Bluestar Adisseo Company

Announcement on Polar Project

Important:

- Name of the investment subject: Polar Project
- Amount of the investment: 110,000,000 EUR
- Special Note: This transaction is not a connected transaction, nor is it significant asset restructuring. This transaction is within approval right of the board. The fund for investment comes from the Company's own capital.
- Special warning for risks: This project may not complete construction by the proposed time; New facilities may interfere with the operation of current facilities and adversely affect the output of methionine; Market price for methionine may not reach their expected level when new production capacity is put into operation; other Force Majeure and uncertain factors that may impede implementation of the project.

I. Overview

After completion of the fully integrated Nanjing plant, Adisseo is now one of the market leader in liquid methionine. For several years the company has been promoting liquid methionine (HMTBA) amongst feed-millers and integrators all over the world.

The next step in Adisseo development is a significant extension of the Burgos (Spain) facility in order to expand production of liquid methionine according to the needs of Adisseo customers. The success of Rhodimet® AT88 in recent years (+50% since 2013) has fostered the need to accelerate the capacity extension project in Spain.

Adding a third production line in Burgos will increase the site competitiveness in many aspects, making it one of the best of its kind in the industry. Adisseo is also implementing an investment program to upgrade its upstream facility of Les Roches (France) in order to sustain the development of the Burgos site.

Company proposed to invest an amount of 110,000,000 EUR into two existing sites in Europe to add and upgrade utilities and facilities, for the purpose of extending the production capacity of liquid methionine.

Pursuant to *PRC Company Law*, *Shanghai Stock Exchange Rules for Listing of Stock* and *Articles of Association of Bluestar Adisseo Company* ("**AOA**"), together with other laws, rules, regulatory documents and bylaws, Company deliberated and passed unanimously the Proposal on Polar Project, at the 9th meeting of the 6th session of the Board which was held in the way of communication voting on 16 December 2016. The board agreed that the company invests an amount of 110,000,00 EUR in sites located in Burgos, Spain and Roches, France to expand the production capacity of liquid methionine. The investment on Polar Project is within the approval rights of the Board and does not require to be deliberated and passed by shareholder meetings. Nor is any approval from relevant Chinese authorities required.

In accordance with *the Administrative Measures on Significant Asset Restructuring of Listed Companies*, *Shanghai Stock Exchange Rules for Listing of Stock* and AOA, as well as other laws, rules, regulatory documents and bylaws, this investment on Polar Project is not classified as connected transaction or significant asset restructuring.

II. Basic Information on the Investment Subject

A. Total investment amount: 110,000,000 EUR

B. Place to be constructed, investment amount and details:

   a) Adisseo Espana SA, a subsidiary of the Company's, will invest an amount of 93,000,000 EUR into a site in Burgos, Spain, adding a production line and supporting facilities to existing equipment and utilities;

   b) Adisseo France SAS, a subsidiary of the Company's, will invest an amount of 17,000,000 EUR into a railway loading station and supporting utilities.

C. Studies and construction period:

   It is proposed to start studies by the end of this year, the construction should be completed by the end of 2018.

D. Estimated economic benefits:

   Production capacity of liquid methionine will expand by 50 kT upon completion; turn over will increase correspondingly

E. Market positioning and feasibility

   Driven by growth in population and inclination for animal protein, demand for methionine rises at an annual rate around 6% in average. The production capacity for methionine shall keep the same growing pace to match the escalating market. To release potential capacity from current facilities through expansion and upgrade has the advantage over new establishment that it calls for less intensive capital investment, and it shares the fixed charges already incurred, which will lower the unit cost and maintain the favorable market position of Company's liquid methionine product.

F. Approval procedures required: N/A.

III. Effect of the Investment on the Company

With this program Adisseo is reinforcing its industrial strategy combining Chinese and European expertise and to develop the full potential of its existing facilities in order to support the growth of its customers and to meet their request for a high quality, cost efficient source of methionine.

IV. Analysis of risks related to the investment

This project may not complete construction by the proposed time; new facilities may interfere with the operation of current facilities and adversely affect the output of methionine; Market price for methionine may fall short of expected level when the new production capacity is put into operation; other Force Majeure and uncertain factors that may impede implementation of the project.

Measures to be taken for the above risks: Company will formulate comprehensive schemes and emergency plans, with smooth communication and cooperation between various departments to ensure that the project will be managed and completed within the anticipated time schedule; Company will pay close attention to the market trends and arrange for prudent measures; Aside from above, Company will comply with disclosure obligations and protect investor's interests conscientiously.

V. Documents for Record

Resolutions passed by the 9^{th} meetings of the 6^{th} session of the board.

It is hereby announced.

Board of Directors

16 December 2016