc; Responsible for approving and authorizing new feed additives; Responsible for revising and updating regulations and directives related to feed additives to adapt to new scientific knowledge, technological advancements, and regulatory needs; Participate in market management through regulatory and compliance mechanisms to ensure the correct use and compliance of feed additives
MAPA	The Department of Agriculture, Livestock and Food Supply (MAPA) is committed to the supply of food in Brazil and in the world by strengthening Brazilian domestic production and promoting its integration into international markets, combining green and sustainable development with core competencies in high-quality agricultural products, while ensuring food security and food export surpluses.
CVM	To ensure that animal food additives are safe for use and can perform as intended, CVM monitors all types of animal foods and reviews premarket animal food additives. As the scientific review institution for the Association of American Feed Control Officials' feed ingredient definitions, the CVM comprehensively reviews, regulates, and works with state regulatory partners on the monitoring of contaminants in animal food (including contaminants in pet food), coordinates complaints, emergency response, and recalls related to animal food, as well as provides training, education, and outreach to help ensure effective implementation of regulatory programs.
SFA	SFA, an agency under the Ministry of Sustainability and Environment, is responsible for food safety and food security in Singapore. Its mission is to ensure and safeguard the supply of safe food, SFA provides a range of services, guidance and e-licensing covering food import and export, food retail, wholesale markets and agriculture.

(2) Industry self-regulatory organizations

The self-regulatory organizations for the animal feed additives industry in China include the China National Light Industry Council, the China Feed Industry Association, and the China Bio-fermentation Industry Association, among others. The main functions of these departments are as follows:

Department Name	Functions
China National Light Industry	The China National Light Industry Council was established in February 2001 and is a national, comprehensive industry organization formed voluntarily by national and regional associations, societies, influential enterprises, research institutes, and colleges and universities in the light industry after the reform of China's industrial

Department Name	Functions
Council	management system. It mainly undertakes investigations and research on the economic operation of the light industry, the development of enterprises, and other aspects, reflects the opinions and demands of industry enterprises to the government, and provides suggestions and consulting services for government departments in formulating relevant economic policies and legislation. Organize industry statistics, collect, analyze, research, and publish industry information, conduct statistical surveys in accordance with the law, establish an electronic commerce information network, formulate industry plans, and conduct preliminary verification and initial review of projects related to industry investment development, major technological transformation, and technology introduction; Organize the formulation and revision of national standards, industry standards, technical specifications, and group standards for the light industry, and organize the implementation and supervision of these standards; Promote technological progress in the industry, carry out industry technology exchanges, organize the evaluation of industry technology awards, and recommend candidates for national-level technological progress awards. Organize the identification and promotion of industry technological achievements, among other twelve basic responsibilities.
China Feed Industry Association	The China Feed Industry Association is an industry social organization established in 1985 with the approval of the State Council of the People's Republic of China. It is a voluntary association formed by enterprises, research institutions, educational units, social organizations, and individuals engaged in feed production, research, and education. The association mainly undertakes the responsibility of assisting government departments in regulating industry behavior, advocating for industry self-discipline, formulating industry regulations and agreements, and creating a fair competitive environment in the industry; Establishing a credit management system to promote the integrity of member enterprises and maintain fair competition in the industry; Conducting statistical analysis and monitoring to timely survey the basic situation and development trends of the industry; Promote members to implement national laws and regulations related to the feed industry and relevant systems; organize technical research, communication, and training on feed quality and safety; Assist in and participate in the formulation of international standards, national standards, and industry standards related to the feed industry, revise and amend group standards, regulate industry behavior, and promote the standardization of the feed industry; Undertake or organize international and domestic expos, exhibitions, trade fairs, development conferences, forums, seminars, academic lectures, and other industry activities based on market and industry development needs, to build a platform for industry communication, cooperation, publicity, and promotion; promote technological achievements in the feed industry and facilitate technological progress in the industry; conduct evaluations and recommendations for the feed industry; Conduct technical and management consulting, and propose suggestions for the reform and development of feed enterprises, among ten basic responsibilities.
China Bio-fermentation Industry Association	The China Bio-fermentation Industry Association was formerly known as the China Fermentation Industry Association, which was approved for establishment by the Ministry of Civil Affairs of the People's Republic of China in January 1990. In March 2011, it was renamed the China Bio-fermentation Industry Association with the approval of the Ministry of Civil Affairs, in response to the needs of industry development. The association mainly undertakes the formulation of industry development plans, guidance opinions for industrial development, proposes suggestions on technological and economic policies, economic legislation, major engineering projects in the industry, technological transformation, key scientific and technological special projects, innovation technology platforms, and base construction, and conducts research on soft topics;

Department Name	Functions
	Organize and carry out research and development on common key technologies, green circular technologies, intelligent manufacturing technology systems, comprehensive resource utilization, and platform construction; promote the application of new processes, new technologies, new equipment, and new materials related to the bio-fermentation industry, develop new products, adjust product structures, and promote high-quality and green development of the industry; Participate in the formulation and revision of international standards, national standards, and industry standards, and organize the formulation of industry group standards; assist member enterprises in improving product quality and management levels, among other responsibilities.

The overseas animal feed additive industry self regulatory organizations, such as the European Feed Additive Manufacturers Association (FEFANA), the European Feed Additive and Premix Quality Systems Association (FAMI-QS Asbl), American Feed Industry Association (AFIA), Animal Nutrition Association of CANADA (ANAC), Sindicato Nacional da Indústria de Alimentação Animal (SINDIRACOES), Asociación de las Industrias de Alimentos para Animales de America Latina Y Caribe (FEEDLATINA) and International feed industry federation (IFIF) have established a unified evaluation system and requirements for the quality and safety control of feed additives and pre mixed feed production in the European Union and entering the EU.

3.1.2 Main regulations and policies of the industry

(1) Main laws, regulations, and normative documents of the industry in China

Currently, the legal, regulatory, and normative documents primarily involved in the animal feed additives industry in China are as follows:

No.	Laws and Regulations	Issuing Department	Release Date	Main Content
1	New Administrative Measures for Feed and New Feed Additives	Ministry of Agriculture and Rural Affairs	January 2022	Stipulate regulations on the issuance of product approval numbers for feed additives and additive premix feeds, among other aspects.
2	Measures for the Administration of Production Licenses for Feed and Feed Additives	Ministry of Agriculture and Rural Affairs	January 2022	Strengthen the management of production licenses for feed and feed additives, maintain the order of production for feed and feed additives, and ensure the quality and safety of feed and feed additives.
3	Good Manufacturing Practice for Veterinary Drugs (Revised in 2020)	Ministry of Agriculture and Rural Affairs	April 2020	To strengthen the quality management of veterinary drug production, the Good Manufacturing Practice for Veterinary Drugs (Veterinary GMP) was formulated based on the Veterinary Drug Administration Regulations, imposing strict requirements on the quality

No.	Laws and Regulations	Issuing Department	Release Date	Main Content
				assurance system, personnel, premises, and equipment of veterinary drug production enterprises.
4	Regulations on the Implementation of the Food Safety Law of the People's Republic of China	State Council	October 2019	Implement food safety supervision and management responsibilities to ensure food safety.
5	Product Quality Law of the People's Republic of China	Standing Committee of the National People's Congress	December 2018	Strengthen the supervision and management of product quality, improve product quality levels, clarify product quality responsibilities, protect the legitimate rights and interests of consumers, and maintain social and economic order.
6	Safety Use Standards for Feed Additives	Former Ministry of Agriculture	December 2017	Effectively strengthen the management of feed additives, ensure the quality and safety of feed and feed additive products, and promote the sustainable and healthy development of the feed industry and aquaculture.
7	Conditions for the Licensing of Feed Production Enterprises	Former Ministry of Agriculture	November 2017	Strengthen the management of feed production licenses to ensure feed quality and safety, and establish licensing conditions for the production of additive premix feed, concentrated feed, compound feed, and fine feed supplements.
8	Regulations on Feed Quality and Safety Management	Former Ministry of Agriculture	November 2017	Specifies the relevant systems for feed quality and safety management, including raw material procurement and management, production process control, product quality control, product complaints and recalls, as well as training, hygiene, and record management.
9	Regulations on the Management of Feed and Feed Additives	State Council	March 2017	Clarify the supervision and management mechanism for feed additives and feed, the approval and registration procedures for new feed, the access of feed additive enterprises, production quality management, and regulatory measures, etc.

(2) Main industry policies

Currently, the main industry policies involved in the animal feed additives industry in China are as follows:

No.	Main Policies	Issuing Department	Release Date	Main Content
1	2025 Feed Quality and Safety Supervision Work Plan	Ministry of Agriculture and Rural Affairs	Feb 2025	Implement the regulatory requirements for feed quality and safety supervision, standardize feed production, distribution, and use practices, analyze and assess potential risk factors across all operational stages, enhance the quality and safety management capabilities of feed enterprises, and rigorously crack down on illegal and non-compliant activities such as the use of 'clenbuterol' in livestock farming.
2	The Opinions on Implementing the Grain-Saving Initiative in the Livestock Industry	Ministry of Agriculture and Rural Affairs	Dec 2024	The document advocates for fostering a comprehensive perspective on agriculture and food, promoting coordinated efforts to enhance efficiency and reduce grain usage, diversify feed sources, and optimize structural adjustments. It emphasizes the large-scale adoption of precision-formulated low-protein feed technologies. By 2030, while ensuring stable and secure supplies of livestock, poultry, and aquatic products, the production efficiency of the breeding industry should significantly improve, with the average feed consumption per unit of animal product under standardized large-scale farming methods decreasing by more than 7% compared to 2023 levels.
3	Opinions of the General Office of the State Council on Implementing the Holistic Food Security Concept and Building a Diversified Food Supply System.	General Office of the State Council	Sept 2024	Uphold a comprehensive agricultural development philosophy and a holistic food security concept, promote the integrated development of agriculture, forestry, animal husbandry, and fisheries, build a diversified food supply system, advance the transformation of agriculture into a modernized mega-industry, consolidate and enhance comprehensive grain production capacity, develop food resources through all-dimensional and multi-channel approaches, ensure effective supply of various food categories, and meet the people's diverse dietary consumption and nutritional health needs with higher quality.
4	Opinions of the CPC Central Committee and the State Council on Accelerating the Comprehensive Green	Central Committee of the Communist Party of China and the State	Jul 2024	Guided by the objectives of carbon peaking and carbon neutrality, we will synergistically advance carbon reduction, pollution control, ecological expansion, and economic growth. We will deepen institutional reforms for ecological civilization, improve green

No.	Main Policies	Issuing Department	Release Date	Main Content
	Transformation of Economic and Social Development	Council		and low-carbon development mechanisms, accelerate the comprehensive green transformation of economic and social development, establish spatial configurations, industrial structures, production models, and lifestyles that conserve resources and protect the environment, fully advance the Beautiful China Initiative, and expedite the modernization process characterized by harmony between humanity and nature.
5	Guidance Catalog for Industrial Structure Adjustment (2024 Edition)	National Development and Reform Commission	December 2023	Development of high-quality, safe, and environmentally friendly agricultural inputs such as feed, feed additives, fertilizers, pesticides, veterinary drugs, etc., that have obtained the green food production material mark, as well as food additives allowed for use in green food production.
6	Directory of Feed Additive Varieties (2023 Edition)	Ministry of Agriculture and Rural Affairs	July 2023	Strengthen the management of feed additives to ensure the quality and safety of feed and aquaculture products, and promote the sustainable and healthy development of the feed industry.
7	National Land Spatial Planning Outline (2021-2035)	Ministry of Natural Resources	May 2023	Deeply implement the strategy of 'storing grain in the ground and storing grain in technology', focusing on the two key areas of arable land and seeds, and continuously improve the comprehensive production capacity of grain. Coordinate the delineation of three control lines: the protection red line for arable land and permanent basic farmland, the ecological protection red line, and the urban development boundary.
8	The Opinions of the Central Committee of the Communist Party of China and the State Council on Doing a Good Job in Key Work for Comprehensive Rural Revitalization in 2023	Central Committee of the Communist Party of China and the State Council	January 2023	To do a good job in the 'Three Rural Issues' in 2023 and in the future, we must adhere to Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era as our guide, fully implement the spirit of the 20th National Congress of the Communist Party, deeply carry out General Secretary Xi Jinping's important discourse on the 'Three Rural Issues', uphold and strengthen the Party's comprehensive leadership over the 'Three Rural Issues', prioritize the development of agriculture and rural areas, promote urban-rural integration, strengthen technological and institutional innovation, firmly safeguard the bottom line of ensuring

No.	Main Policies	Issuing Department	Release Date	Main Content
				food security and preventing large-scale return to poverty, solidly advance key work in rural development, rural construction, and rural governance, accelerate the construction of a strong agricultural country, build livable and workable beautiful villages, and lay a solid foundation for a good start in the comprehensive construction of a modern socialist country.
9	Directory for Encouraging Foreign Investment Industries (2022 Edition)	National Development and Reform Commission	October 2022	Guide foreign investment towards advanced manufacturing, high-tech, modern services, and the central and northeastern regions; Support foreign-invested enterprises in the manufacturing industry for import and export, and guide the domestic gradient transfer of foreign-invested enterprises in the manufacturing industry. Among them, methionine is listed as a safe, efficient, and environmentally friendly feed and feed additive, and is one of the industries that encourages foreign investment.
10	14th Five-Year Plan for the Development of the Bio-economy	National Development and Reform Commission	May 2022	Develop biological agents from agricultural waste, soil improvement biological products; develop microbial agents, fermented feed and other biological materials; Utilize performance microorganisms and other biotechnologies to promote the realization of water de-ammonification, heavy metal soil remediation, solid waste utilization, enhance the comprehensive utilization level of straw, and develop pollutant biological environmental response monitoring, biodegradation and bioremediation, and biological resource recycling and utilization, etc., in the biological environmental protection industry chain.
11	National Action Plan for the Reduction of Veterinary Antimicrobial Use (2021—2025)	Ministry of Agriculture and Rural Affairs	October 2021	Support the application of alternative products to veterinary antimicrobials, promote green farming technology and product research and development, and encourage local governments to coordinate funding for grassroots animal epidemic prevention subsidies and related projects. Based on actual breeding management and epidemic prevention, promote the application of veterinary traditional Chinese medicine, micro-ecological preparations, and other residue-free green veterinary drugs to replace certain veterinary antimicrobial

No.	Main Policies	Issuing Department	Release Date	Main Content
				varieties, and gradually increase the usage ratio to achieve ecological and green livestock and poultry products.
12	Opinions on Comprehensively Promoting Rural Revitalization and Accelerating Agricultural and Rural Modernization	State Council	January 2021	Promote the green development of agriculture, continue to reduce and increase the efficiency of chemical fertilizers and pesticides, promote green prevention and control products and technologies for crop pests and diseases, strengthen the resource utilization of livestock and poultry manure, comprehensively implement the comprehensive utilization of straw and the recycling of agricultural film and pesticide packaging, and enhance the research and promotion of biodegradable agricultural films.
13	Suggestions from the Central Committee of the Communist Party of China on Formulating the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035.	State Council	October 2020	Prioritize the development of agriculture and rural areas, improve the animal epidemic prevention and crop pest and disease control systems, promote green development, foster harmony between humans and nature, and advance the reduction of chemical fertilizers and pesticides as well as soil pollution control.
14	Opinions on Promoting the High-Quality Development of Animal Husbandry	State Council	September 2020	Accelerate the development and application of biological feed, and research and promote new types of safe and efficient feed additives. Adjust and optimize the feed formula structure to promote the reduction and substitution of corn and soybean meal.
15	Key Points for Animal Husbandry and Veterinary Work in 2020	Ministry of Agriculture and Rural Affairs	February 2020	The key points propose to 'strengthen the prevention and control of major animal diseases such as highly pathogenic avian influenza,' 'promote the reduction of veterinary drug use, and encourage the research and market launch of green additive products such as microbial preparations.' It encourages the development, production, and application of performance fermented products (performance sugars, performance red yeast, fermentation-based antioxidants, composite performance ingredients, active skin, and micro-ecological preparations). Development and industrialization of

No.	Main Policies	Issuing Department	Release Date	Main Content
16				enzyme production technology and standardized production. Starting from January 1, 2020, all growth-promoting drug feed additives, except for traditional Chinese medicine, will be withdrawn. Veterinary drug manufacturers will cease production and import of veterinary drugs, and agents will stop importing corresponding veterinary drug products. At the same time, the relevant veterinary drug product approval numbers and import veterinary drug registration certificates will be canceled. From July 1, 2020, feed manufacturers will stop producing commercial feed containing growth-promoting drug feed additives (except for traditional Chinese medicine); the management method for anticoccidial and traditional Chinese medicine feed additives will be changed. The 'Veterinary Drug Additive' approval number will no longer be issued and will be replaced by the 'Veterinary Drug' approval number, which can be used in commercial feed and during the breeding process. Before July 1, 2020, the conversion of the relevant veterinary drug product from 'Veterinary Drug Additive' approval number to 'Veterinary Drug' approval number must be completed.
16	Announcement No. 194 of the Ministry of Agriculture and Rural Affairs of the People's Republic of China	Ministry of Agriculture and Rural Affairs	July 2019	Promote the green development of agriculture, continue to reduce and increase the efficiency of chemical fertilizers and pesticides, promote green prevention and control products and technologies for crop pests and diseases, strengthen the resource utilization of livestock and poultry manure, comprehensively implement the comprehensive utilization of straw and the recycling of agricultural film and pesticide packaging, and enhance the research and promotion of biodegradable agricultural films.
17	The Catalog of Key Products and Services in Strategic Emerging Industries (2016 Edition)	Former Ministry of Agriculture	June 2017	Promote the reduction of the use of veterinary antibiotics. Antimicrobials that are used in both humans and animals or those that may cause cross-resistance as growth promoters for animals are gradually being phased out. The trend of increasing resistance rates of major bacteria from animal sources has been effectively controlled.

(3) Overseas main laws, regulations, normative documents and policies of the industry

Currently, the overseas legal, regulatory, normative documents and policies primarily involved in the animal feed additives industry are as follows:

No.	Laws and Regulations	Issuing Department	Release Date	Main Content
1	European Feed Hygiene Standards	European Parliament	2023	Ensure the quality and safety of feed additives and premixed feed. This system integrates the different requirements of EU member states and is the only quality and safety control system applicable to the production of feed additives and premixed feed throughout Europe.
2	Regulation (EC)	European Commission	2002	Regulation 183/2005 Ensuring the quality and safety of feed additives and premixed feeds. The system integrates the different requirements between EU member states and is the only quality and safety control system for the production of feed additives and premixed feeds that applies to the whole of Europe Regulation 1831/2003: marketing authorization for feed additives Regulation 767/2009: marketing of feed
3	Federal Food,Drug and Cosmetic Act	US Congress	1938	Any substance added directly or indirectly to, or intended to be a component of, animal food must be used in accordance with food additive regulations. This law gives the U.S. Food and Drug Administration (FDA) the authority to oversee and regulate food safety, drugs, and cosmetics.
4	Food Safety Modernization Act	US Congress	2011	Ensure the safety and reliability of the U.S. food supply chain by emphasizing on prevention and modernizing the food safety regulatory system
5	Food Safety and Security Bill	SFA	1965	Provide control of feeding stuffs for animals and birds. Cover the license to import and manufacture animal feeds.

3.1.3 Industry development situation and characteristics

(1) Overview of the animal feed additives industry

Animal feed additives refer to the small or trace substances added during the production, processing and use of feed, which are used in small quantities but have significant effects. Feed additives are essential raw materials used in modern feed industry, which can enhance the nutritional value of basic feed, improve animal production performance, ensure animal health, save feed costs, and improve the quality of animal products.

According to the *"Regulations on the Administration of Feed and Feed Additives"*, feed additives can be divided into nutritional feed additives, general feed additives, and medicinal feed additives. The specific classifications are as follows:

Category	Introduction	Subtypes
Nutritional Feed Additives	Substances added in small or trace amounts to feed to supplement its nutritional components	Feed-grade amino acids, vitamins, trace minerals, enzyme preparations, non-protein nitrogen
General Feed Additives	Substances added in small or trace amounts to feed to ensure or improve feed quality and increase feed utilization	Microecological preparations, coloring agents, flavor enhancers, seasonings, emulsifying stabilizers
Pharmaceutical feed additives	Premixes of veterinary drugs mixed with carriers or diluents for prevention purposes	Coccidiostats, growth promoters

The feed additive industry originated in Europe and the United States, and with the development of the entire feed industry, the large-scale production and promotion of feed additives has gradually matured. Nowadays, as people's attention to food safety increased, the health issues related to the abuse of antibiotics in animal husbandry attracted widespread concern, prompting active searches for relevant alternatives that could address food health issues. Consequently, companies in the industry began producing various series of feed additives, gradually forming economies of scale. The animal nutrition additives industry, as the core of the feed industry, has developed rapidly, with a gradually developed product system and continuously increasing output, playing a positive role in the development of the feed industry in the whole world.

(2) Current development status of the industry

1) Animal feed additives industry

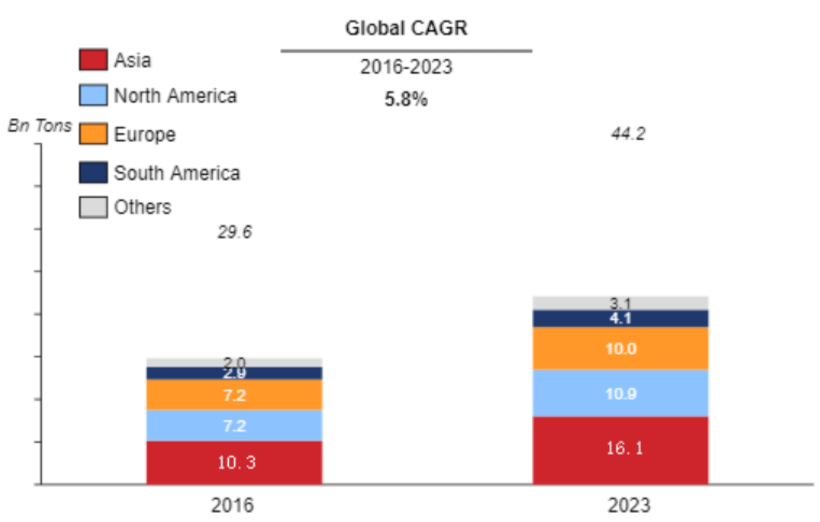
(A) Global Animal Feed Additives Industry Booms as Consumers Deepen Focus on High Quality Food, Asia Pacific Dominates

The food and feed additives industry are witnessing unprecedented growth opportunities with the growing focus on food safety and quality. According to *Markets and Markets*, the global feed additives market size will be approximately USD 44.2 billion in 2023, representing a year-on-year growth of approximately 5.50%; the global feed additives market size is expected to increase to approximately USD 55.8

billion in 2028, growing at a CAGR of 5.8% from 2023 to 2028. Thanks to the development of new products, the continuous application of new technologies in emerging markets, and the accelerated substitution of mature products by advanced and environmentally friendly products, the overall market sentiment of the global animal feed additives industry continues to improve.

Asia Pacific dominates the global animal feed additives market by geography. According to *Markets and Markets*, the demand for feed additives in the Asia-Pacific region accounted for 36% of the global demand in 2023, and among the remaining regions, North America accounted for 25%, Europe accounted for 23%, and South America accounted for 9%. the market demand in the Asia-Pacific region grew the fastest, at a compound annual growth rate of 6.5%, from 2016 to 2023. The region is expected to continue to grow in the future due to increasing demand for animal products, growing population, rising disposable income, and increasing demand for high quality meat products, which is projected to grow at a CAGR of 6.7% in Asia-Pacific from 2023 to 2028, according to *Markets and Markets*.

Feed Additives Regional Market Distribution, Global, 2016&2023



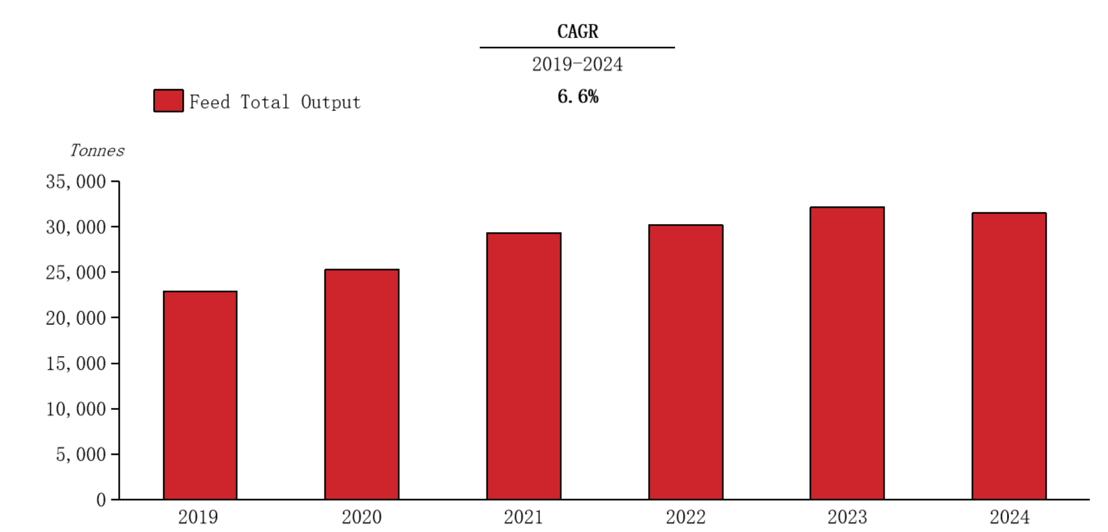
Source: Markets and markets

(B) China's development of large-scale, standardized and intelligent farming, and rising industrial feed production drive the demand for downstream feed additives industry to continue to grow

Thanks to strong economic prospects and rapid urbanization, China has become a major meat exporter and industrial feed producer. According to the China Feed

Industry Association, the Country's total industrial feed output was 315.03 million tons in 2024, an increase of 86.18 million tons compared to that in 2019, representing a CAGR of 6.6%. According to the *"China Agricultural Outlook Report (2024-2033)"*, in the next decade, agriculture will gradually enter a period of new round of development, and driven by the expansion in large-scale, standardized and intelligent farming, the penetration rate of industrial feed will continue to increase, and the feed production will maintain a growth trend. Feed additives industry is the upstream of the feed industry, the Chinese total feed production overall upward trend driven by the downstream feed additives industry market demand is demanding.

Feed Total Output, China, 2019-2024



Source: China Feed Industry Association

In the future, with the further increase in per capita consumption of animal protein, under the constraints of total resources, it is necessary to improve the breeding efficiency of the livestock industry, large-scale scientific farming, in which feed additives play an important role. In addition, with the gradual recognition of the function of feed additives, further growth of demand for feed additives in China can be foreseen.

2) Methionine industry

(A) Methionine can improve feed utilization and is the first limiting amino acid for animals.

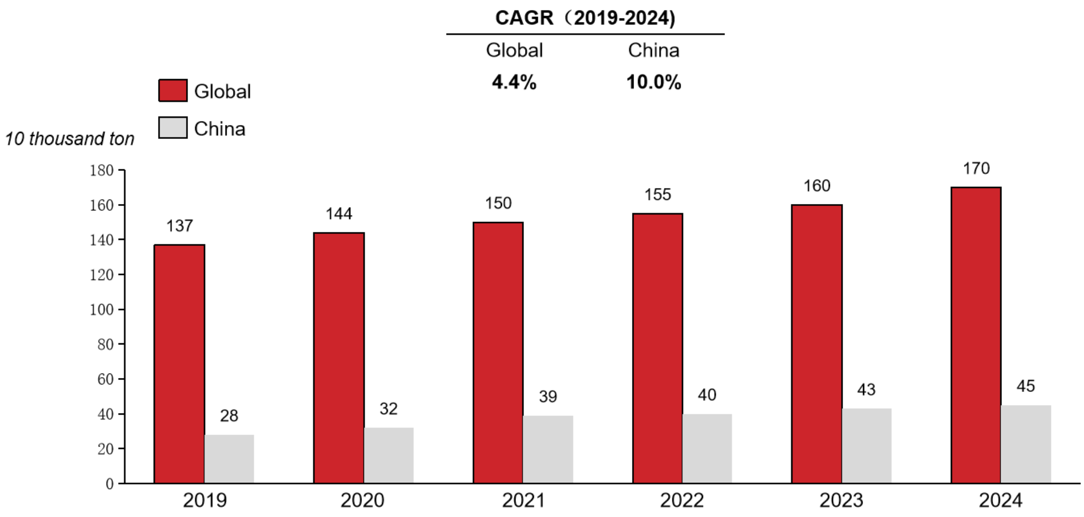
Methionine is one of the most important amino acids necessary for the synthesis of animal protein in livestock, methionine can effectively improve protein utilization and promote the growth of poultry. Methionine is widely used in farming where it plays a key role. The energy raw materials of feedstuffs are mainly corn and grains, and the protein source is mainly soybean meal, but its methionine content can't meet the normal growth needs of animals.

Methionine is the first limiting amino acid for poultry production. Poultry cannot synthesize methionine naturally, and it must be ingested through feeding. Adding methionine to feed can equalize feed ration according to the physiological demand of animals for amino acids, and then reduce feed costs, which has a high economic value. According to research calculations, under the premise of consistent nutrient intake, assuming that 0.20% methionine is added to every unit weight of feed, every 1kg of finished chicken meat can save more than 20% of the production cost, which can effectively improve the profitability of the poultry production industry. In addition, as methionine cannot be synthesized in the animal body and needs to be ingested from food, it is generally added as a feed additive, and the demand for methionine is driven by the growth in feed demand.

(B) Demand for methionine is booming due to global human growth and regional economic improvement

The growth of poultry and meat consumption demand will drive the growth of feed demand, which in turn will form incremental methionine consumption demand. According to the *World Population Prospects 2024*, 2000-2023, the world's total population increased from 6.1 billion to 8 billion, maintaining an average annual growth rate of more than 10‰. According to data from the *U.S. Census Bureau*, the global population in 2024 is estimated at 8.07 billion people. According to the World Bank data statistics, the number of global population to 2050 is expected to increase by 2 billion people to 10 billion people, the demand for food or will grow by about 30%. With the continued growth of the global population, as well as developing countries with the economic level of the people's demand for high-quality protein growth, is expected to global consumption of poultry, pork and other consumption will continue to grow, promote feed consumption to enhance. According to *Boyar*, global methionine demand grows from 1.37 million tons in 2019 to 1.7 million tons in 2024, at a CAGR of 4.4%. As per Feedinfo's forecast, the global methionine market is expected to maintain a growth rate of around 6%, with an incremental demand of more than 100,000 tons per year. Among them, the demand for methionine in the Asia-Pacific region will show a expansive trend due to the continuous development of modern animal husbandry and the adjustment of dietary structure in developing countries. According to *Boyar*, China's methionine demand grows from 280,000 tons in 2019 to 450,000 tons in 2024, at a CAGR of 10.0%.

Methionine Demand, Global & China. 2019-2024



Source：Boyar

According to Boyar's information and forecast, adding methionine to animal feed by 0.1% to 0.25% is the most obvious stage to improve feed utilization. China's current methionine addition in feed is about 0.1%, which still has much room for improvement. Assuming that in the next 10 years, the proportion of methionine added in China is increased to the scientific level of 0.25%, and the total consumption of poultry in the next 10 years maintains a CAGR of 2.7%, the average annual compound growth rate of China's consumption of methionine will reach 8.6%.

(C) Global methionine presents the trend of multi-species development

The current market supply of methionine mainly includes powder methionine and liquid methionine, the current global market penetration of liquid methionine accounted for about 40%, powder methionine penetration rate of about 60%. Customers with larger scale and higher degree of automation are more inclined to use liquid methionine, for example, in the current mature markets such as the United States and Mexico, the penetration rate of liquid methionine has exceeded 60%. However, in emerging markets such as China and India, the demand for powder methionine is still relatively strong. The demand for methionine in the global market, especially in the Chinese market and the Asia-Pacific region, is expected to continue to show a multi-species development trend.

3) Vitamin industry

(A) Vitamins are essential micronutrients for animal body

Vitamins are a class of micro-organic substances that must be obtained from food or feed in order to maintain normal physiological functions of humans and animals, and play an important role in growth, metabolism and development. Vitamins have specificity, each vitamin assumes a specific function, do not replace each other but play a synergistic role, therefore, each vitamin plays a special role that cannot be replaced by other substances. In addition, vitamins also have exogenous, most of the vitamins in the body can not synthesize or synthesize the amount is insufficient to meet the needs of the body, must be obtained from food.

Among them, vitamin A mainly has the following functions: a. To protect the skin and mucous membranes, promote the development and regeneration of the skin and mucous membranes; b. To promote the growth and development of livestock, improve the efficiency of feed conversion, promote the absorption of major nutrients, enhance reproduction and immune function; c. To increase the optic pigment, to promote the growth of poultry and bone, regulating the metabolism of carbohydrates, proteins and fats; Vitamin E mainly has the following functions: a. Efficient antioxidant effect, protect the biofilm from peroxide damage, improve the immunity of livestock and poultry, improve meat quality, and promote the reproduction of livestock and poultry and egg production rate; b. regulation of body metabolic activity, enhance body endurance, maintain normal circulatory function, delay cellular aging.

(B) high protein food demand driven by the proportion of industrialized farming, feed for the largest demand for vitamin field

With the continuous improvement of the quality of human life and the increasing demand for protein and meat products, the industrialization of food processing and animal breeding has increased significantly, and feed has become the largest demand for vitamins. According to *Boyar*, across the board, more than 70% of vitamins are used downstream as feed additives. As the breeding industry tends to large-scale, centralized, integrated development, the use of industrialized feed ratio is increasing, the raw materials pay more attention to specialization. As it is difficult to supplement vitamins from other feed ingredients, the demand for industrialized vitamins is gradually increasing.

According to the data of *Wisdom Research Consulting report,* the global vitamin industry market size of about 15.68 billion U.S. dollars in 2022, a year-on-year growth of 11.1%; China's vitamin industry market size of about 11.42 billion yuan in 2022, a year-on-year growth of 11.6%, the overall market size of the vitamin industry have shown a rising trend. In addition, feed production has a greater impact on the demand for vitamins, therefore, the sustained and stable development of the feed industry in recent years will drive the overall demand for vitamins to increase steadily.

4) Specialty products

Specialty products are special-purpose substances added to feed specifically to regulate the physiological functions of animals, improve feed utilization, promote animal growth and development, improve the quality of animal products, and maintain or improve the health status of animals. Additives can be a single chemical component or a compound preparation of multiple components, which positively affects the production performance or health status of animals through different mechanisms of action.

The use of specialty feed additives enhances the quality of meat and other animal products. According to *Markets and Markets*, the specialty feed additives market size was $7.74 billion in 2015. With significant increase in focus on specialty feed additives for livestock, its size is expected to reach USD 13.06 billion by 2028, growing by USD 5.32 billion and 68.73% compared to 2015. The overall demand for specialty feed additives market will continue to grow.

(A) Enhance cost competitiveness of feed and animal protein production industry

Specialty products have an important economic role in the farming industry. On the one hand, special feed additives can improve animal productivity and yield, optimize the quality of meat, eggs, milk and other livestock products. On the other hand, specialty products can improve the breeding process, such as disease resistance and stability. The use of specialty product feed additives can improve breeding efficiency, reduce costs, and help downstream industries better respond to market changes and competition. Taking per rumen methionine as an example, per rumen methionine can effectively provide methionine for high yielding lactating cows, realize the balance of amino acid nutrition, and then increase milk yield, milk protein and milk fat content, and improve the health base and reproductive performance of dairy cows.

(B) Optimize the use of nitrogen, reduce greenhouse gas emissions and reduce the environmental impact of the feed and animal protein production industry

Adisseo’s Metasmart® is a hydroxy methionine product esterified with isopropanol, specifically designed for ruminant nutrition. As a key ingredient in balancing amino acid levels in dairy cow diets, Metasmart® plays a critical role in optimizing protein and amino acid utilization efficiency, reducing nitrogen excretion, and minimizing environmental impact.

(C) Ensure food security and meet increasingly diversified food consumption needs

In recent years, the scale of farming continues to increase, special product feed additives are of great significance in guaranteeing the security of supply of important agricultural products, such as acidifier and other special products can be used as a substitute in non-antibiotic feeds to reduce the risk of food quality and safety and environmental pollution.

Over rumen protective methionine can improve liver function, reduce inflammation and oxidative stress, enhance the immunity of dairy cows, and guarantee the safe and stable supply of agricultural products.

At the same time, along with the improvement of people's dietary requirements, not only to meet the need for total energy intake, but also to meet the increasingly diversified food consumption needs of people. Specialty feed additives that meet the requirements of the green low-carbon cycle can help improve the reproductive capacity of poultry and pigs, improve the survival rate of fish and shrimp breeding and aquatic quality, improve the production performance and health of a variety of animals in poor growth environment (high temperature, sanitation), enhance food supply capacity to meet the diversified development of food demand, truly reflecting the concept of sustainable development.

(3) Industry development trends

1) Global economy and sustained population growth to promote the steady development of the feed additives industry

Population expansion will drive the feed industry to continue to grow. According to data from the *U.S. Census Bureau*, the global population in 2024 is estimated at 8.07 billion people, and is expected to reach 10 billion people by 2050, the demand for food or will increase by about 30%. The continued growth of the global population will bring about a sustained increase in the demand for animal proteins, which will lead to the growth of long-term demand in the feed additives industry.

With China and other developing countries to improve per capita income, dietary structure changes, the demand for animal protein will continue to grow, feed protein resources will be in a long-term shortage of high-priced state. Countries strive to further improve the efficiency of the use of protein resources, reduce the total use of protein raw materials, which in turn promote the steady rise in global demand for animal nutrition amino acid products, driven by the corresponding growth of the feed additives industry.

2) Asia-Pacific region and other emerging economies with higher per capita demand for animal protein, leading the rapid development of the industry

China, India and other emerging economies continue to develop, promoting urbanization and people's living standards continue to improve, thus promoting high protein food (poultry, beef, pork and fish, etc.) per capita consumption. In China, for example, total meat production grew from 60.14 million tons in 2000 to 96.63 million tons in 2024, according to the *National Bureau of Statistics*. Strong demand is driving the Asia-Pacific feed additives industry as the continued development of emerging economies drives increasing demand for healthy and high-quality livestock and poultry products. Consumer demand for animal products in Asia is growing rapidly as economies improve, creating greater demand for feed additives in the region.

3) The continuous development of modern livestock farming industry to promote the series development of feed additives industry

In the context of the global economy and sustained population growth, global industrialization and urbanization levels continue to increase, the global demand for food, meat, etc. will further increase the global shortage of arable land and water resources is more prominent. Modern farming is highly automated, easy to operate on a large scale, highly efficient and more focused on balanced animal nutrition, etc., and will develop rapidly in the future. As an amino acid that cannot be synthesized by animals themselves, methionine and other animal nutrition additives are indispensable for modern livestock farming.

At present, feed additives have integrated a number of disciplines and technologies, its resources include animal plants, minerals, chemical synthesis and biological products, etc., the function of supplemental nutrients to prevent and control disease, improve feed utilization, improve the internal and external quality of feed, improve the quality of animal products, etc., the scope of application has also been expanded to livestock, aquaculture and special economic animal breeding industry. As people's understanding of green food, organic food continues to improve, environmentally friendly non-toxic side effects of enzymes and ecological agents, natural extracts, etc. will be commonly used. In the future, the global feed additives industry will continue to develop in the direction of scale and serialization to realize the modernization and sustainability of livestock farming.

4) Prohibited drugs, the abuse of antibiotics will be further restricted

Some farmers in order to reduce costs, the pursuit of profit, the use of prohibited drugs in livestock feeding, the abuse of antibiotics is prohibited, threatening the production of farm animals and people's health. With the global people's living standards and health consciousness gradually enhanced and the country's continuous attention to food safety, in recent years, “food safety and antimicrobial-free farming” calls for more and more high, feed “ban” has become the industry's future focus on the direction of development. The use of prohibited drugs and the abuse of antibiotics in the process of livestock breeding will be curbed, and animal nutrition additives such as methionine will maintain the balance of animal nutrition, improve animal health and vitality, and effectively replace the use of prohibited drugs and antibiotics.

5) Digital transformation of the industry, helping precise nutrition and efficient breeding

With the rapid start of the construction of smart agriculture, the digitalization of livestock and poultry farming and scale, standardization and synchronization, modern information technology in the whole process of livestock and poultry farming has been widely and deeply applied. In recent years, the integrated application of digital technology has increasingly become the standard for large-scale farms, and through the application of unmanned ring control platforms, automatic inspection and alarm systems, etc., the level of animal husbandry prediction and early warning, market regulation and control, disease prevention and control, and quality supervision has been significantly improved.

The degree of industry digitization is gradually deepening, the breeding and feed industry will realize the transformation and upgrading. Cloud computing, big data, Internet of Things, intelligent equipment and other intelligent technologies will be widely used in the breeding scene to further enhance the health of breeding animals and improve breeding performance. Various intelligent management systems, such as smart batching and smart feeding, will efficiently and economically obtain ingredient content, further improving the balance between animal feed utilization efficiency and quality breeding.

3.1.4 Main Thresholds to Entry into the Industry

(1) Regulation and policies

The production process of methionine and other animal feed additives involves hazardous chemicals, and the end products are related to food safety, so countries have formulated a set of strict and specific policies and regulations in terms of qualification and access to strengthen the regulation of the industry. In the production process, manufacturers need to meet the stringent health, safety and environmental management system; in the import, sale and use of animal nutrition additives, need to comply with the relevant provisions of the feed additives.

(2) Technology and talents

Methionine and other animal nutrition additives project investment, long construction period, production management and quality control difficulties, the need to be able to integrate advanced technology, master a variety of equipment, the downstream customer needs to develop and select the optimal program. Whether to master the patent or proprietary technology engaged in related projects, whether to have the technology, equipment for industrialization of the combination of mature technology, whether to have mastered the relevant technology, familiar with the operation of the project of senior personnel, is an important factor in its participation in the market competition and access to the success of the important factors.

(3) Brand and reputation

Animal nutrition additives can balance the feed nutrients, improve feed utilization, enhance the health of livestock, affecting feed producers and livestock farmers' interests. At the same time, with the improvement of living standards and consumption concepts, changes in consumption patterns, animal nutrition additives will be more important to consumers. Brand awareness and trust has become an important basis for feed producers to choose animal nutrition additives. Brand awareness is a comprehensive reflection of factors such as product quality, brand culture, process technology, management services, market network and word of mouth, etc., and the establishment of brand awareness requires a large amount of investment as well as a long period of development and precipitation. Existing well-known enterprises in the industry through years of hard work and accumulation has established a certain brand advantage, has achieved a high degree of market recognition, new enterprises in a short period of time can not compete with enterprises that have brand advantages.

(4) Capital expenditure scale

Methionine and other animal nutrition additives are capital-intensive industries, large fixed asset investment, long project construction cycle, manufacturers to meet the needs of downstream customers, to ensure product quality reliability and stability, need to invest in high-performance R & D and production equipment, and supplemented by a wealth of experience in the industry of high-quality personnel, the strength of the enterprise's capital has a very high demand. At the same time, as countries pay more attention to environmental protection, environmental standards have been gradually improved, requiring manufacturers to continue to improve production technology, improve the level of environmental protection products. With the gradual expansion of the average size of methionine companies, new entrants to the industry must be built to high standards, large-scale specialized production enterprises have a foothold, so there is a need to have the appropriate financial strength to meet the production, technology, talent, environmental protection and other inputs.

3.2 Industry Competitive Situation

3.2.1 Industry competitive landscape

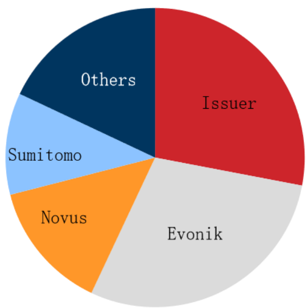
(1) Competitive situation of performance product industries

1) Methionine industry

Methionine synthesis process is complex, high technology threshold, huge fixed investment, chemical synthesis method produces a large number of pollutant emissions and hazardous chemicals need to be centralized to meet the environmental requirements, high barriers to entry into the industry, the supply side of the market has long maintained a high degree of concentration. The four major methionine manufacturers, Adisseo, Evonik, Novus and Sumitomo Chemical are all multinational companies, with a combined market share of over 80%.

Company Name	**Company Profile**
Evonik	Founded in 1873, Evonik is a global leader in specialty chemicals, operating in three main business areas: chemicals, energy, and real estate. Its main products include various specialty chemical products, with a wide product line ranging from automotive manufacturing to the pharmaceutical industry.
Novus	Founded in 1991, the company is an international firm that produces and sells animal health products and animal nutritional products, with main products including methionine, organic trace mineral elements, enzyme preparations, plant essential oils, acidifiers, coated organic acids, antioxidants, and more.
Sumitomo Chemical	Founded in 1913, Sumitomo Chemical is one of Japan's representative comprehensive chemical companies and also one of the main companies of the Sumitomo Group. The company's business covers a range of areas including basic chemicals, petrochemicals, fine chemicals, and agricultural chemicals, with main products including industrial pharmaceuticals, synthetic fiber materials, aluminum, synthetic rubber, synthetic resins, dyes, chemical products, pesticides, feed additives, and chemical fertilizers.
NHU	Founded in 1999, the company specializes in fine chemicals, and its main products include nutraceuticals, flavors and fragrances, new materials, and APIs for the production of various performance chemicals.
Hebang Biotechnology	Founded in 2002, the company is laid out in three major fields: chemical, agriculture and photovoltaic, and its main products include soda ash, ammonium chloride, bisglyphosate, glyphosate, glass, methionine, biopesticides, oil and gas energy supply, and photovoltaic.

Competitive Situation of Methionine Market, Global, 2023



2) Vitamin industry

Vitamins have a wide range of applications in the fields of pharmaceuticals, food additives, and animal nutrition additives. In recent years, with the continuous development and expansion of the vitamin industry, China has become a major producer and exporter of vitamin products, with production technology and market share at a world-leading level. Adisseo's main competitors in the vitamin market are BASF, NHU, and Zhejiang Medicine. The specific situation of competitors is as follows:

Company Name	Company Profile
BASF	The company was founded in 1865 and is an international integrated chemical materials group, with products covering chemicals, plastics, specialty products, crop protection products, as well as crude oil and natural gas. The company's specialty product feed additives include enzyme preparations and feed preservatives.
NHU	For details, please refer to this section's '3. Main Characteristics of the Industry in which the Company Operates and Industry Competitive Situation' under '(2) Industry Competitive Situation' and '1. Industry Competitive Landscape' and '(1) Competitive Situation of Related Performance Products' and '1) Methionine Industry.'
Zhejiang Medicine	Founded in 1997, the company has formed a fat-soluble vitamins, vitamin-like, quinolone antibiotics, anti-drug-resistant antibiotics and other series of products of professional, large-scale production, the main products include synthetic vitamin E, vitamin A, β-carotene, Zanthoxylum, vancomycin hydrochloride, ticlosporin, preparations and other products.

(2) Competitive situation of the specialty products industry

The specialty products business is the second major pillar of the company's development. Specialty products primarily help animals enhance their digestive capabilities, achieving feed savings and healthy growth. This has significant strategic importance in the context of comprehensive restrictions on antibiotics and the elimination of antibiotic use. Adisseo's main competitors in specialty products are Kemin and BASF. The specific situation of competitors is as follows:

Company Name	Company Profile
Kemin	Founded in 1961, the company is one of the global leaders in human and animal nutrition regulators, primarily focusing on seven business segments, including animal nutrition and health, human nutrition and health, pet nutrition and refining technology, aquaculture technology, food technology, crop technology, and textile additives. The company's specialty feed additives include mycotoxin management products and feed preservatives.
BASF	For details, please refer to this section entitled "3. Main Characteristics of the Industry and Competitive Situation" under "(2) Industry Competitive Situation" and "1. Industry Competitive Landscape" and "(1) Competitive

	Situation of Performance Products” and “ 2) Vitamin Industry”

3.2.2 the Issuer's competitive position in the industry

Adisseo contributes effectively to develop and provide innovative products and services to the feed and food industry already for more than 85 years. Adisseo provides feed additives for animal nutrition and health including essential nutrients and specialty feed additives including but not limited to digestibility improvement, preserving precious resources and qualitatively formulated feed, stabilization of gut flora, improving animal health by strengthening the animals’ intestinal tract and therefore increase their resistance to harmful micro-organisms. As such, Adisseo contributes to the prudent use of antibiotics, reducing the risk of antimicrobial resistance (AMR). Meanwhile, Adisseo’s feed additives contribute to support sustainable production and environmental protection by the reduction of emissions (e.g. nitrogen, phosphorus, and methane), the increase of raw material usage efficiency and the balance of animal productivity and welfare.

Adisseo provides solutions to premixers, feed mills, farms, integrators and animal farmers in every food producing category: poultry, swine, ruminants and aqua. A global team serves about 4,200customers in over 110 countries globally to partner in solving issues related to production efficiency, improve livestock performance, optimize animal nutrition and raw material usage, keep animals healthy and feeling well while reducing/minimizing its environmental impact..

Adisseo is present worldwide and operates on all continents with sales force organized in six regions: Europe/CIS, Middle East/Africa & Indian sub-continent, North America, South & Central America, Asia Pacific and China. A team of acknowledgeable sales and technical support brings expertise to offer professional consultation on additive application technologies and feed formulation and finished products analysis, strengthening its position as the go-to supplier through its distribution platforms for and its long-term and productive relationships with its customers.

Leveraging safety and sustainability DNA, the Company pursues the implementation of its “'two-business-pillar” strategy, i.e. to become the leader in methionine while accelerating its profitable development in Specialty business with a worldwide ambition..

To do so, Adisseo brings a full range of' products and services to the market that supports customers in every step of the feed and animal production for all animal species:

(1) Performance products:

1) Adisseo is the world leader in liquid methionine and is on the way to become No.1 in methionine industry, Adisseo is one of the few global methionine producers capable of producing methionine in both liquid and powder forms with fully integrated production hubs both in China & Europe.

2) Adisseo is uniquely positioned in the vitamin business in the feed industry, who。endeavors to provide a full range of vitamin offerings with high quality and complete traceability.

(2) Specialties

Adisseo is a world leader in highly specialized, high value feed additives for all species including poultry, swine, ruminants and aqua.

A complete portfolio of products, solutions and services are clustered into 4 main categories

1) Feed Digestibility (enzymes, feed emuslifiers): Adisseo is a world-leading and the most recognized supplier of Non-Starch Polysaccharide (NSP) enzymes resulted from 25^{+} years development history in this sector.

2) Animal Resilience (products to support animal health and performance like gut health products, probiotics, selenium, organic acids, etc.): Adisseo is one of the world leading companies in this segment. The acquisition of FRAmelco and Norfeed has further reinforced Adisseo's position in the promising and fast-growing animal resilience market segment.

3) Feed Integrity and Quality (Palatability, Mycotoxin management) to support customers in raw material evaluation and enhancement, feed intake, and animal wellbeing and performance.

4) Product Ouality and Value (Rumen-Protected Amino Acids and Innovative Ruminant Solutions) contribute to sustainable milk production by reducing nitrogen emissions and optimizing amino acid balance. Adisseo is the undisputed market leader in this category, based on 30years of research, development and technical expertise,

i.e., in rumen protected feed additives.

(3) Services: Adisseo brings a comprehensive range of services to support customers in every step of the production process of raw material supply, feed formulation and production and animal feeding and performance & health, making it a key solutions provider and thus, a key partner for all players in the value chain.

Adisseo developed global research and innovation centers with more than 300 people dedicated to research and innovation represent solid engines to support the “two-business-pillar” strategy.

Adisseo relies on its production sites based in Europe, USA, Southeast Asia and China to design, produce and market nutritional and health solutions. The manufacturing platforms enable Adisseo to manage most of its production internally, some vitamins are traded and Adisseo works with selected, strategic industrial partnerships to develop and produce some of its specialties. Adisseo is continuously its own global industrial footprint in both methionine and specialties to address the customer needs, increase its own added value where useful as well as to ensure global supply reliability.

3.2.3 Competitive advantages of the company

(1) Global Production and Sales Network

Adisseo has set up local supply chain systems operating in an efficient and highly responsive way based on the distribution of its regional customers. Its main manufacturing network is spread over Europe, USA and Asia. In the main regional markets, Adisseo associates to this network some toll manufacturers for specific products or operations. From those plants, it delivers its finished products directly or indirectly to its customers in the world. It either ships directly to its customers or regional warehouses.

On the Chinese market, for example, to ensure all products safely delivered to customers all over the country on time, Adisseo has established a multipurpose supply chain with a distribution center in Nanjing, combined with 8 distribution warehousing centers national-wide according to where and how much the customers are concentrated. At the same time, this organization allows to Adisseo to export worldwide their products from China.

Adisseo also has a dedicated warehouse in Shanghai for traded products that are sourced in China, grouped in this warehouse and shipped worldwide either to customers or to its regional warehouses.

The Adisseo sales team has regularly opened distribution subsidiaries or offices globally. Adisseo will gradually establish and refine the local sales organizations according to the development of the emerging economies. With the integration of Nutriad, the Group benefits from sales offices in Italy, Spain, Poland, and Greece. In addition, to further develop the sales network globally, Adisseo has set up sales subsidiaries in India, Malaysia, Dubai and Turkey in past years to better provide our products and services to local market by our own team and is now reinforcing our position in South east Asian market by establishing new entities in Indonesia and Vietnam. In addition to Adisseo's own sales force, Adisseo has set up close long-term relationships with sales agents and distributors around the world to better serve the local market and customers.

In 2018, Adisseo finalized the development of its e-commerce site through the e-platform of SinoChem Group. The main benefits of this platform are to digitalize the ordering process and allowing them to follow their complete ordering process, payment process as well as goods receipt process online. Especially in recent years, the digital platform played an important role for Adisseo China to effectively respond to the market and customer demand. Adisseo has strengthened customer relationship through the e-commerce platform by providing customers with more accurate, timely, high-quality and innovative services and will continue to improve the e-commerce platform and strive to maintain the leading position in the industry.

Since 2018, Adisseo has decided to deploy a Global Key Account strategy to better manage their Global Key Customers (with operations in different regions). Key account managers have been nominated for each account.

(2) Strong research and innovation capabilities

Centered on five pillars—Green Production, Novel Testing, Multidimensional Impact, Innovation Synergy, and Digital Enablement—Adisseo has steadily advanced R&D innovation across all dimensions. Leveraging the development of new tools, optimized animal testing technologies (including in vitro screening), rapid production scaling techniques, and customer co-development projects, initiatives launched in

2023 progressed smoothly in 2024, significantly accelerating the commercialization of new processes and products.

Adisseo remains committed to continuous innovation and research in animal nutrition to pursue sustainable solutions. Of the five R&D Fund projects (ARG) selected during the 2021–2022 ARG campaigns, progress remains on track, with the first batch concluding in 2025. According to the plan, the company successfully launched a new (ARG) research and development fund in 2024 and achieved significant success (receiving over 70 application documents). The research and development fund aims to encourage international laboratory cooperation in tackling the main challenges faced by the feed industry. These challenges include sustainability, antibiotic bans, innovative feed, early feeding, and how to adapt to an increasingly warming environment.

As the only Sinochem Group subsidiary dedicated to animal nutrition, Adisseo's R&D institution was designated the Sinochem Animal Nutrition Research Center in early 2023. Consequently, Adisseo and the Sinochem Animal Nutrition Research Center have strengthened collaborations with international laboratories, universities, and research institutions, actively fostering innovation and attracting top scientific talent through sponsored projects. Key partnerships include: A swine nutrition research project with Sichuan Agricultural University; A poultry nutrition collaboration with the University of Arkansas, Fayetteville; Aquaculture nutrition research with Nanyang Technological University (Singapore); A ruminant research project with the University of Wisconsin; Long-term partnerships with Peking University's School of Chemical Engineering and Tianjin University for disruptive technologies in bioengineering and crystallization; Collaboration with the State Key Laboratory of Animal Nutrition (Chinese Academy of Agricultural Sciences, Beijing); A 2024 agreement with Zhejiang University of Technology to deepen global biotechnology ties, initially focusing on a bio-based methionine project.

Beginning with its French experimental farm, Adisseo has fully committed to developing new digital management technologies for farm operations. By 2024, the company achieved higher-quality data output with fewer animals, maintaining (or even improving) experimental rigor.

Since pioneering powder methionine in 1945, Adisseo's R&D leadership has solidified its position as an industry innovator. Key milestones include: First to synthesize methionine; First to integrate upstream and downstream methionine production; First to develop ruminant-specific products and coated vitamin A; First to introduce high-concentration vitamin A (1 million IU/g), now an industry standard.

Since 2014, Adisseo has launched one new product or service annually. Following the introduction of Rovabio® Advance Phy in early 2022, Adisseo rolled out a new technical service, Nestor, in the third quarter of the same year. Nestor provides feed formulation optimization recommendations to customers, enabling more precise calculation of feed nutritional value, advancing precision nutrition, and achieving cost reduction and efficiency improvement. In 2023, Adisseo debuted the Dynomik product solution in the U.S., the first offering to simultaneously boost milk yield and reduce methane emissions in dairy cows. Rovabio® Phyplus, Adisseo’s latest-generation phytase, enhances overall nutrient efficiency and sustainability while improving feed digestibility.

(3) Specialized and Comprehensive Feed Solutions

Because of Adisseo’s brand awareness, consistent product quality, competitive prices and rich product portfolio, most of its main customers purchase more than one kind of product. Adisseo has a long and distinguished history in animal feed nutrition, an outstanding market position, technological innovation and powerful R&D capabilities that allows to develop scientific programs related to customer pain point.

Adisseo has integrated Nutriad, FRAmelco and recently Nor-Feed’s product portfolio to offer new solution possibilities to its customers. Solutions are covering a large range of issues faced by farmers, feed millers and integrators including prevention of nutritional loss in grains and feed during storage; reduction of antibiotic usage; improvement of animal welfare; reduction of feed cost; improvement of cows’ longevity etc.

In addition, dedicated customer programs and training sessions are organized to explore a total approach for e.g. mycotoxin contamination, gut health issues and preventive measurements for antibiotic reduction and AGP (antibiotic growth promotor) ban in husbandry. New service platforms, such as Nestor and customized PNE Chinese platform were launched to market, providing nutritional recommendations and nutritional values to customers, a step further in formulation accuracy for more sustainable production.

In the context of global surge of raw material cost for feed production, solutions have been developed and introduced to customers to enhance product efficiency and control production costs such as low-protein application, A special on-line “protect your margin” program has been launched in 2023 as raw material cost for feed production remains high.

To further improve customer preference and differentiate from competition, Innov’l@b is continuously scouting disruptive technologies, products, and services to improve efficiency, sustainability, and animal wellbeing at customer level.

(4) Unparalleled Market Explorer and Pioneer

Adisseo has continuously expanded its business to successfully seize the opportunities presented by the growth in demand for protein and animal feed additives in emerging economies. With population growth, growth in income per capita and changes in diet in emerging economies, a greater demand for animal proteins exists, Adisseo's products enhance the metabolism and health of the animals and increase the efficiency in animal husbandry. The growth in population and per capita income and the need for higher efficiency in using land and water resources have created bright prospects for Adisseo's core products.

To fulfill its mission which consists in feeding the planet in a high-quality, affordable, safe and sustainable way, Adisseo strives to keep a leading position on methionine market (first business. pillar of Adisseo’'s strategy) and to bring new solutions by accelerating the development of Specialty products (second business-pillar)

Methionine

A disseo is actively preparing future development by combining extensions and debottlenecking ofexisting production facilities, while, at the same time, improving their reliability, perfommance andenvironmental compliance.

1) Adisseo secures sourcing for strategic raw materials. In 2016, Adisseo integrates sulfurmelting activity of Sobegi in European platform;

2) Adisseo increases its production capacities in both European and Chinese The project ofthe new powder methionine plant in Quanzhou as well as other

debottlenecking projectswhen needed are key steps to implement the “two-business-pillar”strategy and importantaction to consolidate leadership role in methionine industry.

In addition to capacity expansion, Adisseo conducts each year new surveys and initiates newprojects to reduce the environmental impact of its activities: high level ofenvironmental investmentsconducted in past several years, such as new electrostatic filter to reduce dust in fumes and awastewater pre-treatment plant in Nanjing, new fumace to maximize energy recovery on a MMPintermediary product in the synthesis of methionine) production unit, investment of a new wastewater treatment unit at Commentry which was put into use in fall 202 1. The steam recycling projectin Nanjing construction completed in Q3 2023, is now in use since January 2024. It will contributeto the energy consumption efficiency as well as cost competitiveness of the plant. Nanjing plantwaste water treatment project started its construction in Q2 2024 and is planned to put into operationin Q2 2025.

Specialties

Adisseo reinforces its core businesses and diversifies its portfolio in high growth segments bydeveloping strategic partnerships, innovative products and external acquisition. Main industrdrivers include high feed cost, antibiotics replacement, yield improvement, quest for sustainability,animal welfare, etc. with target to build a complete, tailor-made solution offering using thefollowing key criteria to select the best development opportunities.

1) fit into its species-oriented market strategy (poultry, swine, ruminants, aqua)

2) technology (added value, 'solutions’ to client's needs, growth & profitability)

3) access to market

4) services to be provided (digitalization)

(5) Experienced Management Team with Rich Industry Experience

The Adisseo management team has over decades of industry and management experience in animal feed additives and international company management on average. Adisseo’s management team has ‘ dAdditionally, at Adisseo, the commitment of its people is a key performance indicator alongside safety and financial results. Adisseo has built employee development and incentive programs, which provides an internal drive for sustainable growth.

Adisseo is investing in commercial, innovation, scientific and managerial expertise through the creation of a Sales academy, a Research and Innovation academy, a project academy, an internal school for production efficiency and an internal Adisseo Management Program. Adisseo is also investing in technical and scientific expertise through individual development program dedicated to high potential scientists selected every year for a strategic list of expertise, and through an associated specific recognition program.

4 Main Business Model, Main Content of Products or Services

4.1 Main Content of the Company's Products or Services

4.1.1 Business overview

Adisseo focuses on the research, development, production, and sales of animal nutrition additives, and is a leading enterprise in the global animal nutrition additives industry. Adisseo's products are divided into two categories: performance products and specialty products.

As a leader in the global animal nutrition and health industry, Adisseo provides comprehensive solutions through the organic combination of strategic partnerships, products and services, research, and innovation. Adisseo's vision is to provide high-quality food for humanity in an economically secure and sustainable manner.

Leveraging safety and sustainability DNA, the Company pursues the implementation of its “two-business-pillar” strategy, i.e. to become the leader in methionine while accelerating its profitable development in Specialty business with a worldwide ambition.

To do so, Adisseo brings a full range of products and services to the market that supports customers in every step of the feed and animal production for all animal species.

4.2.2 Main products

The company's main products are divided into two categories based on application areas: performance products and specialty products. The main product information is as follows:

(1) Performance products

From the perspective of animal nutrition, performance products mainly include methionine and vitamins. The specifics are as follows:

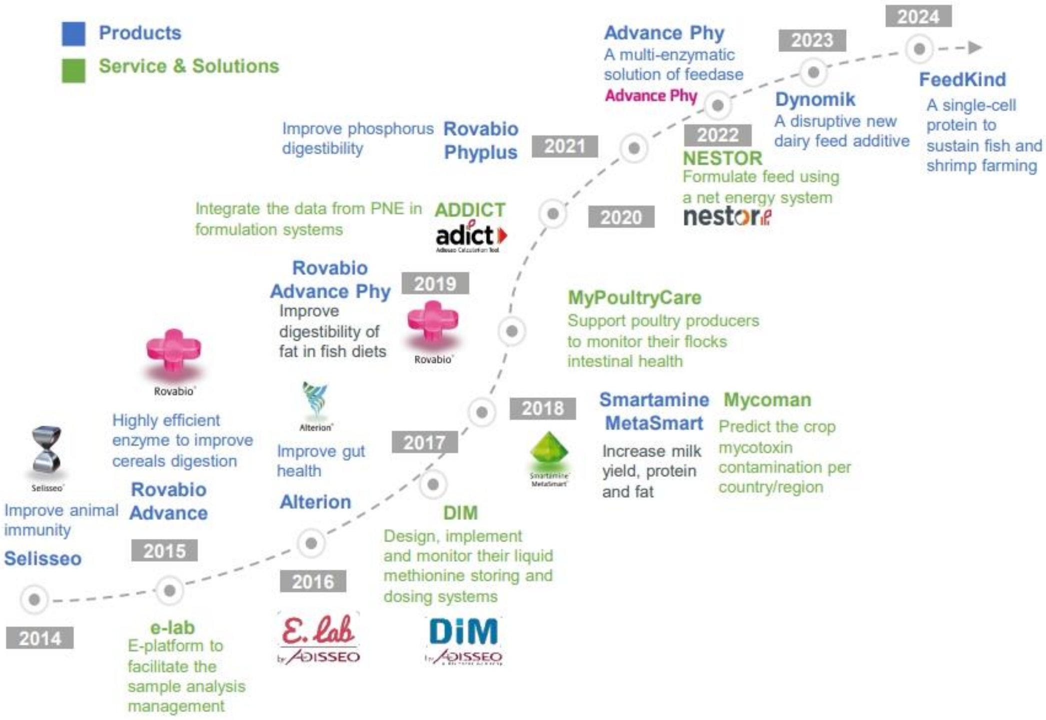
Product Type	Main Product Name	Introduction to Main Product Uses
Methionine	Rhodimet®	An essential amino acid required for the growth of all animals that can improve feed performance, with significant safety and ease of use.
Vitamins	Microvit®	A full range of highly reliable and high-quality vitamin products recognized by customers.

(2) Specialty products

Specialty products are divided into products that enhance digestive performance, products that improve animal health levels, palatability products, mycotoxin management and feed preservation products, rumen-protected methionine, aquatic and innovative alternative protein products. The specifics are as follows:

Product Type	Main Product Name	Introduction to Main Product Uses
Products that enhance digestive performance	Rovabio®	Improve the digestibility and utilization efficiency of feed, thereby reducing feed costs, grain digestion, and nitrogen and phosphorus emissions.
Products that improve animal health levels	Selisseo®	Includes organic arsenic, intestinal health products, and other products that promote animal reproduction or improve conditions.
	Alterion®	
Palatability Products	Desistart®	Stimulates increased feed intake, thereby enhancing animal growth and health levels
	Maxarome®	
	Gusti®	
	Optisweet®	
	Krave®	
Mycotoxin management and feed preservation products	Toxy-Nil®	Reduces the negative impact of mycotoxins on animal health, reproduction, and production performance; inhibits the growth of fungi and bacterial pathogens in grains and feeds
	UNIKE®	
Rumen-protected methionine	Smartmine®	Specifically formulated for ruminants, effectively improving milk quality and yield while enhancing the overall health of dairy cows
	Metasmart®	
Aquaculture and Innovative Alternative Proteins White Products	Feedkind®	Single-cell protein products that promote sustainable development in shrimp and fish farming
	Nutri-Lyso®	Plant-Based Natural Emulsifiers

The company provides customers with more efficient and lower-cost products and value-added services through research and development innovation. The core technology of the company in production processes is advanced and innovative, effectively improving production efficiency, enhancing product performance, maintaining cost and quality advantages of core products, and continuously expanding product range and capacity. In the past decade, the company has continuously innovated, consistently creating core products and services, and annually launching high cost-performance and high-quality core products. The evolution of the company's core products is as follows:



4.2 Main Business Model

4.2.1 Research and Development

Adisseo insists on continuous research and innovation policies in all aspects including products, production processes, business models, and work organization forms. There are 4 research and development centers and 2 experimental stations focused on several different areas such as analytical, nutrition, formulation, biotechnology, chemical processes, chemistry, formulation. During recent years, Innov'L@b, dedicated to disruptive technologies, has seen and analyzed several hundreds of POCs (Proof of Concepts) and build up a start up deal flow, and realized several investments up till now in the areas of contaminants detection, insect and parasite control smart farming and in the field of antibiotic replacement respectively.

4.2.2 Procurement

The company's energy procurement for production primarily consists of electricity and natural gas, which are settled periodically through annual purchase contracts. The main raw materials required for production include propylene, methanol, sulfur, ammonia, etc., and are procured through long-term contracts with suppliers to ensure price stability. The transportation of major raw materials is handled by the respective suppliers. Liquid raw materials are stored in tanks, while solid raw materials are kept in warehouses. The company has established a unified management standard for all on-site and off-site warehouses, which is regularly reviewed and improved.

4.2.3 Production

Adisseo's production is primarily supported by its manufacturing platforms in Europe and China, ensuring cost-effective and reliable services for customers worldwide. Among them:

(1) European Manufacturing Platform

The European manufacturing platform of Adisseo consists of three factories: LesRoches factory (upstream raw material factory), which primarily produces the first intermediate for synthetic methionine, namely MMP, supplied to the Roussillon factory in France to produce powder methionine, and to the Burgos factory in Spain to produce liquid methionine.

(2) Nanjing Manufacturing Platform in China

In order to better serve the Chinese market, the world's largest market for methionine consumption, Adisseo established a factory in Nanjing in 2009. Among them, the first phase of the Nanjing factory, with an annual production capacity of 170,000 tons of liquid methionine, gradually began production in 2013 and was completed and expanded in 2019; The second phase of the Nanjing factory, with an annual production capacity of 180,000 tons of liquid methionine, was completed and put into operation in 2022.

Adisseo is one of the earliest global companies to establish a methionine production base in China. With a fully integrated production process and world-class manufacturing standards, the Nanjing factory has become one of the globally leading production bases for liquid methionine in terms of production scale and cost control. Thanks to a fully integrated production platform, continuous investment in research and development has optimized production processes and continuously increased capacity, allowing Adisseo to consistently enhance its cost competitiveness. At the same time, the Nanjing plant has effectively seized the rapid growth opportunities in the Chinese methionine market by continuously expanding investment and alleviating bottlenecks to increase capacity, thereby further strengthening Adisseo's competitive strength and market leadership.

(3) Quanzhou Production Platform in China

In order to meet the global demand for methionine and fully leverage the synergistic effects of integration with Sinochem in China, the company decided in 2023 to invest in a new powder methionine factory in Quanzhou with an annual capacity of 150,000 tons, which will be one of the fundraising investment projects for this specific stock issuance, and the factory is expected to be operational by 2027. At present, the project's basic design and budget approval have been obtained, and construction is proceeding in an orderly manner.

4.2.4 Sales Model

ADISSEO's key customers primarily include integrated livestock and poultry producers, feed manufacturers, and premix feed producers, with products mainly sold through direct channels.

, with products mainly sold through direct channels.

In terms of pricing strategy, ADISSEO's product pricing is generally aligned with market conditions, though variations may exist across different regions. The company implements its pricing strategy at three levels: global, regional, and national. Through timely evaluation and adjustment of pricing strategies, ADISSEO ensures the ability to secure contracts with key customers at optimal prices, thereby maximizing profitability opportunities.

4.3 The Situation of Major Fixed Assets and Intangible Assets Owned by the Company in Its Production and Operation

4.3.1 Fixed Assets

The issuer's main fixed assets include buildings, machinery and equipment, electronic devices, etc. The ownership of the fixed assets held by the company is clear, and their usage status is good.

At the end of each reporting period, the composition of the book value of the company's fixed assets is as follows:

Unit: Ten Thousand Yuan

Items	December 31, 2024	December 31, 2023	December 31, 2022
Buildings and Structures	344,911.49	363,320.44	365,071.24
Land and Other Ground Attachments	10,245.17	10,666.48	9,672.62
Buildings and Structures	470,596.31	523,656.36	541,058.32
Total	825,752.98	897,643.28	915,802.18

At the end of each reporting period, the company's fixed asset book values were 9,158.02 million yuan, 8,976.43 million yuan, and 8,257.53 million yuan, respectively.

4.3.2 Intangible Assets

At the end of each reporting period, the company's intangible asset book values remained relatively stable. The composition of the company's intangible asset book values at the end of each reporting period is as follows:

Unit: Ten Thousand Yuan

Project	December 31, 2024	December 31, 2023	December 31, 2022
Land use rights	29,004.32	29,696.46	12,216.53
Trademarks	44,449.60	46,536.33	47,733.84
Patent rights	563.31	540.84	1,529.11
Non-patent technology	39,695.06	44,406.13	46,244.41
Customer relationships	46,012.47	51,396.67	53,294.10
Software and others	44,224.93	45,646.47	45,453.39
Total	**203,949.68**	**218,222.90**	**206,471.38**

4.4 Overseas Production and Operation Situation

As a leader in the global animal nutrition feed additives market, Adisseo holds an important position in various regional markets worldwide, providing services to over 4,200 customers in 110 countries and regions through its global network. Adisseo offers comprehensive solutions through the organic combination of strategic cooperation, products and services, research and innovation, achieving more convenient and faster market access in the global market.

5 Current Business Development Arrangements and Future Development Strategies of the Company

5.1 Development Strategies Formulated by the Company

As a leader in the global animal nutrition and health industry, the company has been committed to continuously providing innovative products and services for the feed and food industries for over 80 years since its establishment, while continuously enhancing its sustainable development capabilities. Focusing on safety and sustainable development, the company has actively implemented a 'dual pillar' strategy, which involves continuously consolidating its leading position in the methionine industry while continuously launching innovative solutions to accelerate the development of its specialty products business. At the same time, the 'China Integrated Strategy' proposed by the company in 2020 relies on the strong support of its controlling shareholder, leveraging China's manufacturing advantages and R&D capabilities to accelerate the expansion of markets in China and globally. With the support of the above strategies, the company is confident in continuously expanding its product portfolio and enhancing its competitiveness in a sustainable manner to achieve sustainable and profitable business growth.

5.2 Measures to Achieve Strategic Goals

5.2.1 Continuously implement the 'Dual Pillar' strategy, focus on core business operations, enrich product structure, and enhance core competitiveness.

Adisseo is a global leader in liquid methionine and one of the few methionine producers capable of producing both liquid and powder methionine, striving to become the world's largest methionine producer. In addition, Adisseo has a very unique competitive position in the feed-grade vitamin industry, committed to providing customers with high-quality and fully traceable comprehensive vitamin solutions. Accelerating the development of specialty products is the second major pillar of the company's growth. With the endogenous organic development of existing product lines, continuous introduction of new products, and external mergers and acquisitions, Adisseo aims to become one of the global leaders in animal nutrition specialty products.

5.2.2 Multiple measures to accelerate the process of modern low-carbon agriculture, green development writes a new chapter.

Adisseo is committed to providing high-quality food for humanity in an economical, safe, and sustainable manner. Promoting agricultural and rural emissions reduction and carbon sequestration is an important aspect of China's goal to achieve peak carbon emissions and carbon neutrality. In October 2022, the National Development and Reform Commission of the People's Republic of China issued the 'Catalog of Industries Encouraging Foreign Investment (2022 Edition)', encouraging the development and production of safe, efficient, and environmentally friendly feed and feed additives (including vitamins, methionine, feed enzymes), as well as alternatives to antibiotics for promoting animal growth. Adisseo has become one of the world's leading animal feed additive companies after years of deep cultivation, with a rich product portfolio and integrated industrial layout laying a solid foundation for the company's business expansion. The scale and technological level of several core products in the fields of methionine, enzyme preparations, and intestinal health promotion are at the forefront of the industry. The nutritional solutions developed by Adisseo have a positive impact on reducing animal excretion and greenhouse gas emissions, such as lowering nitrogen and phosphorus emissions, improving feed conversion efficiency, and enhancing animal health, thereby increasing the sustainability of animal husbandry in various ways and promoting the rapid development of modern low-carbon agriculture.

Adisseo has always centered its operations around ESG principles, practicing the concept of sustainable development and demonstrating corporate social responsibility. Since 2014, the company has published a sustainability report annually. In 2023, Adisseo collaborated with a world-leading French sustainability consulting firm to establish a carbon reduction roadmap for 2050. The company has defined clear guidelines based on carbon neutrality goals and how to minimize environmental impact. Adisseo's objectives align with international standards such as the Paris Agreement, the United Nations Framework Convention on Climate Change, and the

United Nations Sustainable Development Goals, and it is committed to contributing to the United Nations Sustainable Development Goals. In addition, the funds raised from this issuance are intended to invest 100 million yuan in a sustainable development project, namely the Acrylic Acid Wastewater Treatment and Reuse Project. Once completed, the project will treat wastewater and clean sewage from the Nanjing plant for reuse, reducing the total amount of pollutants discharged while also lowering energy consumption and carbon emissions, effectively improving the urban environment.

5.2.3 Accelerate the advancement of investment projects through various financing methods.

After the completion of this issuance, the number of circulating shares of the company in the stock market will further increase, thereby enhancing the liquidity of the listed company's stock, optimizing the shareholder structure, and ultimately allowing more investors to participate in the company's development and enjoy the dividends brought by the development. Adisseo will fully leverage the platform role of the listed company to carry out equity financing, utilize its solid asset-liability performance to conduct debt financing, and raise funds through various financing methods to optimize the capital structure, ensure the stability and health of the company's cash flow, and meet the funding needs of the company's rapid business development. The funds raised through this issuance to specific targets will be invested in performance product projects (the 150,000 tons/year powder methionine project), the specialty product project (The specialty feed additives project with an annual production capacity of 37,000 tons and Spain Ester Adisseo Transfer project), and the sustainable development project (acrylic wastewater treatment and reclaimed water reuse project). Adisseo intends to accelerate the implementation of the aforementioned investment projects through this issuance of funds to specific targets. With the continuous release of future production capacity from the fundraising projects, Adisseo's existing product structure will be optimized, product supply capacity will be greatly enhanced, further promoting the sustainable development of the company's main business, enhancing the company's core competitiveness, and consolidating Adisseo's leadership position in the global feed additive industry.

5.2.4 Strengthen the implementation of shareholder returns and promote growth in both quality and value

In terms of investor returns, Adisseo has adhered to a relatively stable profit distribution policy and cash dividend plan to actively reward shareholders, allowing investors to share in the results of the company's operational development, promoting a common focus on the company's long-term, sustainable, and healthy development. The dividend payout ratio has been maintained at over 30% for a long time. At the same time, the company increased the minimum cash dividend ratio from 30% to 40%, under the condition that it achieves profit for the year, has positive retained earnings, and its net debt does not exceed twice the company's earnings before interest, taxes, depreciation, and amortization (EBITDA). This reflects the company's confidence in promoting large-scale investment plans while creating long-term value for shareholders.

The company formulated a *Shareholder Return Plan for the Next Three Years (2024-2026)*. Within the next three years, the company will prioritize cash dividends as a method of profit distribution, maintaining continuity and stability in its profit distribution policy. In addition to that, except in special circumstances, the company will distribute dividends in cash when it is profitable for the year and has positive retained earnings, with the cash distributed each year being no less than 30% of the consolidated distributable profits. At the same time, Except for special circumstances, the Company shall distribute dividends in cash when it is profitable for the current year and the cumulative undistributed profits are positive. and the Company's leverage ratio (Net Debt/EBITDA) is no higher than 2, the annual cash dividends shall not be less than 40% of the distributable profits shown in the consolidated financial statements.

In the future, under the premise of ensuring normal operations, Adisseo will adhere to providing investors with continuous and stable cash dividends, and in accordance with the company's strategic planning, will continue to increase project investments in relevant fields based on the company's operational status and business development goals, bringing long-term investment returns to shareholders.

5.2.5 Continuously improve the company's operational efficiency and governance level to promote high-quality development

Adisseo is actively promoting excellent operations and cost reduction plans to enhance the company's cost competitiveness. Since the launch of the competitiveness enhancement plan in 2019, the company has cumulatively reduced recurring cost expenditures by approximately 900 million yuan, of which 179 million yuan in recurring cost savings were achieved in 2024. In the future, Adisseo will continue to implement its competitiveness enhancement plan, benefiting from digital operational capabilities, continuous capacity improvements, and fully leveraging synergies with its controlling shareholder in procurement areas such as insurance and energy. This plan will further achieve sustainable cost savings. In addition, Adisseo is advancing its excellence operation plan at its European plants, which includes the permanent closure of the Commentry powder methionine production line in France. This plan is expected to further enhance the overall competitiveness of Adisseo's European platform. At the same time, Adisseo will continue to actively monitor and optimize the global supply chain as well as distribution and tariff costs, especially in the North American market.

The company has established a relatively complete corporate governance structure and operational mechanism composed of the shareholders' meeting, board of directors, board of supervisors, and company management in accordance with the requirements of the *"Company Law of the People's Republic of China"*, the *"Securities Law of the People's Republic of China"*, the *"Guidelines for the Governance of Listed Companies"*, and the *"Rules for the Listing of Stocks on the Shanghai Stock Exchange"*, forming a corporate governance system where the powers and responsibilities between the power institutions, decision-making institutions, supervisory institutions, and management are clear, operations are standardized, and there is mutual coordination and checks and balances.

Adisseo will continuously improve the company's governance system, including further revisions to the articles of association and various management systems, to enhance standardized operational levels, strengthen internal control construction and risk prevention capabilities, and promote the diligent performance of duties by the shareholders' meeting, board of directors, supervisory board, and management, effectively implementing decision-making procedures; The company's board of directors earnestly implements the resolutions of the shareholders' meeting, faithfully fulfills its obligations of integrity, the supervisory board performs its supervisory functions, and the management diligently fulfills the responsibilities assigned by the board of directors, standardizing operations to ensure the achievement of the company's strategic goals.

This issuance will further optimize the existing shareholder structure, introduce investors, and enhance governance levels. In the future, the company will continue to promote the modernization of corporate governance capabilities, continuously improve the board of directors' operational system, and continuously standardize the rights and obligations of the company and its shareholders, preventing the abuse of rights and advantageous positions that harm the interests of small and medium-sized investors, thereby enhancing the effectiveness of corporate governance.

5.2.6 Strengthen investor communication

Adisseo highly values investor relations management, strictly adhering to laws, regulations, and regulatory agency requirements, rigorously implementing the company's information disclosure management system, and maintaining an investor demand-oriented approach. The company commits to fulfilling information disclosure obligations truthfully, accurately, completely, timely, and fairly, optimizing information disclosure work, and striving to improve the quality and transparency of information disclosure.

The company continuously improves the management system related to investor relations, actively establishing effective communication mechanisms with the capital market, and fully safeguarding the rights of investors, especially the rights to information and other legitimate rights of small and medium-sized investors. The company has established diversified channels for investor communication and interaction, actively organizing investor exchange meetings and on-site research, and fully utilizing public consultation hotlines, email, and other methods to communicate with investors, maintaining good relationships with them.

The company will continue to convey its new strategic positioning, development vision, future investment value orientation, resource allocation, and other aspects more clearly to investors through various channels of communication and interaction. In addition, Adisseo will conduct investor communication after the regular report disclosure, including but not limited to roadshows (conference calls, investor meetings) and reverse roadshows (inviting investors and research analysts to visit and communicate with the company, etc.); At the same time, the company will further emphasize daily communication with small and medium-sized investors, fully leveraging the internet and other digital technologies to improve communication efficiency with small and medium-sized investors. To ensure that investors fully understand the information regarding the industry in which the company operates, strategic planning, business development, etc., and to promote the establishment of a long-term, equal, and trustworthy relationship between the company and investors.

6 The Specific Situation of Financial Investments and Quasi-financial Investments Implemented or Planned by the Company from Six Months Prior to the Board Resolution Related to This Issuance to the Present

6.1 Criteria for Identifying Financial Investments and Similar Financial Activities

6.1.1 Criteria for identifying financial investments

According to the *"Applicable Opinions on Articles 9, 10, 11, 13, 40, 57, and 60 of the Regulations on the Registration Management of Securities Issuance by Listed Companies"* issued by the China Securities Regulatory Commission in February 2023, The types of financial investments include but are not limited to: investment-type financial businesses; non-financial enterprises investing in financial businesses (excluding investments in financial companies of the group where the shareholding ratio before and after the investment does not increase); equity investments unrelated to the company's main business; investments in industrial funds, merger and acquisition funds; borrowing funds; entrusted loans; purchasing financial products with high volatility and risk, etc.

Industrial investment aimed at acquiring technology, raw materials, or channels along the industrial chain, mergers and acquisitions aimed at acquisition or integration, and borrowing funds or entrusted loans aimed at expanding customers and channels, if in line with the company's main business and strategic development direction, shall not be defined as financial investment.

A large amount refers to the financial investments that the company has held and intends to hold exceeding thirty percent of the net assets attributable to the parent company in the consolidated financial statements (excluding the investment amount in quasi-financial businesses within the scope of the consolidated financial statements).

6.1.2 Identification of quasi-financial businesses

According to the *"Guidelines for the Application of Regulatory Rules - Issuance Class No. 7"* issued by the China Securities Regulatory Commission in February 2023, except for licensed institutions approved by the People's Bank of China, the China Banking and Insurance Regulatory Commission, and the China Securities Regulatory Commission to engage in financial business, all other institutions engaged in financial activities are classified as quasi-financial institutions. Quasi-financial businesses include but are not limited to: financing leasing, financing guarantees, commercial factoring, pawnshop services, and microloans.

6.2 The Financial Investment Situation Implemented or Planned by the Company from Six Months Prior to the Relevant Board Resolution of This Issuance to the Present

The company held the eighteenth meeting of the eighth board of directors on April 25, 2024, and approved the relevant proposals for the issuance of A-shares to specific targets. From six months prior to the date of the board resolution for this issuance to the date of the issuance of this fundraising prospectus, the company has no financial investments (including quasi - financial investments) that have been implemented or are planned to be implemented.

6.3 As of the Most Recent Fiscal Period End, the Company does not Hold Significant Amounts of Trading Financial Assets and Available-for-Sale Financial Assets with Long Durations, nor does it Have Situations Involving Loans to Others or Entrusted Financial Management as Financial Investments

As a global leader in the animal nutrition and health industry, the company is committed to continuously providing innovative products and services to the feed and food industries while continuously enhancing its sustainable development capabilities. Focusing on safety and sustainable development, the company has actively implemented a 'dual pillar' strategy, which involves continuously consolidating its leading position in the methionine industry while continuously launching innovative solutions to accelerate the development of its specialty products business. Based on the above development strategy, the company's investments mainly focus on its core business to enrich the product structure. As of December 31, 2024, the company does not hold significant amounts of long-term trading financial assets or available-for-sale financial assets, loans to others, entrusted wealth management, or other financial investments, as detailed below:

Unit: Ten Thousand Yuan

No.	Project	Book value	Of which: Financial investment amount	Proportion of financial investments to the latest period-end net assets attributable to the parent company
1	Trading financial assets	-	-	-
2	Derivative financial assets	39.80	-	-
3	Long-term equity investments	10,756.60	-	-
4	Other receivables	9,075.39	-	-
5	Other equity instrument investments	17,811.45	-	-
6	Other current assets	53,558.89	-	-
7	Other non-current financial assets	11,135.08	-	-
8	Other non-current assets	3,122.30	-	-
Total		**105,499.51**	**-**	**-**

6.3.1 Derivative financial assets

As of December 31, 2024, the company's derivative financial assets amounted to 398 thousand yuan. These were mainly for forward foreign exchange settlement and sales transactions carried out by the company to hedge the exchange rate fluctuation risks arising from its daily business operations, possessing a genuine trading background, with no excessive hedging or speculation involved, and do not constitute financial investments.

6.3.2 Long-term equity investments

As of December 31, 2024, the company's long-term equity investment amounted to RMB 107.566 million, primarily consisting of its equity investment in the joint venture Calysseo. In March 2020, Adisseo and Calysta jointly established a joint venture named Calysseo Limited, with the objective of exclusively developing the Asian market. Both parties hold a 50% stake, with a total investment of USD 80 million.

Calysseo has invested in Chongqing to build the world's first large-scale demonstration plant for the production of single-cell protein products, aiming to develop innovative FeedKind® protein for aquaculture in China and Southeast Asia. Additionally, the establishment of Calysseo has strengthened the company’s market influence in the alternative protein sector. Therefore, Adisseo's investment in Calysseo aligns with its core business and strategic development direction and does not constitute a financial investment.

6.3.3 Other receivables

As of December 31, 2024, the company’s other receivables amounted to 90.7539 million yuan. The working capital prepayments provided by BANG to Calysseo mainly aim to accelerate the construction of the Calysseo (Chongqing) Plant project. Such prepayments do not fall within the category of financial investments.

6.3.4 Other equity instrument investments

As of December 31, 2024, the amount of the company's other equity instrument investments was 178.11 million yuan. The specific details are as follows:

Unit: Ten Thousand Yuan

Investment projects	Balance at the end of 2024	Is it a financial investment	Reasons
Osiris G.I.E	189.08	No	Osiris G.I.E was founded in France and is a shared knowledge platform related to the chemical industry, assisting all companies on the platform in coordinating and organizing safety, security, environment, logistics, utilities, and energy efficiency. The company's investment in Osiris G.I.E will be beneficial for the efficient development of related businesses in the French region. The company has relevance and synergistic effects with the issuer's main business and does not constitute a financial investment.
Calysta Inc	14,210.02	No	Calysta, Inc. is a U.S. company specializing in single-cell protein and its innovative manufacturing processes. As global population growth continues to drive increased demand for protein, Adisseo aims to offer a solution that can serve as an alternative to traditional protein sources, ensuring a stable food supply chain. Calysta's FeedKind® protein product meets these criteria. FeedKind® protein is produced through natural gas fermentation, offering high sustainability and nutritional value, making it an eco-friendly and efficient protein source for aquaculture and livestock industries. Additionally, its production process does not rely on agricultural land or water resources, helping to reduce the environmental impact of traditional protein production. The company's investment

Investment projects	Balance at the end of 2024	Is it a financial investment	Reasons
			in Calysta aligns with its goal of promoting sustainable animal nutrition solution. The company has relevance and synergistic effects with the issuer's main business and does not constitute a financial investment.
PigChamp	1,354.63	No	PigChamp is a Spanish company with a 20-year history, focusing on providing digital platform services for pig farm management. It is committed to offering solutions in various aspects, including health, production, breeding, and biosecurity. The company's investment in PigChamp is beneficial for its development in the precision livestock farming sector. The company has relevance and synergistic effects with the issuer's main business and does not constitute a financial investment.
AG Venture	827.31	No	AG Venture is an investment company established by the well-known Latin American venture capital fund SP Ventures. In the current general trend of the transformation of the agricultural food system towards nutrition, health, green - low - carbon, high - quality and high - efficiency, Adisseo expects to obtain cutting - edge new technologies in the field of agricultural food technology through its investment in AG Venture. This is to promote its own development in aspects such as innovation of animal nutrition additive products and optimization of production processes. This investment is an industrial investment around the upstream and downstream of the industrial chain with the aim of acquiring technology rather than obtaining investment returns, and does not constitute a financial investment.
Entobel	324.58	No	Entobel, established in Singapore, is an animal feed company based on the cultivation and development of insects with potential for healthy nutritional resources. The company's investment objectives are primarily based on future business synergies and technological leadership, which are conducive to better understanding and improving insect breeding performance and nutritional needs. The company has relevance and synergistic effects with the issuer's main business and does not constitute a financial investment.
Bits x Bites Growth Fund I, L.P.	817.27	No	Bits x Bites Growth Fund I, L.P. is a venture capital fund focused on early-stage projects in agricultural and food technology innovation in the Chinese market. Adisseo expects to leverage the investment network and project resources of this fund to deeply explore the cutting - edge technologies in the field of agricultural and food technology, injecting new impetus into the innovative development of its animal nutrition additive business. This investment is an industrial investment centered around the upstream and downstream of the industrial chain for the purpose of obtaining technology, not for the purpose of obtaining investment returns, and thus does not constitute a financial investment.
Others	88.56	No	-
Total	**17,811.45**	-	-

6.3.5 Other current assets

As of December 31, 2024, the company's other current assets amounted to 535.5889 million yuan, mainly consisting of input VAT to be deducted and prepaid corporate income tax, which do not belong to financial investments.

6.3.6 Other non-current financial assets

As of December 31, 2024, the company's other non-current financial assets amounted to 113.0219 million yuan, primarily consisting of an investment in the Animal Feed & Health Venture Fund (AVF). AVF is a venture capital fund focused on innovative investments in the field of animal health and nutrition. To date, AVF's investment strategy has primarily focused on two frontier areas of modern agriculture and livestock revolution: animal health, feed and nutrition, and digital technologies serving the livestock industry. The company's investment objective is mainly to invest in animal health, feed and nutrition, and digital technologies that serve the livestock industry, continuously enriching its R&D and innovative product portfolio, and promoting the development of the company's core business products. Given that nature of the funds and the main business conditions of the investment target, this investment is an industrial investment around the upstream and downstream of the industrial chain with the aim of acquiring technology rather than obtaining investment returns. Therefore, this sum of money does not fall within the category of financial investments.

6.3.7 Other non-current assets

As of December 31, 2024, the company's other non-current assets amounted to 31.2230 million yuan, mainly consisting of prepaid project payments, which do not fall under financial investments.

In summary, as of December 31, 2024, the issuer had no financial investments, in compliance with the relevant provisions of *"Interpretation No.18 on the Application of Securities and Futures Laws"* and *"Guidelines for Regulatory Rules-Issuance No.7"* and other related regulations.

Chapter 2 Summary of the Private Issuing

1 The Background and Purpose of this Private Issuing

1.1 The Background of this Issuance to Specific Targets

1.1.1 Grain consumption is upgraded and the animal nutrition market has broad prospects.

With expanding global population, increasing income per capita in emerging economies and changes in diets in advanced countries, there is higher demand for animal proteins, resulting in constant growth in animal feed additives. Animal nutrition additives play a crucial role in improving the quality and safety of food products, enhancing poultry feed efficiency, reducing adverse environmental impacts, ensuring animal health and high-quality breeding and other aspects. According to *Markets and Markets*, the global feed additives market size will be approximately USD 44.2 billion in 2023, representing a year-on-year growth of approximately 5.50%; the global feed additives market size is expected to increase to approximately USD 55.8 billion in 2028, growing at a CAGR of 5.8% from 2023 to 2028. Adisseo has been committed to providing innovative solutions for the feed industry to improve animal performance and yield, reduce waste and feed consumption, and provide economically high-quality meat, milk and eggs for the increasing global population. This helps alleviate existing supply-demand contradictions and is economically feasible in terms of product solutions. Under the background of upgrading consumption of global grain structure, the animal nutrition additives market has broad prospects, and the issuer's business will continue to develop steadily.

1.1.2 Accelerating the process of modern low-carbon agriculture and promoting the realization of green and low-carbon development.

Promoting agricultural and rural emission reduction and carbon sequestration is an important aspect of China's goal to achieve carbon emission peak and carbon neutrality. In October 2022, the National Development and Reform Commission issued the Catalogue of Industries Encouraging Foreign Investment (2022 Edition), which encourages the development and production of safe, efficient and environmentally friendly feed, feed additives (including vitamins, methionine and feed enzymes) and alternative products to antimicrobial drugs for animal growth promotion. Methionine helps to decrease the amount of protein contained in animal feed, reduce ammonia generated from animal intestinal fermentation, and improve the carbon and nitrogen utilization ratio of anaerobic microorganisms in order to reduce carbon emissions. Specialty products for ruminant animals can effectively improve nitrogen utilization efficiency and reduce urinary nitrogen emissions. As a result, products such as methionine can effectively lower carbon emissions, help animal husbandry and food industries actively take their role of protecting environment and social responsibility, accelerating the progress of green agriculture, and play a significant role in achieving green and low-carbon development.

1.1.3 The Company has been deeply involved in the animal feed additive industry for many years and has accumulated strong technical strength and constructed a comprehensive product portfolio.

The Company is primarily engaged in innovation, production, and sales of animal feed additives, and has become one of the leading global enterprises in the field of animal feed additives after over 85 years of development. With a diverse product portfolio and an integrated industry layout, the Company has established a solid foundation for business expansion. In terms of the industrial scale and technological level, the Company holds industry-leading position in aspects of methionine, vitamins, rumen-protected methionine, enzyme preparations and gut health products. Starting with the methionine business, the Company is the world's second-largest supplier of methionine and the largest supplier of liquid methionine, and it is one of the few global manufacturers that are capable of producing both liquid and powder methionine. At the same time, the Company is also accelerating the expansion of profitable and relatively stable specialty portfolios. From 2014 onwards, Adisseo launched new products/service every year, emphasizing the increasing importance of specialty products in the Company's strategy. The Company will fully utilize the synergies of its various product categories and provide customers with customized, integrated and diversified product and service solutions through its global sales channels. It aims to accelerate its development process in the favorable environment of industry in which demand expands acceleratively.

1.1.4 The Company has always centered around ESG principles, practicing the concept of sustainable development, and showcasing corporate social responsibility.

Adisseo has always focused on the ESG principles in its operations, practicing the concept of sustainable development, and demonstrating corporate social responsibility. Adisseo had committed since 2015 to reduce its scope 1 and 2 greenhouse gas intensity by 20% as well as its water and energy consumption per kilogram of product over a ten-year period. As of 31st December 2024, Adisseo is far ahead of its 2025 GHG emission target (-40% vs 2015) thanks to projects to develop and optimize processes, improve energy efficiency and the purchasing of renewable or decarbonated energy. In order to achieve these goals, the Company is actively implementing renewable energy projects, employing eco-friendly technologies to strive for sourcing key raw materials needed for production from renewable energy sources, thus reducing the consumption of natural resources. Currently, the nutrition solutions provided by the Company have already demonstrated positive effects in terms of reducing animal waste and greenhouse gas emissions reduction. The Company will continue to reduce the adverse impact of the production process on the environment, including minimizing energy consumption and water resource utilization. The Company will strive for sustainable development in the economy, environment, and society by continuously upholding the principles of Environmental, Social, and Governance (ESG).

1.2 The Purpose of this Issuance to Specific Targets

1.2.1 Implementing the "two-pillar" strategy and adhering to sustainable development

Adisseo is implementing a “two-pillar” development strategy, which is continuously consolidating its leadership in methionine industry and accelerating the development of specialty business. Adisseo is also committed to deepening its global collaboration strategy to realize its vision of feeding the planet in a high-quality, affordable, safe and sustainable way. The powder methionine project with an annual production capacity of 150,000 tons will effectively expand Adisseo’s methionine production capacity in China and optimize its methionine product structure and global production capacity layout, to achieve cost reduction with improved efficiency and ensure supply stability. It is a crucial step in implementing the “two-pillar” strategy and an important measure to realize the ambition of becoming the best methionine player globally. The specialty product projects focus on cost optimization and capacity expansion. It effectively implements the Company’s strategic plan to develop the specialty business as its second pillar. Furthermore, the Company actively embraces sustainable development and carries out the acrylic acid wastewater treatment and recycled water utilization project which can reduce the total amount of pollutants discharged and carbon emissions, realize energy saving and emission reduction, and effectively reduce the environment impact.

1.2.2 Expanding the production capacity of methionine products to provide a capacity base for future business expansion

In the future, due to population growth, economic development of emerging economies, and the modernization of the animal husbandry sector, the demand for methionine in the Asia-Pacific area, including China, continues to increase rapidly. Furthermore, as the industry's demand for cost reduction and efficiency enhancement in the methionine sector continues to increase, there is a further requirement for the technical level of methionine manufacturers in the industry. Through this issuance, the Company will further increase its existing methionine production capacity and provide a sufficient and highly competitive production capacity foundation for future business expansion.

1.2.3 Increasing investment in specialty products to further enhance the development potential of core business

In addition to essential nutrients for animals, Adisseo currently offers various types of specialty products including digestibility improvement, preserving precious resources and qualitatively formulated feed, stabilization of gut flora, improving animal health by strengthening the animals' intestinal tract and therefore increase their resistance to harmful micro-organisms. They contribute to the prudent use of antibiotics, reducing the risk of Antimicrobial resistance (AMR). These specialty products also contribute to the increasing usage efficiency of animal feed and the balance of animal productivity and welfare. In recent years, specialty products have shown a rapid development trend and have promising market prospects.

After this issuance, the Company will allocate a portion of the Use of Proceeds ("UoP") funds to increase investment in specialty products. This will promote the market penetration of the Company's specialty products, further enrich the Company's portfolio of specialty products, and effectively enhance the development potential of core specialty business.

1.2.4 Enhancing financial strength of the listed Company, optimizing the

financial structure, and satisfying operational capital requirements

The Company belongs to resource-intensive industry and has significant capital-intensive characteristics. The Company requires significant and continuous capital investment for expanding production capacity, conducting research and development activities, supporting production operations, promoting market applications of products and services, and recruiting talent. On one hand, as the Company's methionine and specialty product businesses continue to grow, the Company needs to allocate more funds to satisfy its daily operational requirements. On the other hand, in response to market demands, the Company aims to enrich its existing portfolio of specialty products and expand its end-market coverage, which requires significant investment in research and development of new products and technologies. Therefore, the Company urgently needs to enhance its financial strength to support the sustainable and healthy development of its existing businesses while meeting future business development needs.

This issuance will be beneficial to strengthen the Company's capital healthiness. A portion of the funds to be raised in this issuance is intended to supplement working capital, optimize the Company's existing asset-liability structure, alleviate short-to-medium-term operational cash flow pressures, and reduce financing risk. Simultaneously, from the perspective of the Company's long-term strategic development, an increase in financial strength will help the Company fully leverage the advantages of a listed Company. It will optimize its industrial chain layout, new business opportunities exploration, talent attraction, and technological research and development and innovation, ultimately enhancing the depth and breadth of its business. The Company will be able to keenly seize market development opportunities and achieve sustainable development.

2 Target Subscribers and their Relationship with the Issuer

2.1 Target Subscribers

The target subscribers of the private issuing include securities investment fund management companies, securities companies, trust companies, finance companies, insurance investment institutions, asset management companies, qualified foreign institutional investors, other domestic institutional and individual investors, no more than 35 specific subscribers in total. A securities investment fund management company, a securities company, qualified foreign institutional investors or Renminbi qualified foreign institutional investors subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe for the Shares with their own capital. All subscribers are required to subscribe in cash in a lump sum. After obtaining approval from the SSE and being registered by the CSRC, the final issuing targets will be determined through auction by the Company’s Board of Directors and/or authorized representatives, within the scope authorized by the Shareholders’ Meeting. This determination will be made in conjunction with the sponsor (lead underwriter), based on the subscription prices proposed by the issuing targets, and in accordance with the relevant laws, regulations, and regulatory documents.

2.2 The Relationship of Target Subscribers and the Issuer

As on the date of this Prospectus, the Issue Participants have not been identified and hence the relationship of the other issue participants with the company cannot be ascertained. The relationship of the other issue participants with the company will be disclosed in the Issue Status Report to be announced after the closing of the issuance.

3 Outline of the Plan for Private Issuing of A-shares

3.1 Class and Par Value of Shares to be Issued

Shares to be issued will be common shares in Renminbi (A-shares) with face value of RMB1.00.

3.2 Method and Time of Issuance

The private issuing of A-shares will be issued to specific targets. The Company will launch the issuance at a reasonable time within the validity period after obtaining approval from the SSE and receiving registration approval from the CSRC.

3.3 Target Subscribers and Subscription Method

The target subscribers of the private issuing include securities investment fund management companies, securities companies, trust companies, finance companies, insurance investment institutions, asset management companies, qualified foreign institutional investors, other domestic institutional and individual investors, no more than 35 specific subscribers in total. A securities investment fund management company, a securities company, qualified foreign institutional investors or Renminbi qualified foreign institutional investors subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe for the Shares with their own capital. All subscribers are required to subscribe in cash in a lump sum.

After obtaining approval from the SSE and being registered by the CSRC, the final issuing targets will be determined through auction by the Company's Board of Directors and/or authorized representatives, within the scope authorized by the Shareholders' Meeting. This determination will be made in conjunction with the sponsor (lead underwriter), based on the subscription prices proposed by the issuing targets, and in accordance with the relevant laws, regulations, and regulatory documents.

3.4 Price Determination Date, Issue Price, and Pricing Principles

The price determination date for the private issuance of shares shall be the first day of the offer period. The issue price shall not be less than 80% of the average trading price of A-shares for the 20 trading days preceding the price determination date (excluding the price determination date. The average trading price of the Company's A-shares preceding the 20 trading days before the price determination date is calculated as the total trading value divided by the total trading volume.), and shall not be less than the latest audited net asset value per Share attributable to the shareholders of the parent company of the Company (In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, adjustments shall be made to the abovementioned net assets per Share accordingly). In the event that the company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the 20 trading days, the trading prices for those trading days prior to such adjustment shall be adjusted by the ex-right or ex-dividend activities accordingly. Based on the aforementioned minimum issue price, after obtaining approval from the SSE and being registered by the CSRC, the final issue price will be determined by the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, on an auction basis, based on the subscription prices provided by the issuing targets, following the principle of price priority, but not lower than the minimum issue price mentioned above.

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, the issue price of this private issuing will be adjusted accordingly.

The adjustment formula is as follows:

Cash dividends: $P_1=P_0-D$

Bonus issue or capitalizing of common reserves: $P_1=P_0/(1+N)$

Both of the above events occur simultaneously: $P_1=(P_0-D)/(1+N)$

Where P_1 is the adjusted issue price, P_0 is the original issue price, D is the cash dividend per share, and N is the number of shares issued as bonus or capitalizing of common reserves.

After adjusting the subscription price according to the above method, the total subscription amount remains unchanged, while the number of subscriptions will be adjusted accordingly. The adjusted number is equal to the total subscription amount divided by the adjusted subscription price. Any fractional shares resulting from the calculation shall be discarded.

3.5 Number of Shares to be Issued

The number of shares to be issued of the private issuing will be calculated on the basis of the total funds to be raised from the issuance divided by the issuance price determined by the final auction and will not exceed 30 percent of the total share capital of the Company prior to the issuance, i.e., not more than 804,570,381 shares (inclusive). Within the aforementioned range, the final issuance number will be determined through negotiations between the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, after obtaining approval from the CSRC.

If there are any events such as dividend distribution, bonus shares, or capitalizing of common reserves resulting in changes to the Company's share capital during the period from the announcement date of the board meeting resolution regarding this offering to the issuance date, or if there are other events resulting in changes to the Company's total share capital, the number of stocks to be issued in this offering and the upper limit will be adjusted accordingly.

3.6 Trade-limitation Period

Shares issued at this private issuing are not allowed to be transferred in 6 months since the closing day of this private issuing (that is, the date when the shares issued this time are registered in the names of the relevant subscribers). During the above-mentioned trade-limitation period of shares, the shares acquired by the issuing targets due to the Company's bonus shares, capitalization of capital reserves and other matters shall also abide by the above-mentioned restricted sale of shares. After the trade-limitation period ends, the issuer will reduce the shareholding of the subscribed stocks following the relevant regulations of the CSRC and the SSE.

3.7 Listing Venue

After the expiration of the trade-limitation period, The shares issued under the private issuance will be listed on the Shanghai Stock Exchange.

3.8 Use of Proceeds

The total amount of the funds to be raised in this private issuing of A-share stocks (including issuance expenses) will not exceed RMB 3 billion (including RMB 3 billion). After deducting the issuance expenses, the net amount of funds to be raised will be used for the following projects:

Unit: RMB 100 million

No.	Project Name	Project Place	Total Investment	Proposed Use of Funds to be Raised
1	**Project of performance products**		**49.32**	**17.43**
1.1	The powder methionine project with an annual production capacity of 150,000 tons	Quanzhou, Fujian, China	49.32	17.43

2	**Projects of specialty products**		**7.00**	**2.57**
2.1	The specialty feed additives project with an annual production capacity of 37,000 tons	Nanjing, Jiangsu, China	3.05	0.60
2.2	SPain Ester Adisseo transfeR	Burgos, Spain	3.95	1.97
3	**Sustainable development project**		**3.25**	**1.00**
3.1	Acrylic acid wastewater treatment and recycled water utilization project	Nanjing, Jiangsu, China	3.25	1.00
4	**Supplementary working capital**		**9.00**	**9.00**
Total			**68.57**	**30.00**

Note: The total investment in the SPain Ester Adisseo transfeR project is 50.00 million euros, converted with FX rate 7.9

If the net amount of funds to be raised after deducting the issuance expenses are lower than the total planned investment of the funds to be raised in the above-mentioned projects, the shortfall will be resolved by the Company with self-raised funds. Before the funds to be raised from this issuance are in place, the Company will first invest with self-raised funds according to the actual progress of the fund-raising investment project, and replace them following the requirements and procedures stipulated in relevant laws and regulations after the funds raised are in place. Under the premise of complying with relevant laws and regulations, the Board of Directors and/or its authorized individuals will adjust and ultimately decide on the use of proceeds, priority order, and allocation of the funds raised on the actual net amount raised and the urgency of the projects.

3.9 Arrangement of the Company's Retained Profits before the Private Issuing

The retained profits of the Company before this issuance will be shared by the existing and new shareholders after the completion of this offering in proportion to their respective shareholdings after the offering.

3.10 Validity Period of the Resolution on the Private Issuing

The resolution for the offering of private issuing will be effective for 12 months since it was approved by the Shareholders' Meeting .

4 Whether the Issuance Constitutes Related Transactions

As of the announcement date of this prospectus, the issuing targets who has a related relationship with the Company has not been determined for this issuance.

Whether there are related transactions due to the participation of related parties in this subscription will be disclosed in the issuance status report announced after the completion of the issuance.

5 Whether the Issuance will Cause Change in Controlling Power over the Company

As of December 31, 2024, the controlling shareholder of the Company is China National Bluestar (Group) Co. Ltd., and the ultimate controller is SASAC. The offering will not result in a change in controlling power over the Company.

6. Whether the Implementation of the Issuance of Private Issuing may Cause the Distribution of Equity Shares to be Unsuitable for Listing

After the issuance, the proportion of the Company's public shares will not be less than 10%, and the Company still meets the stock listing conditions stipulated in the *“Company Law”*, *“Securities Law”*, *“Listing Rules”* and other laws and regulations. It will not cause the Company's equity distribution to fail to meet the listing conditions.

7 Status of Approval of the Issue Program by the Relevant Authorities and Procedures to be Submitted for Approval

7.1 Authorization and approval procedures that have been performed

On April 25, 2024, the Company held the Eighteenth Meeting of the 8th Session of the Board meeting to review and approve the plan for private issuing of A-shares and related matters.

On May 30, 2024, the Company received the Approval Response on Matters Relating to the Private Issuing of A-Shares by Bluestar Adisseo Company(State-owned Assets and Property Rights [2024] No. 178) issued by the State-owned Assets Supervision and Administration Commission of the State Council. The issuance of A shares to specific targets has been approved by the authorized State-owned Assets Supervision and Administration Department.

On June 26, 2024, the Company convened the 2023 Annual Shareholders’ Meeting and approved the proposal of this issuance of shares to specific targets and related matters.

7.2 Authorization and approval procedures that have not been performed

The issuance of private issuing is yet to be subjected to the approval of the SSE and the approval of the CSRC for registration.

After the CSRC has decided to approve the registration of this issuance, the Company will apply to the SSE and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for stock issuance, registration, and listing matters, to complete the stock issuance approval process.

8 The Private Issuing is in Compliance with *“Article 11 of the Measures for the Administration of Registration”*

The issuer does not have any of the following circumstances stipulated in *“Article 11 of the Measures for the Administration of Registration”*, under which shares may not be issued to a specific target:

1. Unauthorized change of the use of the previous fund-raising without correction, or without the approval of the shareholders' meeting;

2. The preparation and disclosure of the financial statements for the most recent year do not comply with the provisions of the enterprise accounting standards or the relevant disclosure rules in material aspects; the financial accounting report for the most recent year has been issued with a negative opinion or an audit report that cannot express an opinion; the financial accounting report for the most recent year has been issued with a qualified audit report, and the matters covered by the qualification have not yet been eliminated as having a material adverse effect on the listed company. Except for the case where the issue involves a major asset restructuring;

3. The current directors, supervisors and senior management have been subject to administrative penalties by the CSRC in the recent three years, or have been publicly condemned by the stock exchange in the recent year;

4.The listed company or its current directors, supervisors and senior management are under investigation by the judicial authorities for suspected crimes or suspected violations are under investigation by the CSRC;

5.The controlling shareholders, the ultimate controller in the last three years cause serious damage to the interests of the listed company or the legitimate rights and interests of investors in major violations;

6.The last three years there is serious damage to the legitimate rights and interests of investors or the public interest of the community of major violations.

9 The Issuance is in Compliance with *"Securities and Futures Legal Application Opinion No. 18"*

1. As of December 31, 2024, the company had no material financial investments;

2.The controlling shareholder and the ultimate controller have not committed any serious violations that significantly harmed the interests of the listed company, investors' lawful rights, or public interests in the past three years. The company itself has not engaged in any serious violations damaging investors' legal rights or public interests during this period;

3.The number of shares to be issued to specific targets shall not exceed 30% of the total share capital of the Company prior to the issuance,;

4.The board of directors' resolution for this private issuing is more than 18 months from the date of the Company's previous fund-raising. As of May 27, 2016, all previous raised funds had been fully utilized without any changes to their intended purposes. The previous UoP projects did not involve any expected benefit projections.

5.The company has disclosed the number of shares to be issued, time interval, and the use of proceeds. The raised funds will primarily be invested in core business operations, representing prudent financing with reasonable scale;

6.The proportion of raised funds used for working capital supplementation and debt repayment does not exceed 30% of the total fundraising amount.

In view of the foregoing, the Company's current offering is in compliance with Securities and Futures Legal Application Opinion No. 18.

10 The Issuance is in Line with the Relevant Requirements of *"CSRC's Regulatory Arrangements for Balancing Primary and Secondary Markets and Optimizing IPO and Refinancing Oversight"*

10.1 Tightening IPO Pace in Response to Recent Market Conditions to Promote Dynamic Balance Between Investment and Financing

The issuer is a company listed on the Shanghai Stock Exchange. This financing involves a private placement of A-shares to specific targets and does not constitute an initial public offering (IPO).

10.2 Pre-Communication Mechanism for Large-Scale Refinancing by Financial Industry or Large-Cap Companies in Other Sectors, Emphasizing Financing Necessity and Timing

The issuer is a globally leading animal nutrition additive enterprise engaged in the R&D, production, and sales of animal nutrition additives. It holds industry-leading positions in both production scale and technical expertise across multiple core products in the animal feed additive sector.

According to the *"China Listed Companies Association Industry Classification Guidelines"*, the company belongs to the Food Manufacturing Industry (Code: C14) and is not a financial industry entity.

As of the market close on March 31, 2025, the company's market capitalization was approximately RMB 28.4 billion. The proposed total fundraising for this issuance does not exceed RMB 3.0 billion (inclusive), which does not qualify as a large-scale refinancing by a large-cap company in other industries.

10.3 Prioritizing Support for High-Quality Companies and Restricting Refinancing for Those with Stock Price Below IPO Price, Below Net Asset Value, Sustained Operating Losses, or Excessive Financial Investments

10.3.1 There were no instances of the stock price falling below the issue price or net asset value per share during any of the 20 trading days preceding the board resolution date for this refinancing plan

The board meeting for this private placement was held on April 25, 2024. The lowest closing price during the 20 trading days prior to the meeting was RMB

26.27/share (backward adjusted to the IPO date). Both the closing price on the board resolution date and the closing prices during the preceding 20 trading days exceeded the company’s A-share IPO price of RMB 6.41/share.

Additionally, the lowest closing price during the 20 trading days prior to the meeting (backward adjusted to December 31, 2024) was RMB 26.27/share, which exceeded the company’s net asset value per share of RMB 5.80 as of December 31, 2024.

Thus, the company did not experience any instance of stock price falling below IPO price or net asset value during the 20 trading days prior to the board meeting.

10.3.2 There have been no sustained losses in the company's operating performance

During the reporting periods, the company's net profit attributable to shareholders of the parent company was RMB 1,246.68 million, RMB 52.17 million, and RMB 1,204.33 million, respectively. The company has maintained sustained profitability with no instances of continuous operating losses.

10.3.3 As of the Most Recent Fiscal Period End, the Company does not Hold Significant Amounts of Trading Financial Assets and Available-for-Sale Financial Assets with Long Durations, nor does it Have Situations Involving Loans to Others or Entrusted Financial Management as Financial Investments

As of December 31, 2024, the Company does not Hold Significant Amounts of Trading Financial Assets and Available-for-Sale Financial Assets with Long Durations, nor does it Have Situations Involving Loans to Others or Entrusted Financial Management as Financial Investments.

10.4 Ensuring Reasonable Refinancing Scale and Compliance with Fundraising Intervals; Scrutinizing Prior Fund Utilization and Project Performance

The board of directors' resolution for this private issuing is more than 18 months from the date of the Company's previous fund-raising. As of May 27, 2016, all previous raised funds had been fully utilized without any changes to their intended purposes. The previous UoP projects did not involve any expected benefit projections. The Company has not raised funds through initial public offerings, additional public offerings, share allotments or share issues to specific targets in the last five years.

10.5 Strictly Directing Raised Funds to Core Business Activities, Restricting Diversified Investments

The total amount of proceeds raised in the private issuing (including issuance expenses) is not more than RMB3,000,000,000 (inclusive), and the net proceeds after deducting the issuance costs will be fully utilized and allocated to "the powder methionine project with an annual production capacity of 150,000 tons", "the specialty feed additives project with an annual production capacity of 37,000 tons" , "SPain Ester Adisseo transfeR ", " the Acrylic acid wastewater treatment and recycled water utilization project", and working capital supplementation, all of which are strictly aligned with the company’s core business operations, with no diversified investment activities involved.

10.6 Real Estate Companies Exempt from Restrictions on Stock Price Below IPO Price, Net Asset Value, or Losses

According to the *“China Listed Companies Association Industry Classification Guidelines”*, the company belongs to the Food Manufacturing Industry (Code: C14) and is not a real estate company.

In conclusion, the company is in line with the CSRC’s Regulatory Arrangements for Balancing Primary and Secondary Markets and Optimizing IPO and Refinancing Oversight and related regulations. There are no circumstances prohibiting the issuance of securities, and the issuance method aligns with applicable laws and regulations, ensuring legality, compliance, and feasibility.

Chapter 3 Feasibility Analysis by the Board of Directors of the Use of Proceeds from the Private Issuing

1 The Utilization Plan of the Funds to be Raised

The expected number of shares to be issued in the private issuing to the specified targets is not more than 804,570,381 shares (inclusive), and the total amount of proceeds raised in the private issuing (including issuance expenses) is not more than RMB3,000,000,000 (inclusive), and the net proceeds after deducting the issuance costs will be fully utilized for the following projects:

Unit: RMB 100 million

No.	Project Name	Project Place	Total Investment	Proposed Use of Funds to be Raised
1	**Project of performance products**		**49.32**	**17.43**
1.1	The powder methionine project with an annual production capacity of 150,000 tons	Quanzhou, Fujian, China	49.32	17.43
2	**Projects of specialty products**		**7.00**	**2.57**
2.1	The specialty feed additives project with an annual production capacity of 37,000 tons	Nanjing, Jiangsu, China	3.05	0.60
2.2	SPain Ester Adisseo transfeR	Burgos, Spain	3.95	1.97
3	**Sustainable development project**		**3.25**	**1.00**
3.1	Acrylic acid wastewater treatment and recycled water utilization project	Nanjing, Jiangsu, China	3.25	1.00
4	**Supplementary working capital**		**9.00**	**9.00**
Total			**68.57**	**30.00**

Note: The total investment in the SPain Ester Adisseo transfeR project is 50.00 million euros, converted with FX rate 7.9

If the net amount of funds to be raised after deducting the issuance expenses are lower than the total planned investment of the funds to be raised in the above-mentioned projects, the shortfall will be resolved by the Company with self-raised funds. Before the funds to be raised from this issuance are in place, the Company will first invest with self-raised funds according to the actual progress of the fund-raising investment project, and replace them following the requirements and procedures stipulated in relevant laws and regulations after the funds raised are in place. Under the premise of complying with relevant laws and regulations, the Board of Directors and/or its authorized individuals will adjust and ultimately decide on the use of proceeds, priority order, and allocation of the funds raised on the actual net amount raised and the urgency of the projects.

In the event that the total amount of proceeds raised from the private issuing is adjusted as a result of changes in regulatory policies or the requirements of the Offering Registration Document, it will be adjusted accordingly at that time.

2 Necessity and Feasibility Analysis of UoP Projects in this Fund-raising

2.1 Project of Performance Products

2.1.1 Basic information of the UoP projects

The powder methionine project with an annual production capacity of 150,000 tons is built in Quanzhou City, Fujian Province, with a total investment of RMB 4,932,311,200 yuan, and it is proposed to invest RMB 1,743,000,000 yuan of the proceeds from this share issuance to the specific targets. The main body of project implementation is Sinochem Bluestar Adisseo Animal Nutrition Technology (Quanzhou) Co.

2.1.2 Necessity of the project and prospects

(1) Highly in line with the national development strategy and undertaking the important mission of ensuring national food security

Food security is one of the key priorities for the country and the ballast stone for maintaining economic development and social stability. The report to the 20th National Congress of the Communist Party of China (NCCPC) put forward higher requirements for ensuring national food security and further clarified the strategic deployment to consolidate the foundation of food security in an all-around way. Animal nutrition additives are of great significance to increase the production of meat, eggs and milk and to ensure food security. Methionine, as an important part of animal nutrition additives, can effectively improve the absorption and conversion rate of livestock feed, reduce feed consumption, and alleviate the shortage of food supply. Therefore, this fund-raising project is an important measure for the Company to implement the national development strategy and related industrial policies and is in line with the policy orientation of industry development.

(2) Optimizing global methionine production capacity layout, achieving cost reduction with improved efficiency, and ensuring supply stability

Europe is currently the production center of Adisseo’s powder methionine. Factors such as the international political situation have led to fluctuations in the prices of main raw materials for methionine production, such as natural gas and propylene, thereby causing certain disruptions to production costs. Additionally, changes in costs and raw material supply in European market may result in regional supply gaps. At the same time, it may have a certain impact on the continuity of plant operation, thus affecting the stability of the supply of European sources. Through establishing powder methionine Chinese production line, Adisseo can optimize its Chinese and international capacity layout, achieve cost reduction with improved efficiency, and ensure supply stability.

(3) Strengthening the layout of the powder methionine business and the Company's market position

As of the signing date of this prospectus, the total production capacity of liquid methionine in the Company’s Nanjing production platform has reached 350,000 tons. There is currently no powder methionine production capacity layout in Nanjing plant, which makes it challenging to meet the market demands for various types of methionine from Chinese and Asia-Pacific customers. Through establishing a Chinese powder methionine production line, the Company can optimize its product portfolio. Additionally, since the production processes for powder methionine and liquid methionine have certain similarities, the Company could fully leverage the production management and equipment operation experience of the Nanjing production platform to achieve technological and operational synergies, integrate Adisseo’s industry-leading global technology and in-depth Chinese production experience, to release full synergies in technology, channels and industry chain. Adisseo could then generate economies of scale, and reduce production costs, which will help further strengthen the Company’s market position in methionine industry.

2.1.3 Project investment plan

The total investment of the project is RMB 4.93 billion, and it is planned to use

RMB 1.74 billion of the funds to be raised. The investment composition of the project is as follows:

Unit: RMB10,000

NO.	Items	Investment Amount
1	Construction investment	461,981.50
2	Interest during the construction period	18,509.22
3	Working capital	12,740.40
Total		**493,231.12**

2.1.4 Approval procedures for project construction

The project has completed the filing of the investment project in Fujian Province in June 2023 (Fujian Development and Reform Foreign Preparation [2023] No. C080004). Quanzhou Bureau of Ecology and Environment issued “Reply of Quanzhou Bureau of Ecology and Environment on the Environmental Impact Report of 150,000 Tons/Annual Powder Methionine Project of Sinochem Bluestar Adisseo Animal Nutrition Science and Technology (Quanzhou) Co., Ltd.” (Quan Huanping [2024] No. 6) in March 2024, which approves the EIR prepared by this project.

2.1.5 Project location

The project is located in Quanzhou, Fujian Province, China. In addition, the project has obtained the land use right certificate of the project site (Land Certificate No.: Min (2023) Hui'an County Real Estate Right No. 0014131).

2.1.6 Projected benefits

The measurement process for project benefit measurement is as follows:

(1) Assumptions

1) Revenue forecast

The main product of the project is powder methionine, the production scale is 150,000 tons/year. The unit price calculation for project products is based on the company’s reasonable estimation, comprehensively considering factors such as selling prices of comparable products and product pricing principles.

2) Sales tax and surcharge

Sales taxes and surcharges include urban maintenance and construction tax and education surcharge, which are based on the amount of value-added tax (VAT) at a rate of 5% and 5% respectively.

3）Calculation of total cost

The total cost of 150,000 tons/year powder methionine project includes the cost of purchased raw and auxiliary materials, the cost of purchased fuel and power, the depreciation cost, the repair cost, the cost of employee's salary and welfare and so on.

(2) Benefit Calculation

After calculation, the project's financial internal rate of return (after tax) is expected to be 13.57%.

2.1.7 Project progress and financing

The project’s construction duration is 26 months and the project is planned to use 1.743 billion yuan of UoP funds.

2.2 Projects of Specialty Products

2.2.1 Basic information of the UoP projects

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The project of feed additives for special products with an annual output of 37,000 tons will be built in Nanjing City, Jiangsu Province, China, with a total investment of RMB 304.97 million, and it is proposed to invest RMB 60.00 million of the proceeds raised by issuing shares to specific targets. The main body of the project implementation for the company's wholly owned subsidiary Blue Star Adisseo Health Nutrition (Nanjing) Co.

(2) SPain Ester Adisseo transfeR

SPain Ester Adisseo transfeR project is built in Burgos, Spain, with a total investment of RMB 395.00 million, and it is proposed to invest the proceeds of RMB 197.00 million raised from the current issue of shares to specific targets. The main body of project implementation is Adisseo Espana S.A, a wholly owned subsidiary of the Company.

2.2.2 Necessity of the project and prospects

(1) The market space for specialty feed additive products is vast driven by the policies

To ensure the security of important agricultural product supply, in November 2021, the State Council issued the "14th Five Year Plan to promote modernization of agriculture and rural areas", proposing to reduce the use of veterinary antibiotics and standardize the production and use of feed and feed additives. For instance, in February 2023, the Ministry of Agriculture and Rural Affairs issued the “Opinions on Implementing the Deployment of Key Work on Comprehensively Promoting Rural Revitalization in 2023 by the Party Central Committee and the State Council”. It emphasized the importance of focusing on grain and agricultural production to ensure a stable and secure supply of grain and important agricultural products. In recent years, China has been increasing the degree of intensification of farming in recent years, and the scale of farming has been expanding continuously. This has led to a higher probability of various diseases. Excessive use of antibiotics can cause issues such as antimicrobial resistance, drug residues, and environmental pollution. These problems pose serious risks to food safety, public health, and ecological safety. However, specialty products such as acidifiers can be used as alternatives in antibiotic-free feed. Rumen-protected methionine improves liver function, reduces inflammation and oxidative stress, strengthens the cow's immune system, and ensures a safe and stable supply of produce. It is expected that in the future there will be a vast market space for specialty feed additive products in China and globally. The implementation of the fund-raising projects will help the Company seize the opportunities for the development of the specialty product market and support the rapid growth of the Company’s feed additive business.

(2) Improve the Company’s product structure, facilitate the diversification and upgrade product portfolios

The specialty product business line encompasses a diverse range of products with significant differences in production technologies. Adisseo’s strong multi-product R&D capabilities support the diversified and high-quality development of the specialty product business. In terms of specific products, the company is the world’s best producer of protective methionine for ruminant animals. Based on the world's best-in-class methionine technology, the Company is able to produce MetaSmart®, the top performing rumen-protected methionine. It has a leading market position in the world, and its efficacy has been widely recognized by the major domestic pastoral groups. In addition, the Company has been making breakthroughs in product lines such as acidifiers, preservation products and palatability products. The specialty product's performance and technological level possess significant advantages in the industry.

The Company will establish a feed additive factory with multi-product line capacity and cost competitiveness through the implementation of the project, promoting the comprehensive expansion and optimization of the Company's feed additive production domestically and internationally. Adisseo's advanced technology research and development and management expertise will continuously improve the Company's product quality level, support the diversification and upgrade of the Company's product structure, and enhance the Company's market competitiveness.

(3) Overseas production capacity is under pressure, and reducing costs is becoming demanding

Specialty products are the second pillar of Adisseo's development. At present, specialty products in China have relied on imports for a long time. The implementation of the specialty feed additives project with an annual production capacity of 37,000 tons could realize production of special products in China, reducing costs of imports and production costs. Furthermore, there is demand for reduction of costs and enhancement in efficiency for current overseas specialty products. The Company has been continuously expanding its capacity and business lines through mergers and acquisitions to meet the increasing demand. The existing producing capacity requires cost-reduction opportunities. The SPain Ester Adisseo transfeR project could be able to effectively reduce production costs, create synergies with existing capacity and maximize overall production efficiency.

2.2.3 Project investment plan

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The total investment of the project is RMB 304.97 million. It is planned to use RMB 60.00 million of the funds to be raised. The investment composition of the project is as follows:

Unit: RMB10,000

NO.	Items	Investment Amount
1	Construction Investment	21,672.00
2	Construction period loan interest	535.00
3	Working capital	8,290.00
3.1	Including: Initial working capital	2,487.00
3.2	Remaining working capital	5,803.00
Total		**30,497.00**

(2) SPain Ester Adisseo transfeR

The total investment of the project is RMB 395.00 million, and it is planned to use RMB 197.00 million of the funds to be raised. The investment composition of the project is as follows:

NO.	Items	Investment Amount (EUR 10,000)	Investment Amount (RMB 10,000)
1	Equipment cost	1,600.00	12,640.00
2	Construction costs	1,550.00	12,245.00
3	Service charge	940.00	7,426.00
4	Miscellaneous expenses	60.00	474.00
5	Contingency fund for emergencies	570.00	4,503.00
6	Owner costs	280.00	2,212.00
Total		**5,000.00**	**39,500.00**

Note: The total investment in the SPain Ester Adisseo transfeR project is 50.00 million euros, converted with FX rate 7.9

2.2.4 Approval procedures for project construction

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The project has completed the filing of investment projects in Jiangsu Province in January 2023 (Li Approval and Investment Preparation [2023] No. 25). Nanjing Bureau of Ecology and Environment issued Approval of Environmental Impact Report Sheet of Feed Additives Project with Annual Output of 37,000 Tons of Specialty Products of Bluestar Adisseo Health Nutrition (Nanjing) Co., Ltd. in May 2023 (No. 32 of Ning Huan (Li) Jian (2023)), which approves the Environmental

Impact Report Sheet compiled by the project.

(2) SPain Ester Adisseo transfeR

This project has obtained the resolution issued by the Burgos Municipal Government (reference number: "55/2023/NPL," procedure: "New Construction or Demolition Work Permit") and the official gazette of the Castile and León Autonomous Region (gazette number: BOCYL-D-27122023-40, resolution of the Secretariat of the Department of Environment, Housing, and Territorial Planning on December 20, 2023). The overseas investment filing procedures with the commerce authorities are currently in progress.

2.2.5 Projected Location

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The project is located in Nanjing, Jiangsu, China. In addition, the project has obtained the land use right certificate of the project site (Land Certificate No.: Su (2023) Ningli Real Estate Right No. 0008648).

(2) SPain Ester Adisseo transfeR

The project is located in Burgos, Spain, with the registration number 60322.

2.2.6 Projected benefits

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The measurement process for project benefit measurement is as follows:

1) Assumptions

(A) Revenue forecast

The main products of the project are Adisseo’s Specialty products including Feed preservatives, liquid acidifiers, palatability products, other dilution and mixing products, etc. The unit price calculation for project products is based on the company’s reasonable estimation, comprehensively considering factors such as selling prices of comparable products and product pricing principles.

(B) Sales tax and surcharge

Sales taxes and surcharges include urban maintenance and construction tax and education surcharge, which are based on the amount of value-added tax (VAT).

(C) Calculation of total costs and expenses

The total cost of the project with an annual output of 37,000 tons of feed additives for special products includes raw and auxiliary materials, fuel and power, employee wages and benefits, depreciation, repair, etc.

2) Benefit Measurement

After calculation, the project's financial internal rate of return (after tax) is expected to be 20.87%.

(2) SPain Ester Adisseo transfeR

The measurement process for project benefit measurement is as follows:

1) Assumption conditions

(A) Incremental Benefits Calculation

This project is a production project of over rumen protective methionine Metasmart®. Metasmart® can help improve the overall health of cows and increase the protein content of milk production, and has a leading market position in the world.

Along with the high recognition of Metasmart® by customers and the steady release of sales volume, it is proposed to switch from the original outsourced processing mode to in-house production in order to optimize the product efficiency, reduce the production cost and improve the market competitiveness of the product. From a prudent point of view, this project adopts the incremental benefit method to measure the benefits, i.e. the incremental benefits brought by this project compared with the original production mode.

The incremental benefits of the project are mainly savings in variable costs, such as production, transportation, CO_2 treatment, etc., which are expected to range from EUR 16,348 to EUR 35,703 million per year after reaching production.

(B) Incremental Cost and Expenses

The additional costs and espenses of this project include salaries and benefits, additional maintenance costs, depreciation and amortization, etc..

2）Benefit Measurement

According to the calculation, the financial internal rate of return of the capital fund of the project is about 25%.

2.2.7 Project progress and financing

(1) The specialty feed additives project with an annual production capacity of 37,000 tons

The project’s construction duration is 24 months and use proceeds of RMB 60 million.

(2) SPain Ester Adisseo transfeR

The project’s construction duration is 15 months and use proceeds of RMB 197 million.

2.3 Sustainable Development Project

2.3.1 Basic Information of the UoP Project

Acrylic acid wastewater treatment and recycled water project was built in the Blue Star Adisseo Nanjing Co., Ltd. plant, is in the company's existing land for construction, the total investment of 324,973,000 yuan, to be invested in the issue of shares to the specific object of the fund-raising of 10,000.00 million yuan. The main body of project implementation is the wholly-owned subsidiary of the company, Blue Star Adisseo Nanjing Co.

2.3.2 Necessity of the project and prospects

(1) Actively responding to national policy guidelines for industrial wastewater treatment

In recent years, China's industrial wastewater treatment industry has been highly valued by governments at all levels and supported by key national industrial policies. The government has successively issued several policies to encourage the development and innovation of the industrial wastewater treatment industry, *“Yellow River Ecological Protection and Governance Action Program”*, *“Industrial Water Efficiency Improvement Action Plan”*, *“Synergistic Implementation Plan of Efficiency Enhancement for Pollution Reduction and Carbon Emission Reduction”*, and other policies for the development of the industrial wastewater treatment industry to provide clear and broad market prospects, and to provide a good environment for the Company's production and operation. The construction of this project is an active response to the national policy. The strong support of the national policy also provides a good external environment for the smooth implementation of this project.

(2) Adhering to the concept of sustainable development and achieving energy conservation and emission reduction

Adisseo has always maintained the concept of sustainable development, adhered to the principle of simultaneous planning, implementing, and developing economic construction and environmental construction, strictly controlled pollution, protected the environment and natural resources and advocated the coordinated development of economy, society, and environment. After the completion of this project, the wastewater and clean water of Phase 2 of the Nanjing Plant could be reused after treatment. After preliminary estimation, the project should enable the plant to reduce the discharge of clean water by about 1.78 million tons/year and generate about 1.56 million tons/year of supplementary water for the circulating cooling water system. In addition, the incineration method of acrylic acid waste liquid treatment has a great demand for natural gas. This project should enable the save of incineration natural gas per year after the completion using the biochemical method. It can not only reduce the risk of production reduction due to the insufficient supply of natural gas but also realize energy saving and carbon emission cutting. Therefore, based on effectively increasing the wastewater scale of Nanjing Plant, the project should enable to reduce the total amount of pollution and carbon emissions, realize energy saving and emission reduction, and effectively improve the urban environment.

(3) Utilizing biotechnology as an innovative approach for treating acrylic acid wastewater, yielding remarkable economic benefits

As an innovative technology path for acrylic acid wastewater treatment, the biochemical method can reduce the cost of acrylic acid wastewater treatment and produce significant economic benefits compared with the traditional incineration method. According to internal calculations, if incineration is used for treatment, the cost is higher. However, if a biotechnology-based treatment method is employed, it can lead to cost savings in natural gas consumption. Additionally, the by-product of the project is biogas, which is expected to generate a considerable annual income.

Taking into account the expenses related to sewage treatment and reuse operations, the biotechnology-based treatment method is still expected to yield a considerable annual profit. Overall, compared to incineration, the biotechnology-based wastewater treatment method is projected to create an appreciable annual benefit.

2.3.3 Project investment plan

The total investment of the project is RMB 324.97 million. It is planned to use RMB 100.00 million of the funds to be raised. The composition of the project investment is as follows:

Unit: RMB10,000

No.	Items	Investment Amount
1	Construction Investment	32,217.25
2	Interest During Construction	144.08
3	Working Capital	135.98
Total		**32,497.30**

2.3.4 Approval procedures for project construction

The project has completed the project filing in the Administrative Approval Bureau of Nanjing Jiangbei New Area Management Committee (Ningxin District Management Examination and Preparation [2023] No. 739), and has obtained the approval of the environmental assessment issued by the Administrative Approval Bureau of Nanjing Jiangbei New Area Management Committee (Ningxin District Management Examination and Approval of the Environmental Sheet Reply [2023] No. 67).

2.2.5 Projected Location

The project is located in Nanjing, Jiangsu Province, China, and will be constructed on the existing land of the company's Nanjing plant, requiring no additional land acquisition. The land use rights for the project site have already been obtained (Land Certificate No.: Su (2019) Ning Liu Real Estate Right No. 012622).

2.3.6 Projected benefits

This project is a technical modification of the treatment method of acrylic acid wastewater generated from the production of the Nanjing plant, and is not a production project. The measurement process for project benefit measurement is as follows:

(1) Assumption conditions

1) Revenue forecast

The average annual operating income of the project during the production period includes those relative to the economic benefits of the reduced treatment costs of incineration and the income from biogas).

2) Total cost and expense calculation

The total cost of the acrylic acid wastewater treatment and water reuse project includes raw materials and power consumption, employee wages and benefits, depreciation of fixed assets, repair costs, other manufacturing costs, other management costs.

(2) Benefit Calculation

After calculation, the financial internal rate of return of the whole investment of the project is 17.47% (after tax).

2.3.7 Project progress and financing

The project is planned to be completed and put into operation in 2025 with using proceeds of 100 million yuan.

2.4 Supplementing Working Capital

2.4.1 Basic information of the UoP project

To meet the Company's business development needs for working capital, the Company intends to utilize the proceeds from this issuance to supplement working capital requirements. The amount will not exceed RMB 900.00 million.

2.4.2 Necessity of supplementing working capital

(1) Optimizing capital structure and enhancing risk resistance

Supplementing working capital is beneficial in addressing the funding shortages that may arise during the Company's rapid growth process. It also aids in optimizing the capital structure and improving the financial condition. Upon completion of this issuance, the Company's debt-to-equity ratio will maintain at a reasonable level, contributing to the optimization of the Company's capital structure, mitigating liquidity risks, and enhancing its risk resistance capabilities.

(2) Alleviating debt pressure and optimizing the Company's financial structure

To support the development strategy, the Company has increased investment efforts and capital expenditure in recent years, resulting in continuous growth of asset size and business scale. In addition to relying on its own operating cash flow to meet the needs of day-to-day operations and industrial development, the Company has increased the number of construction projects to form the capital needs. In order to solve the capital needs in the process of the Company's development, the Company mainly raises funds through bank borrowings and other methods Therefore, by raising funds to supplement working capital, it can alleviate the Company's debt pressure, reduce financial expenses, optimize the Company's financial structure, and enhance the overall financial stability of the Company.

2.4.3 Feasibility of supplementing working capital

(1) Use of proceeds from the private issuing for supplementing working capital complies with the provisions of relevant laws and regulations

The use of proceeds from the private issuing for supplementing working capital complies with relevant laws and regulations, such as the *“Administrative Measures for the Issuance of Securities by Listed Companies”*. This plan is legally feasible. The funds to be raised will provide the Company with sufficient working capital, meeting the financial needs of the Company's operations. This will contribute to the continuous improvement of the Company's economic performance and the healthy and sustainable development of the enterprise.

(2) Sound internal governance and well-established internal controls

The Company has established a modern corporate governance system centered on legal person governance, following relevant laws, regulations, and regulatory documents. It has formed a well-defined and effective legal person governance structure and internal control environment. To ensure the proper management and utilization of the funds raised, the Company has established the *“Funds Raised Management Rules”*, which sets clear regulations on the storage, usage, purposes, and management and supervision of the funds raised.

3 Impact on Company's Operations and Financial Condition

3.1 Impact on Company's Operations and Management

The fund-raising investment projects are aligned with the Company's core business, in line with national industrial policies and the overall business development strategy of the Company, which have favorable market prospects. The implementation of the fund-raising investment projects will facilitate further business expansion, solidify and enhance the Company's competitive advantage in the industry, and improve profitability. This aligns with the long-term development needs of the Company and the interests of shareholders.

3.2 Impact on Company's Financial Condition

Upon completion of the private issuing, the Company's capital strength will be further enhanced. The total assets and net assets of the Company will increase, and working capital will be further enriched. Simultaneously, the Company's debt-to-equity ratio will correspondingly decrease, optimizing the Company's capital structure. This will enhance the Company's debt-paying ability and reduce financial risks. With the successful implementation of the fund-raising investment projects and effective utilization of the funds raised. The gradual release of project benefits will enhance the Company's operational scale and economic performance, thus bringing better investment returns to the Company and shareholders, while promoting the healthy development of the Company.

4 Explanation of the Use of the Proceeds for the Expansion of Existing Business

4.1 Relationship between the fund-raising investment projects and the Company's existing business or development strategy

Adisseo is a leading global animal feed additive enterprise. The investment of the proceeds from the issuance to specific targets is centered around the Company's existing main business, and will be invested in performance product projects, special product projects and sustainable development projects respectively, and used to supplement working capital. The aforesaid projects correspond to the company's performance products business, special products business and sustainable development strategic planning, and will expand the scale of the company's main business, optimize the service capacity, consolidate the industry position, and enhance the core competitiveness and profitability after reaching production.

4.2 Reserve situation of the projects' personnel, technology, market and other aspects

(1) Talent reserve

Professional talents are the core resources of the company. After the company ploughs into the animal nutrition additives industry for many years, it gradually cultivates, accumulates and builds up a professional team of core talents, and constantly attracts excellent scientific and technological talents by strengthening close cooperation with many international laboratories, universities and research and development institutes, linking up with the scientific community as well as sponsoring research and development projects of different technologies. By establishing and perfecting employee incentive mechanism, talent training mechanism and talent introduction mechanism, the company ensures the stable and efficient operation of the fund-raising projects, and will give priority to employees with potential and sense of responsibility in arranging the technical, production and management personnel required by the fund-raising projects. The company's human resources department will also formulate practical manpower recruitment and adjustment plans according to the actual staff needs, to ensure that the company meets the talent needs of the fund-raising project, to ensure the high quality of the implementation of the issue of funds raised from the issue of investment projects to specific targets.

(2) Technical reserves

The company has excellent R&D strength and rich technical experience in the field of animal nutrition additives, and has developed into one of the global leading enterprises in the field of animal feed additives and nutrition programs. The company has four global research centers and two experimental bases around the world, and has been committed to continuous innovation and research in the field of animal nutrition additives. Since 2014, the Company has launched one new product or service every year to explore different market segments and meet different needs. The company's excellent technological reserves and optimized production processes make it one of the few global leaders in the production of both powder and liquid methionine, and it continues to explore various product areas, optimizing production processes and increasing production capacity through continuous R&D investment. With the new R&D and Innovation Center in China (RICA) and the new ELISE R&D Center in France coming into operation in 2022 and 2023 respectively, the company will continue to adhere to the innovation concept of “science first” and apply the leading technology in the subsequent fund-raising projects.

(3) Market reserve

Production and sales network are the key to the company's success. According to the distribution of customers in various regions, the company has established an efficient and convenient local supply chain system. The company's production network is distributed in Europe, the United States and Asia, and the sales team is distributed in six regions, namely, Europe/CIS, the Middle East/Africa/the Indian subcontinent, North America, South and Central America, Asia-Pacific and China. In the main market areas, the Company authorizes licensed process manufacturers to produce and later supply leading products to customers worldwide through direct sales or distribution networks. Meanwhile, since 2018, the company has focused on implementing a global key account strategy to better serve its key global key accounts with operations in each region. The company has appointed dedicated Key Account Managers for each of its key accounts and has implemented a “customer-centric” program to continuously upgrade its CRM system and create a seamless customer experience to ensure customer retention and new business development. In the future, the company will rely on strong technical and cost advantage, with the sales channels of the original business, seize the market share of the animal business additives industry, and continue to expand the business scale of the company's performance products and specialty products.

The fundraising project is the company's main business in the existing market on the basis of further expansion and extension, stable customer relations and market demand for the company's sustained operating capacity and overall anti-risk ability to provide a strong guarantee.

In summary, the company has already possessed all the conditions for the implementation of the fund-raising investment project in terms of personnel, technology and market. After the availability of the proceeds, it is expected that there will be no significant obstacles to the implementation of the fund-raising projects.

5 The Project does not Involve Overcapacity Industry or Belong to Restricted or Eliminated Industries, and is in Line with the National Industrial Policy

5.1 The project does not involve overcapacity industry or belong to restricted or eliminated industries, and is in line with the national industrial policy

The proceeds are invested in performance product projects, specialty product projects and sustainable development projects, including 150,000 tons/year powder methionine project, The specialty feed additives project with an annual production capacity of 37,000 tons, Spain Ester Adisseo Transfer project and acrylic acid wastewater treatment and water reuse project. The above projects do not involve the overcapacity industries indicated in the policy documents such as the “Guiding Opinions of the State Council on Resolving Serious Overcapacity Contradictions”, the “Implementation Measures for Capacity Replacement in Some Industries with Serious Overcapacity” of the Ministry of Industry and Information Technology of the PRC, the “Circular on Doing a Good Job of Resolving Overcapacity in Key Fields in 2020” of the National Development and Reform Commission, and do not belong to the elimination or restriction industries as defined in the “Guidance Catalogue for the Adjustment of Industrial Structure (2024 Edition)”. The above projects do not belong to the elimination or restriction industries as defined in the “Guidance Catalog for Industrial Structure Adjustment (2024)”.

The specific products to be produced by this project are feed additives such as methionine and special products, which belong to the scope of “23. Safe, efficient and environmentally friendly feed and feed additives (including vitamins, methionine and feed enzymes), development of alternative products to antimicrobial drugs for animal growth promotion, production of intelligent, ultra-simulation and other performance chemical fiber production” as stated in the Catalogue of Industries Encouraging Foreign Investment (2022 Edition). Chemical fiber production” scope. Animal nutrition additives for meat, eggs and milk production and food security is of vital significance, is to fulfill the national development strategy and related industrial policy is an important initiative, in line with the policy guidance for the development of the industry.

The fund-raising project does not involve overcapacity industry, does not belong to restricted and eliminated industries, and is in line with the national industrial policy.

5.2 The fund-raising project does not involve high energy consumption and high emission industries

The raised funds from this private placement will be exclusively allocated to projects aligned with the company's existing core business operations. According to the *"China Listed Companies Association Guidelines for Industry Classification of Listed Companies"*, the company falls under the Food Manufacturing Industry (C14).

The Company's main business and the investment project of the proceeds do not involve high energy consumption and high emission industries as stipulated in the *"Letter from the General Office of the National Development and Reform Commission on Matters Related to the Implementation of Policies for Clarifying the Stage-by-Stage Reduction of Electricity Costs"* and the *"Circular on the Opinions on Strengthening Statistical Work on Responding to Climate Change"*.

6 Conclusion of the UoP Projects

In summary, the company's plan for the use of proceeds from the issuance of A-shares to specific targets is in line with relevant policies and laws and regulations as well as the overall strategic development plan of the company in the future, with necessity and feasibility. The fund-raising investment project has obtained relevant filing certificates, The procedures related to the filing of overseas investment by the commerce department involved and foreign exchange management registration are in progress, and no substantial obstacles are expected to exist. The availability and utilization of the proceeds will be conducive to meeting the capital requirements of the company's business development, enhancing the company's overall strength and profitability, strengthening the company's subsequent financing ability and sustainable development ability, laying the foundation for the realization of the company's development strategy objectives, and in line with the interests of the company and all shareholders.

Chapter 4 Discussion and Analysis by the Board of Directors of the Impact of the Private Issuing on the Company

1 Changes in the Company's Business and Assets, Articles of Association, Shareholder Structure, Management Structure, and Business Structure after the Issuance

1.1 Impact on the Company's Business and Assets from the Issuance to Specific Targets

The fund-raising investment projects will be centered around the Company's core business. The Company's business scope remains unchanged, and there will be no significant changes or integration of the Company's business and assets.

The fund-raising investment projects are related to the Company's core business. After the implementation of these projects, the Company's capital strength will be enhanced. Its competitive advantage will become more prominent and its long-term profitability will be improved.

1.2 Impact on the Articles of Association

After the completion of the issuance, changes will occur in the Company's registered capital, total number of shares, and shareholding structure. The Company will modify relevant provisions of the *"Articles of Association"* based on the actual issuance situation and complete the necessary procedures for commercial registration.

1.3 Impact on the Shareholder Structure

The expected number of shares to be issued in the private issuing to the specified targets is not more than 804,570,381 shares (inclusive). After the completion of the issuance of private issuing, China National Bluestar (Group) Co. Ltd. will remain the controlling shareholder of the Company, and SASAC will continue to be the ultimate controller. The issuance will not result in a change over the Company's controlling power.

1.4 Impact on the Management Structure of the Company

As of the announcement date of this Prospectus, the management structure of the Company remains stable, and there are no significant plans to make major adjustments to the senior management team due to this issuance. If there are any plans to adjust the senior management structure, the necessary procedures and information disclosure obligations will be followed following relevant regulations.

1.5 Impact on the Business Revenue Structure

Before this issuance, the Company's main business involved research, production, and sales of animal nutrition additives. The fund-raising investment projects are all related to the Company's core business. Therefore, this issuance will not result in any significant changes to the Company's business revenue structure.

2 Changes in the Company's Financial Conditions, Profitability, and Cash Flow after the Issuance

2.1 Impact on the Financial Conditions

After the completion of this issuance, the Company's total assets and net assets will further expand. The overall asset-liability ratio will decrease, and the capital structure will be optimized. Additionally, the current ratio and quick ratio will improve, enhancing the Company's short-term debt-paying ability. In summary, this issuance will optimize the capital structure, improve debt-paying ability, and reduce financial risks, laying a solid foundation for the Company's further business development.

2.2 Impact on the Profitability

After the completion of this issuance, the total number of Company shares will increase, and the asset size will further expand. In the short term, due to the time required for the fund-raising investment projects to generate economic benefits, there may be a certain degree of decline in financial indicators such as return on net assets and earnings per share. However, in the long run, the completion of the fund-raising investment projects and the development of other businesses will contribute to enhancing the Company's overall profitability. Additionally, this issuance will also help reduce the Company's financial expenses and strengthen its profitability.

2.3 Changes in Cash Flow

After the completion of this issuance, there will be an increase in cash inflows from financing activities. With the funds raised being invested in the construction of the fund-raising projects, there will be an increase in cash outflows from investment activities. As the fund-raising investment projects are completed and start generating benefits, the Company's operating cash flow will improve. Through this issuance, the Company's overall capital strength will be strengthened, its risk resistance capability will be enhanced, and it will lay a foundation for sustainable development.

3 After the Issuance, whether there exists any actual or potential inter-industry competition between the company and the participation of related parties in this subscription, their controlling shareholders, and ultimate controllers

As of the announcement date of this prospectus, the issuing targets who has a related relationship with the Company has not been determined for this issuance. Whether there exists any inter-industry competition or potential inter-industry competition between the company and the participation of related parties in this subscription, their controlling shareholders, or actual controllers will be disclosed in the issuance status report announced after the completion of the issuance.

4 After the Issuance, whether there exists any potential related-party transactions between the company and the participation of related parties in this subscription, their controlling shareholders, and ultimate controllers

As of the announcement date of this prospectus, the issuing targets who has a related relationship with the Company has not been determined for this issuance. Whether there exists any potential related-party transactions between the company and the participation of related parties in this subscription, their controlling shareholders, or actual controllers will be disclosed in the issuance status report announced after the completion of the issuance.

5 Existence of Fund or Asset Occupation, or Provision of Guarantees after the Issuance

As at the date of signing of this Prospectus, there is no situation in which the company's funds and assets are illegally occupied by controlling shareholders, the ultimate controller and their connected parties, nor is there any situation in which the company has provided illegal guarantees for controlling shareholders, the ultimate controller and their connected parties.

Upon completion of the private issuing, there will be no circumstances under which the company's funds and assets will be occupied by the controlling shareholders, the ultimate controller and their affiliates, nor will there be circumstances under which the company will provide illegal guarantees for the controlling shareholders, the ultimate controller and their affiliates.

6 Impact of the Private Issuing on the Company's Debt Situation

Upon completion of the issue, the total assets and net asset size will increase accordingly, the gearing ratio will decrease, and the solvency and risk-resistant capability will be further enhanced. There is no situation where the company will substantially increase its liabilities (including contingent liabilities) through this issue, nor is there any situation where the debt ratio is too low or the financial costs are unreasonable.

Chapter 5 Risks Associated with the Issuance

1 UoP projects risks

1.1 Risks related to underperformance in UoP projects

The planned use of the Use of Proceeds (“UoP") funds includes Project of performance products “The powder methionine project with an annual production capacity of 150,000 tons”, Projects of specialty products “The specialty feed additives project with an annual production capacity of 37,000 tons” and “SPain Ester Adisseo transfeR”, Sustainable development project “Acrylic acid wastewater treatment and recycled water project”, and Supplementary working capital. The above projects have been rigorously studied and demonstrated in terms of feasibility, necessity, and other aspects. It not only has good development prospects, but also conforms to the company's overall future strategy, helps the development of multiple core businesses, effectively enhances the company's core competitiveness and management efficiency, and achieves long-term high-quality development. Although the company has conducted in-depth market research and analysis, the actual benefits of the project are still subject to uncontrollable factors such as market, policies, project progress, changes in competitive conditions, and technological updates, which result in the inability to achieve expected internal rate of return and other performance indicators after the completion of the fundraising project, leading to the risk of extended investment payback period.

The project of SPain Ester Adisseo transfeR marks the company's first expansion in Europe, involving the addition of a liquid Metasmart® esterification production line in Spain. The proposed investment scale is based on market forecasts and engineering designs at the project initiation stage. However, during implementation, the project involves multiple phases, including engineering management, detailed design, construction, equipment procurement, installation, and commissioning. Although the company has established measures and standardized processes for schedule management, quality control, and procurement, risks such as rising labor costs, equipment price increases, and delays may lead to higher costs, budget overruns, or failure to meet the planned production timeline. Furthermore, while the project has undergone prudent feasibility assessments, unforeseen risks during execution and post-operation market fluctuations may create discrepancies between the actual investment returns and initial estimates, potentially impacting the company's financial performance.

1.2 Risks related to pending overseas project filing approvals for UoP projects

As of the signing date of this prospectus, Adisseo has not yet obtained the required overseas investment filing from the commerce department or foreign exchange administration registration for the SPain Ester Adisseo transfeR project. The Company is actively progressing with relevant procedures. If these filings are not secured as anticipated, the expected benefits for the corresponding project could be adversely impacted.

1.3 Risks related to policy and business environment in overseas investment destinations

The legal, policy, business environment, and cultural characteristics in Spain, the destination of the SPain Ester Adisseo transfeR project, differ from the Chinese market. This may introduce uncertainties to the actual operation of the project. The Company will continue to monitor the relevant conditions of the proposed investment project, enhance management systems and risk controls, actively prevent and respond to risks, and ensure the smooth implementation of the investment project.

2 Diluted immediate return risks for the company once the funds are raised

After the funds to be raised from the issuance to specific targets are in place, the total share capital and net asset scale of the Company will increase to a certain extent. However, due to the construction and operational cycles associated with the UoP projects, the growth of the Company's net profit during the period from project commencement to achieving economic benefits may not meet expectations. As a result, the immediate profit indicators, such as basic earnings per share and a weighted average return on net assets, may face a certain risk of dilution compared to the increase in share capital and net assets.

3 Political and regulatory risks

3.1 Risks related to cross-border operations, oversight and business expansion

As a global producer of nutritional feed additives, Adisseo is implementing and is operating businesses all over the world. Cross-border operations are exposed to the risks related to changes in the market, economy, geopolitics, demographics, public consensus, exchange rates, trade barriers, exchange control, regulatory, tax regimes, restrictions on foreign investment in some regions. For example, Some of Adisseo's major subsidiaries are located outside China Mainland, over 80% of its sales and a significant part of its production are outside China.

Although Adisseo has extensive experience in operating a global business, changes in policies and laws and regulations of the countries in which its assets and business are located may affect the operation of its business in such countries. Investors should be aware of the risks associated with Adisseo's cross-border operations worldwide considering that Adisseo is also developing its network of subsidiaries and participations all over the world. In this respect, the Ukraine crisis enhanced the level of uncertainties notably considering the availability of certain raw materials and energy such as natural gas. The recent Houthi attacks on shipping vessels in the Red Sea is impacting the global containers shipping activities as rerouted vessels lead to higher shipping costs and scheduling disruptions. Furthermore, the economic effects of the Israel-Hamas War are still evolving, the larger Middle Eastern region could potentially be directly impacted as the war unfolds. In this context, the likelihood of supply interruptions and impacts on Adisseo’ s sales, cost of procuring raw materials, or distribution costs may increase in future periods.

3.2 Risks related to compliance, law and regulatory framework

Compliance means lawful business conduct. The principal compliance rules are set out in the Adisseo’s Code of Ethics, which explicitly prohibits e.g., all forms of corruption, including “facilitation payments,” and violation of antitrust regulations or international sanctions regulations. Risks could result from failure to comply with the corresponding regulations. To minimize such risks, extensive training and sensitization of Adisseo Group employees is undertaken at face-to-face training sessions and/or through e-learning programs. In its operating business, the Adisseo Group is exposed to liability risks, especially in connection with product liability, patent law, tax law, competition law, export control and trade law, social law and environmental law. Any major change of the laws or regulations applicable to Adisseo’ s activities or changes in public law could also give rise to legal risks or impact Adisseo’ s business, growth or profitability.

In terms of ethical risks, the main risks identified are risk of corruption, non-compliance with competition rules, fraud, and breaches of personal data (privacy). Any breach of the ethical principles of Adisseo in its own operations or through its supply chain could constitute a legal, judicial and reputational risk. In order to prevent the occurrence of such risks, ethical compliance policies and procedure are rolled out throughout Adisseo and apply to all the Group entities.

4 Risks related to environmental protection policies

As a feed additives producer, Adisseo is subject to strict regulations and monitoring by governmental authorities with respect to discharge of sewage water, exhaust gas and solid wastes. As the global environmental impact awareness become more pregnant, if countries in which Adisseo operates facilities strengthen the current environmental laws and regulations or alter the current pollutant discharge standards, Adisseo may need to incur additional costs and expenses to adapt its facilities to newly applicable environmental protection regulations. Although Adisseo continuously invests on sustainable development, Adisseo' s effort to minimize its products or activities potential environmental impacts may not provide the expected outcome which is likely to impact its business growth.

In addition, any confirmed breach of any environmental regulations may prompt governmental authorities to temporarily suspend or to cancel permits to operate the manufacturing plants which could also impact Adisseo's business.

Health and safety is also at the heart of Adisseo concerns. All manufacturing sites are FAMI-QS certified. The risk methodology retained is HACCP (Hazard Analysis Critical Control Point).

5 Economic and Competitive Risks

5.1 Risks related to the cyclical fluctuation of the global macro economy

As an international company, Adisseo provides products and services to around 4,200 customers in over 110 countries and regions. Its performance, financial position and future will continue to be affected by the global macro economy. The debt crisis, trade imbalances, international sanctions, exchange rate fluctuation and other issues also increase the uncertainty of such recovery. The fluctuation of the global economy will increase fluctuation in Adisseo business.

5.2 Risks related to imbalance of supply and demand

The methionine market, in which Adisseo carries out its main activity, is affected by global methionine production capacities, the imbalance between supply and demand, the availability and pricing of raw materials and various factors such as the global macro economy.

5.3 Risks related to market competition

Adisseo faces competition from large and well-known companies with strong financial positions as well as competition from other companies in regional or local markets as well as newcomers. Adisseo has taken steps to improve its competitiveness, including tightening cost control, improving production technologies, providing value-added services, introducing brand-new products and adapting capacities in the Chinese and European plants to meet its customers requirements.

5.4 Risks related to raw materials and energy

Adisseo operates its activities in an uncertain, and challenging environment, characterized by volatile prices of raw materials, energy and logistics costs. Raw materials used by Adisseo mainly include propylene, sulphur, methanol, ammonia and natural gas. Adisseo has a limited number of suppliers for such materials as they are not easily transportable. If the suppliers fail to supply such raw materials, if the prices of such raw materials fluctuate significantly, or if Adisseo fails to acquire sufficient raw materials at a reasonable price, the Company’s business, financial position, and results from operations may be materially and adversely affected. Restrictions to cross-borders shipments, the ongoing Ukraine crisis including international sanctions regulations relating thereto, as well as natural disasters damaging supplier’s physical assets, could increase the risk of interruption in the sourcing of raw materials and energy.

5.5 Risks related to product research and development, technology upgrade and alternative methionine production technologies

In order to maintain competitiveness, Adisseo continuously invest in research and innovation, launch innovative products to meet its customers’ needs and develop new production technologies that are more efficient and competitive. However, R&D projects and collaborations aiming at improving production process and technologies may be suspended because of factors such as changes in market conditions, changes in technology, and changes in government policies. If Adisseo fails to continuously launch new products or improve its production process, or if Adisseo's competitors successfully launch competitive products or improve their production process better and faster than Adisseo, its market position may be impacted, which may materially and adversely affect the business, financial positions, and results of Adisseo.

5.6 Risks related to fluctuations in the company's performance

During the reporting periods, the company's operating revenues were RMB 14,529,015.6 thousand, RMB 13,183,748.6 thousand, and RMB 15,534,275.0 thousand, respectively, with net profits of RMB 1,249,842.8 thousand, RMB 52,680.2 thousand, and RMB 1,205,464.8 thousand, respectively. In 2023, the company's net profit declined to some extent due to the dual pressures of subdued selling prices for methionine products and persistently high raw material and energy costs. Although the company's net profit recovered in 2024, if external factors such as lower-than-expected product prices, rising raw material costs, or macroeconomic downturns occur in the future—or if there are significant adverse changes in internal operating conditions such as product competitiveness or brand influence—the company may experience a decline in operating performance.

6 Financial risks

6.1 Risks related to exchange rate

The reporting currency of the Company's consolidated financial statements is the Chinese Renminbi, or RMB. The majority of Adisseo's production, operations and sales are performed outside of China, and day-to-day transactions are mainly carried out in EUR and USD. Exchange rate risks mainly include risks associated with translating foreign currencies for the purpose of conducting day-to day transactions and risks associated with translating foreign currencies into RMB when preparing Adisseo's financial statements. Fluctuation of exchange rates may expose its operations to exchange rate risk and may adversely affect the financial position of the Company, despite its mitigation measures such as a hedging strategy on major commercial exposures.

6.2 Risks related to customer credit

Adisseo is exposed to the credit risk of its customers. While Adisseo seeks to manage such exposure through a number of measures and KPIs, such as establishing customer accounts, setting credit limits for customers, obtaining deposits and security, and profiling the customers' credit risk, there is no assurance that such risk will be entirely eliminated.

6.3 Risks related to the potential changes in tax and customs duties

As an international company carrying out its activities worldwide, Adisseo may be controlled by the tax authorities of any relevant countries with respect to its tax matters from time to time. Tax audits or investigations may result in Adisseo losing its tax benefits, exemptions or other tax incentives, which may subject Adisseo to a higher effective tax rate. Although Adisseo had no material tax-related issues during the 2024 financial year, there is no assurance that the provisions made by Adisseo will be sufficient; or that Adisseo will not be subject to a higher tax rate.

As provided under paragraph (a) above, geopolitical evolutions and restrictions to free trade could also increase risks and uncertainties regarding import regulations, tariffs and custom duties which may affect Adisseo.

7 Industrial risks

7.1 Risks related to hazardous chemicals

Adisseo's complex production process involves many hazardous chemicals that require special production, transportation, and storage facilities. In addition, production process and research and development processes generate waste gas, liquid and solid waste. Adisseo has adopted a Health, Safety and Environment system including monitoring, prudent safety measures and huge precautions in accordance with relevant laws, regulations and administrative measures. However, the risk of leaked hazardous chemicals, emission of waste gas, liquid and solid waste which may exceed the relevant standards cannot be totally excluded. Should this case arise, Adisseo may be exposed to civil or criminal liabilities and may be held liable to pay financial compensation, which may materially and adversely affect its business, financial position and results from operations.

7.2 Risks related to accidents and disasters including diseases outbreak

In order to minimize the potential risks of shutdown of production facilities or accidents involving the production facilities which may adversely affect the company, the local Group's Companies conduct periodic inspections for manufacturing facilities.

However, there is no guarantee that such accidents arising out of production facilities or negative effects caused by natural disasters could be completely excluded. For example, outbreaks such as bird flu, foot-and-mouth disease, mad cow disease and swine flu in recent years that adversely affect poultry or livestock, may adversely affect the livestock populations, consumers' perceptions about certain protein products and as a consequence, the demand for the products used as nutritional ingredients for animal feed. Frequent outbreaks of poultry or livestock diseases around the world may materially and adversely affect the business, financial position and results of operations of the Group.

In the event of an accident that causes environmental damaging releases, property damage and/or human injury during transportation, near the plant, or a system network failure, such circumstances may, in addition to undermining Adisseo's business activities, involve major costs and have a significant impact on market perceptions of the Group, which, in turn, may adversely affect the operational results and financial condition of the Group.

8 Other operational risks

8.1 Risks related to improper lay-out of production plan

Adisseo's performance may be restrained by its production capacity. Adisseo has made progressive investments over the last years to increase its production capacities and proactively manage its inventories. However, customers' orders may not be fulfilled in a timely manner as a result of inappropriate production planning, malfunction of the production facilities, repairs or maintenance of the production facilities or failure to convert potential new production capacity into actual production. Failure to meet customers' needs may damage Adisseo's reputation and image as well as its relationship with its customers, which may result in decreasing purchases of Adisseo products and affect sales of the Group.

Furthermore, Adisseo's estimates of future demand for its products determine its production capacity evolution, which is based on such assumptions but if such estimates or assumptions fail to materialize or in case of certain loss events – such as fire or machinery breakdown – resulting in a temporary incapacity to operate productions facilities, Adisseo's business, financial conditions and results of operations could be materially and adversely impacted.

8.2 Risks related to break-down of information system

Adisseo is exposed to new cyber threats due to the use of new technologies, the multiplication of connected tools, the evolution of industrial control systems, the spread of mobility tools, cloud computing, and the development of new uses, including social networks and the in-depth analysis of data.

Adisseo continually adjust its prevention, detection and protection measures for all its information systems and critical data.

In addition, the business activities of the Group's Companies are becoming increasingly dependent on computer network systems, and although the Group's Companies protect their systems or data by means of sophisticated security systems, there is still the possibility that system network failures may occur owing to electric power interruptions, natural disasters, or criminal attacks on the system, including computer viruses and hackers.

Information technology system and/or network disruptions, whether caused by acts of sabotage, employee error, malfeasance or other actions, could have an adverse impact on the Group's operations as well as the operations of the Group's customers and suppliers. Other business disruptions may also be caused by security breaches, which could include, for example, attacks on information technology and infrastructure by hackers, viruses, breaches due to employee error, malfeasance or other actions or other disruptions.

Adisseo and/or the Group's suppliers may fail to effectively prevent, detect and recover from these or other security breaches and, therefore, such breaches could result in misuse of the Company's assets, loss of property including trade secrets and confidential or personal information, some of which is subject to privacy and security laws, and other business disruptions. In such case, Adisseo may face legal claims or proceedings, reporting errors, processing inefficiencies, negative media attention, loss of sales, interference with regulatory compliance which could result in sanctions or penalties, liability or penalties under privacy laws, disruption in the Company's operations, and damage to the Company's reputation, which could adversely affect the Company's business, results of operations, financial condition and cash flows.

Like other companies, Adisseo faces the risk of being the target of industrial espionage, including cyber-attacks. Adisseo is experiencing an increase in attempts to breach its information technology systems. These cyber-security threats include phishing, spam emails, hacking, social engineering, and malicious software. Although Adisseo has not experienced any material losses to date related to security breaches, including cybersecurity incidents, there can be no assurance that Adisseo will not suffer such losses in the future. Adisseo seeks to actively manage these risks within the Group's control that could lead to business disruptions and security breaches. As these threats continue to evolve, particularly around cybersecurity, Adisseo may be required to expend significant resources to enhance the Company's control environment, processes, practices and other protective measures. Despite these efforts, if such events occur, they could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

8.3 Product liability claims and other litigation

Through its policies, organization, procedures and governance, Adisseo endeavors to prevent operational risks that could affect its reputation.

During the normal course of its business, Adisseo may be subject to actual or threatened legal proceedings, arbitration or administrative penalties arising from disputes with respect to product liability, patents and other intellectual property rights infringement or any other claim or action brought during the course of its business. Such disputes, legal proceedings or arbitration may adversely affect Adisseo's operations and reputation. If any of judgments or arbitral awards or decisions of any authorities issued against Adisseo regarding products liability, Adisseo may notably need to recall its products, change the formula of its products or stop selling those products, which may impact its sales.

In its day-to-day operations, Adisseo may be involved in potential lawsuits, arbitration proceedings, administrative procedures or other disputes due to products, labor, taxes and other commercial matters, which may damage Adisseo's operations and reputation. Adisseo is monitoring those risks through processes relating to contracts management and review and defend its interests with the professional assistance of external advisors.

8.4 Risks related to insurance policy coverage

Per industry standards, Adisseo holds insurance coverage for liability risk relating to its operations, facilities, product quality, inventory, transportation, environment, finance, senior management, employees, industrial accidents, etc., but Adisseo may be subject to potential claims of liabilities for which it may not have adequate or any insurance, or that cannot be insured at all, thereby resulting in of the risk for Adisseo to bear part or all of the losses or damages suffered.

8.5 Risks related to intellectual property

Adisseo protects its intellectual property rights according to the laws and regulations of the countries in which it operates. However, despite the measures taken by Adisseo to protect its intellectual property rights, such rights may be challenged, infringed or abused by a third party. Furthermore, Adisseo operates in many countries, some of which may provide less protection for intellectual property rights against infringement than others. As a result, Adisseo’s risk may be increased in certain countries. In addition, Adisseo may be subject to risks of claims from third party in case of infringement of such third party’s intellectual property rights.

8.6 Risks related to acquisitions and equity alliances

From a historical perspective, Adisseo's growth and expansion have been driven not only by organic development but also by external acquisitions, which play a crucial role. To date, these acquisitions have provided significant complementary effects in terms of product categories, animal species, and market channels, helping Adisseo strengthen its core business while continuously expanding its portfolio of high-growth specialty products and innovative solutions in animal nutrition and health. This has further reinforced its market leadership.

At the end of each reporting period, Adisseo conducts impairment tests on all asset groups. The test results have consistently shown that the recoverable amounts exceed the carrying values, and no impairment provision has been required. However, if the company's operations are affected by factors such as international political conditions, market supply and demand, emerging technologies, or its own business performance, or if major adverse events such as force majeure occur, leading to operational performance falling short of expectations, Adisseo may face impairment risks.

8.7 Risks related to operation of invested enterprises

The Chongqing plant of the Company's joint venture’s subsidiary (below referred to as Calysseo) is the world's first demonstration plant for large-scale production of single-cell protein products, with an annual design capacity of 20,000 tons. Due to the complexity of the biotechnology and new difficulties encountered in the industrial amplification process, the pilot production ramp-up phase of Calysseo Chongqing plant lasted longer than expected, resulting in loss at Calysseo level. In the future, if it will still take longer-than-expected time for the FeedKind protein technology to fully reach industrialized-scale and commercial maturity, there may continue to be losses at Calysseo level, which in turn will require continued financing support. In addition, the partner of the Company’s joint venture (Calysseo Ltd.), Calysta Inc. (in which the Company’s subsidiary, Adisseo Venture, holds a minority stake), is an American biotechnology innovation company that owns the FeedKind Research & Development and production technology. Therefore, in the process of its business development, it will continue to make a large amount of R&D investment. Since the Calysseo Chongqing factory is the first production unit in the world to apply its innovative technology, Calysta Inc. has not yet formed a fixed source of revenue from the technology. In the future, its future development may also be affected by potential macroeconomic and industry fluctuations, intensified market competition, challenging business management, and the potential loss of technical personnel. Due to the longer-than-expected timeline for the validation and commercial rollout of its innovative technology, Calysta Inc. may continue to have only very limited sources of revenue to support its financial needs over time. If, in the future, the FeedKind protein product technology developed by Calysta Inc. requires additional time to gain market acceptance, or Calysta Inc. is unable to obtain necessary financing, Calysta Inc’s operations will be adversely impacted, thus causing Adisseo to face investment risks. Meanwhile, the possible going-concern difficulty of Calysta Inc. may also affect its ability to provide financial support for Calysseo Ltd., which may adversely affect the production, operation, and comprehensive industrialization and commercialization process of Calysseo.

8.8 Risks related to inappropriate communication on social media

Adisseo and its employees are active on numerous social media channels. The use of these media is important in terms of increasing awareness of Adisseo brand and products. Adisseo takes precautions and implements processes to ensure awareness of the proper handling of social media, controlling publication, and actively managing communication.

Nevertheless, unauthorized communications on social media, purported to be issued by Adisseo, may contain information that is false or damaging and could have an adverse impact on Adisseo ’s image and reputation.

9 Social and societal risks

9.1 Risks related to Human Resources

Talents with industry expertise are a key competitive advantage of Adisseo and essential to Adisseo’s market position and business operations. Should Adisseo fails to retain or attract excellent talents with industry expertise in the future or to reduce its dependency towards key employees, it may face talent drain and experience a bottleneck in its future business development. Therefore, Adisseo constantly develops and improves its employee incentive, staff retention schemes, training and recruitment programs as well as succession plans to effectively monitor such risks.

9.2 Risks related to labor disputes

Adisseo operates in many countries around the world. Its centers of operations and production bases are mainly located in France, Spain and China where labor laws are relatively stringent. When making decisions in relation to production, operation or financing, Adisseo must notify, and consult with the union representatives or relevant committees or seek consent of the union representatives or relevant committees. Complying with strict labor laws and complex consultation processes may impact the flexibility of Adisseo’s decision-making process and its ability to react to the changes in market conditions. Employees of Adisseo may initiate disputes and litigation or strikes. This may materially and adversely affect the businesses, financial position and results from operations of Adisseo.

In addition, Adisseo’s suppliers may also be subject to strikes or claims brought about by their own employees, which may in turn affect the ordinary operations of Adisseo.

10 Approval Risks

This issuance is still subject to the approval of the SSE and registration by the CSRC before it can be implemented. The ability to obtain the relevant regulatory approval and the timing of obtaining such approval from the regulatory authorities are uncertain.

11 Stock Price Risks

The Company's stock is listed on the SSE. The issuance of private issuing will have a certain impact on the Company's operations and financial condition, thereby affecting the price of the Company's stock. Additionally, investment returns in the stock market depend not only on the Company's operational performance, financial condition, and prospects but are also influenced by factors such as global and national macroeconomic policy adjustments, economic cycle fluctuations, capital market trends, stock market speculation, and investor sentiment. The issuance process requires several approval procedures and takes a certain amount of time to complete. During this period, the Company's stock price may experience fluctuations, introducing uncertainty and risk to investors' investment returns.

12 Force Majeure Risks

Natural disasters, wars, and sudden public health events can cause damage to the Company's assets, properties, and personnel, affecting its normal operations. The occurrence of such force majeure events may result in additional costs for the Company, thereby impacting its profitability.

Chapter 6 Statements Related to the Issuing

1 Statement of the Issuer and all Directors, Supervisors and Senior Executives

The Company and all Directors, Supervisors and Senior Executives undertake the truthfulness, accuracy, and completeness of the contents of this prospectus, and there are no false records, misleading statements or material omissions, and will fulfill undertakings in accordance with the principle of faith and take the corresponding legal responsibilities.

Signed by all directors:

Hao Zhigang	Jean-Marc Dublanc	Gérard Deman
Yao Wei	Dong Dachuan	Sun Yanfeng
Lin Zhaorong	Liu Xin	Zang Hengchang

Bluestar Adisseo Company

Date: 8th April 2025

1 Statement of the Issuer and all Directors, Supervisors and Senior Executives

The Company and all Directors, Supervisors and Senior Executives undertake the truthfulness, accuracy, and completeness of the contents of this prospectus, and there are no false records, misleading statements or material omissions, and will fulfill undertakings in accordance with the principle of faith and take the corresponding legal responsibilities.

Signed by all supervisors:

Wang Yan	Lu Wei	Pan Yong

Bluestar Adisseo Company

Date: 8th April 2025

1 Statement of the Issuer and all Directors, Supervisors and Senior Executives

The Company and all Directors, Supervisors and Senior Executives undertake the truthfulness, accuracy, and completeness of the contents of this prospectus, and there are no false records, misleading statements or material omissions, and will fulfill undertakings in accordance with the principle of faith and take the corresponding legal responsibilities.

Signed by Senior Executives(Excluding those being a director concurrently):

Frédéric Jacquin	Virginie Cayatte	Zhu Xiaolei
Fabien Siguier	Frank Chmitelin	Jean-François Rous
Cai Yun		

Bluestar Adisseo Company

Date: 8th April 2025

2 Statement of Controlling Shareholders and the Ultimate Controller of the Issuer

The Company undertakes the truthfulness, accuracy, and completeness of the contents of this prospectus, and that there are no false records, misleading statements or material omissions, and will fulfill undertakings in accordance with the principle of faith and take the corresponding legal responsibilities.

China National Bluestar (GROUP) Co., Ltd.

Signature of the legal representative：

Li Bo

Date: 8th April 2025

Statement of Sinochem Holdings Corporation Ltd.

The Company undertakes the truthfulness, accuracy, and completeness of the contents of this prospectus, and that there are no false records, misleading statements or material omissions, and will fulfill undertakings in accordance with the principle of faith and take the corresponding legal responsibilities.

Sinochem Holdings Corporation Ltd.

Signature of the legal representative：______________________

Li Fanrong

Date: 8th April 2025

3 Statement of the Sponsor (Lead Underwriter)

The Company has verified the Prospectus and confirms that the contents of the Prospectus are true, accurate and complete, and that there are no false records, misleading statements or material omissions, and assumes the corresponding legal responsibilities.

Sponsor Representative：______________________ ______________________

Pan Jieke Huang Yibin

Project Co-sponsor Representative：______________________

Han Zheng

Legal Representative：______________________

Zhang Youjun

CITIC Securities Company Limited

8th April 2025

Declaration of the General Manager and Chairman of the Board of Directors of the Sponsor

I have carefully read the entire contents of the Prospectus, verified the Prospectus and confirmed that the contents of the Prospectus are true, accurate and complete, and that there are no false records, misleading statements or material omissions, and that I assume the corresponding legal responsibilities.

General Manager,
Chairman of the Board： ____________________

Zhang Youjun

CITIC Securities Company Limited

8th April 2025

4 Statement of the Issuer's Counsel

The Firm and the attorneys-in-charge have read the Prospectus and confirmed that there is no contradiction between the contents of the Prospectus and the legal opinion issued by the Firm. The Firm and the attorneys-in-charge have no objection to the contents of the legal opinion quoted by the Issuer in the Prospectus, and confirm that the Prospectus does not contain any false records, misleading statements or material omissions as a result of the quotation of the aforesaid contents, and shall bear the corresponding legal liabilities.

Attorney in Charge：______________________

Wang Ningyuan

____

Chen Fu’an

____

Song Fangcheng

Head of Law Firm：______________________

Zhang Mingyuan

Beijing King & Wood Mallesons

8th April 2025

5 Statement of the Reporting Accountant

Our firm and the signatory certified public accountants have read the Prospectus and confirmed that there is no contradiction between the contents of the Prospectus and the audit report, the internal control certification report and the detailed statement of non-recurring profit and loss certified by our firm. The Firm and the undersigned CPAs have no objection to the contents of the audit report, the internal control attestation report and the non-recurring profit and loss schedule certified by the Firm as quoted by the Issuer in the Prospectus, and confirm that the Prospectus does not contain any false record, misleading statement or material omission as a result of the aforesaid contents, and bear the corresponding legal liabilities for the truthfulness, accuracy and completeness thereof.

Signatory Certified Public Accountants ____________________

Zhang Huan

Signatory Certified Public Accountants ____________________

Wang Shan

Head of Accounting Firm ____________________

Zou Jun

KPMG Huazhen LLP

8th April 2025

6 Statement of the Board of Directors of the Issuer

6.1 Specific Measures to Fill the Diluted Immediate Return arising from the Private Issuing to Specific Targets

This issuance may result in a decrease in the immediate returns for investors. The Company intends to enhance the management of the UoP funds, expedite the progress of UoP projects, improve the Company's profitability, strengthen operational management and internal controls, and enhance profit-generating capabilities to improve asset quality and achieve sustainable development, thereby filling the shareholder returns. The specific measures are as follows:

6.1.1 Strengthening the Supervision of UoP Funds to Ensure their Reasonable and Lawful Use

To regulate the management and utilization of the UoP funds and effectively protect the legitimate rights and interests of investors, the Company has formulated the *"UoP Funds Utilization Management Measures"*, which clearly stipulates the storage, utilization, supervision, and disclosure of the UoP funds. The Company will strictly adhere to relevant regulations such as the *"UoP Funds Utilization Management Measures"*, and the UoP funds will be jointly supervised by the sponsor, custodian bank, and the Company to ensure that the funds are used following the committed purpose and amount, guaranteeing that the UoP funds are used rationally and in compliance with regulations, in coordination with the supervision and inspection by the custodian bank and the sponsor to ensure their proper and regulated use.

6.1.2 Accelerating the Progress of UoP Projects to Improve the Company's Profitability

The UoP funds from this issuance will mainly be used for performance product project, specialty product projects, and sustainable development project. These projects have been thoroughly studied and assessed from various aspects such as feasibility and necessity. They not only have good development prospects but also align with the Company's overall strategic objectives. They will contribute to further expanding the Company's business, strengthening its competitive advantages in the industry, and consolidating and enhancing the Company's profitability.

After the UoP funds from this issuance are in place, the Company will accelerate the construction and operation of the UoP projects, actively allocate resources, and reasonably coordinate and arrange project progress. Efforts will be made to achieve the expected benefits of the projects as soon as possible, increase future shareholder returns, reduce the risk of diluting immediate returns caused by the issuance, and enhance the Company's long-term and sustainable profitability, thereby ensuring the long-term development and interests of the shareholders.

6.1.3 Strengthening Operational Management and Internal Controls to Provide Institutional Safeguards for the Company's Development

The Company strictly adheres to the requirements of laws, regulations, and regulatory documents such as the *"Company Law"*, *"Securities Law"*, and *"Listed Company governance standards"*, continuously improving its corporate governance structure. This ensures that shareholders can fully exercise their rights, the Board of Directors can exercise its powers and make informed decisions following laws, regulations, and the Company's *"Articles of Association"*, independent directors can faithfully fulfill their responsibilities, safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders, and the supervisors can independently and effectively exercise their supervisory and inspection rights over directors, senior executives, and the Company's financial affairs, promoting the Company's sustainable, regulated, and healthy development.

Currently, the Company has established a relatively sound internal control system and management framework, ensuring the normal and orderly conduct of various business activities. In the coming years, the Company will further improve its operational and management capabilities, enhance investment decision-making procedures, strictly control costs and expenses, strengthen cost management, optimize budget management processes, reinforce execution supervision, comprehensively and effectively enhance operational efficiency, and reduce potential operational risks.

6.1.4 Continuously Improving the Profit Distribution Policy and Strengthening the Investor Return Mechanism

The Company has clearly defined the principles, methods, conditions, decision-making procedures, and mechanisms for profit distribution in its *"Articles of Association"*. It has also formulated a well-defined shareholder return plan in compliance with the requirements of the *"Notice on Further Implementation of Matters Relevant to the Cash Dividend Distribution of Listed Companies"* and the *"Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies (Revised in 2023)"*. While focusing on its development, the Company attaches great importance to providing reasonable investment returns to shareholders and has established relevant dividend plans.

The Company highly values protecting the legitimate rights and interests of shareholders. After the completion of this issuance, the Company will strictly comply with the relevant laws, regulations, and provisions of the articles of association regarding profit distribution. Taking into consideration the Company's operating conditions and development plans and fully listening to the opinions of minority shareholders, the Company will continue to improve its cash dividend policy, strictly implement it, and strive to enhance shareholder returns.

In conclusion, after the completion of this issuance to specific targets, the Company will strengthen internal management, regulate the use of UoP funds, improve fund utilization efficiency, and take various measures to continuously enhance operating performance. While meeting the conditions for profit distribution, the Company will actively promote profit distribution to shareholders, thereby improving the Company's ability to provide returns to investors and effectively reducing the risk of diluting immediate returns for shareholders.

6.2 Undertakings in relation to Remedial Measures for the Dilution of Immediate Return of the Private Issuing

6.2.1 Commitments of Company's Directors and Senior Executives

After the completion of the issuance of shares to specific targets, the Company's directors and senior executives will continue to faithfully and diligently perform their duties, safeguarding the legitimate rights and interests of the Company and all shareholders. The following commitments are made regarding the implementation of measures to fill the return by the Company:

1. Commitment to faithfully and diligently perform duties and safeguard the legitimate rights and interests of the Company and all shareholders.

2. Commitment not to gratuitously or under unfair conditions provide benefits to other entities or individuals, and not to adopt any other means to harm the interests of

the Company.

3. Commitment to restrict personal consumption behavior related to their positions.

4. Commitment not to use Company assets for investment or consumption activities unrelated to the performance of duties.

5. Commitment to link the remuneration system formulated by the Board of Directors or the Remuneration and Assessment Committee to the implementation of measures to fill the return by the Company.

6. Commitment to link the exercise conditions of future disclosed equity incentive plans to the implementation of measures to fill the return by the Company.

7. Commitment to effectively fulfill the relevant measures to fill the return formulated by the Company and any commitments made by oneself in this regard. In the event of a violation of these commitments resulting in losses to the Company or investors, one is willing to bear compensation liability following the law.

8. This commitment shall be effective from the date of issuance until the completion of the Company's issuance of shares. If the CSRC or the SSE makes new regulatory provisions regarding the measures to fill the return and their commitments, and the above commitments do not meet the requirements of such regulations, one promises to issue supplementary commitments following the latest regulations of the CSRC and the SSE.

9. As one of the responsible parties for implementing the measures to fill the return, in the event of a violation of the above commitments or refusal to fulfill the above commitments, one agrees that the CSRC, the SSE, and other securities regulatory agencies may impose relevant penalties or take regulatory measures following their formulated or published provisions and rules.

6.2.2 Commitments of Bluestar Group

Bluestar Group commits to lower the dilution impact of the Company's issuance of private issuing on the immediate return and ensure the effective implementation of the measures to fill the return by the Company. The following commitments are made:

1. The Company commits to exercise shareholder rights following relevant laws, regulations, and the Company's articles of association, and undertakes not to

intervene in the operation and management activities of the Listed Company beyond my/our authority and not to encroach upon the interests of the Listed Company.

2. In the event that from the date of issuance of this commitment letter to the completion of the Issuance of Shares to Specific Target Subscribers, the CSRC, the SSE and other securities regulatory authorities provide otherwise or make other requirements in respect of the measures to be taken to make up for diluted immediate returns and the commitments thereof, and the relevant contents of the commitments cannot meet the requirements of the CSRC, the SSE and other securities regulatory authorities, the company undertakes to make supplementary commitments in accordance with the latest requirements.

3. As one of the responsible parties for implementing the measures to fill the return, the Company commits to strictly fulfill the above commitments. The company is willing to bear the liability of compensating the Listed Company or investors in accordance with laws in the event of any breach of such commitments and any loss caused to the Listed Company or investors.

6.2.3 Commitments of Sinochem Holdings

Sinochem Holdings commits to lower the dilution impact of the Company's issuance of private issuing on the immediate return and ensure the effective implementation of the measures to fill the return by the Company. The following commitments are made:

1. The Company commits to exercise rights following relevant laws, regulations, and the Company's articles of association, and undertakes not to intervene in the operation and management activities of the Listed Company beyond my/our authority and not to encroach upon the interests of the Listed Company.

2. In the event that from the date of issuance of this commitment letter to the completion of the Issuance of Shares to Specific Target Subscribers, the CSRC, the SSE and other securities regulatory authorities provide otherwise or make other requirements in respect of the measures to be taken to make up for diluted immediate returns and the commitments thereof, and the relevant contents of the commitments cannot meet the requirements of the CSRC, the SSE and other securities regulatory authorities, the company undertakes to make supplementary commitments in accordance with the latest requirements.

3. The Company commits to strictly fulfill the above commitments. Where there is any violation, breach or non-performance of the commitments aforesaid which cause losses to the Listed Company or the investors, the Company is willing to bear the liabilities providing by relevant rules or regulations of CSRC, SSE or other securities regulatory authorities.

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The Board of Directors, Bluestar Adisseo Company

Date: 8th April 2025