Stock Code: 600299 **Stock Name: Adisseo** **No: 2019-003**

Bluestar Adisseo Company

Announcement on Related-party Transaction and External Investment

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

Please be aware:

- Transaction structure: Bluestar Adisseo Company ("Company") intends to ultimately acquire 15% of common shares in Bluestar Adisseo Nutrition Group Limited ("Target Company") from China National Bluestar (Group) Co., Ltd ("Bluestar Group").
- The amount of this Transaction: the preliminary value of the Target Shares is RMB 3,614,255,400 at the benchmark date of September 30, 2018, and the final Consideration of the Target Shares shall equal to the final appraisal result provided in the assets appraisal report (which shall be issued by DeveChina and filed with ChemChina).
- Risk of transaction: this transaction is to be submitted to the Company's shareholders' meeting for deliberation and approval; and shall obtain/complete relevant approvals / filing procedures from / with competent state-owned assets authority, MOC, NDRC and foreign exchange regulator. Whether this Transaction can obtain / complete the approval of the shareholders' meeting or relevant approvals / filing procedures (including the timeframe of completing the aforesaid procedures) remains uncertain.

I. Overview of the Related-party Transaction and External Investment

On January 16, 2019, the Company held the third meeting of the 7th session of the Board and the meeting has approved proposal on related-party acquisition of 15%

common shares in Bluestar Adisseo Nutrition Group Limited, which agreed to acquire 15% of common shares in Bang by the Company from Bluestar Group (“Transaction”). After the completion of this Transaction, the Company will own 100% of common shares in Bang. This Transaction does not constitute a material assets restructuring as stipulated by the Administrative Measures on Significant Asset Restructuring of Listed Companies. This Transaction is to be submitted to the shareholders’ meeting for deliberation and approval.

Bluestar Group is the controlling shareholder of the Company, which is deemed as a related party of the Company. This Transaction is a related-party transaction.

II. Introduction of Related Party

1. Introduction of related-party relationship

The counterparty of the Acquisition Bluestar Group is the controlling shareholder of the Listed Company, constituting the related party of the Listed Company.

2. Basic information of related party

(1) Basic information of the Bluestar Group

(i) Company Name: China National Bluestar (Group) Co., Ltd

(ii) Company Type: Limited liability company (Sino-foreign joint venture and not listed)

(iii) Registered Address: 9 Beitucheng West Road, Chaoyang District, Beijing

(iv) Main Office: 9 Beitucheng West Road, Chaoyang District, Beijing

(v) Legal Representative: HAO Zhigang

(vi) Registered Capital: RMB 18,168,869,029

(vii) Main Business: Researching and developing on new chemical materials, chemical cleaning, anticorrosion and water treatment technology and fine chemical products; researching, producing and applying reverse osmosis membrane and the equipment; promoting transfer technology, conducting all kinds of domestic and overseas cleaning business; designing, applying and serving automation engineering; self-managing and acting as agent for import and export businesses of all kinds of products and technologies (excluding the products and technologies which are limited for company operation or prohibited to import or export by China); contracting for overseas chemical engineering and domestic international bidding projects, exporting the equipment and materials needed for the above mentioned overseas projects; consultation services and housing rental.

(viii) Controlling Shareholder: China National Chemical Corporation

(2) Development conditions of Bluestar Group's main business in the past three years: Bluestar Group's main business includes material science, life science and environmental science. It owns a complete industrial chain of R&D, producing and sales regarding basic chemical raw material and new chemical material products, the main products of which include relevant products in relation to silica industry, engineering plastics, polyurethane, general plastics, phenol acetone, acrylic ester, polyethylene, polyether, methionine, Vitamin A/E, membrane materials, ionic membrane electrolytic cell, photovoltaic materials, etc.

As of the end of September 2018, the R&D and technical service organizations of the Bluestar Group are located in China, France, Australia, England, America, Brazil, Norway etc., with operations in more than 140 countries and regions. The Bluestar Group owns 69 research institutions and more than 50 factories. As of the end of September 2018, Bluestar Group owns three listed companies (Adisseo (600299.SH), Shenyang Huagong (000698.SZ) and Elkem (listed on Oslo Stock Exchange, Norway)), the shareholdings of which owned by Bluestar Group directly and indirectly are 89.09%, 46.03% and 58.20%, respectively.

In FY 2015, FY 2016, FY 2017 and the period from January to September this year, the revenues of Bluestar Group are RMB 48,164,646,000, RMB 47,766,337,500, RMB 55,511,455,500 and RMB 43,936,971,900, respectively and the net profits of Bluestar Group are RMB 2,011,737,700, RMB 912,578,600, RMB 757,029,700 and RMB 1,542,620,300, respectively. In the past three years and the latest period, Bluestar Group's business operation is stable.

(3) Relationship between Bluestar Group and the Listed Company in respect of property rights, businesses, assets, credit and debt, employees, etc.: The Listed Company and Bluestar Group operate independently in respect of the abovementioned aspects.

(4) Key financial indexes of BlueStar Group in the last year:

Key Financial Indexes (RMB)	As of December 31, 2017 / FY 2017 (audited)
Total Assets	102,783,780,986.30
Net Assets	24,251,204,063.26

Revenue	55,511,455,471.65
Net Profits	757,029,731.02

III. Basic information of the Target Company

1. The Target Company

(1) Type of transaction: external investment and related-party transaction

(2) Basic Information of the Target Company

(i) Company Name: Bluestar Adisseo Nutrition Group Limited

(ii) Shareholding Structure: the Listed Company holds 85% common shares in the Target Company, BlueStar Group holds 15% common shares in the Target Company, and Grandon Holdings Company Limited ("Grandon") holds 320,000,000 preferred shares in the Target Company.

(iii) Main business: investment and holding company

(iv) Issued share capital: 8,000,000,000 common shares, 0.00025 euro per share; 320,000,000 preferred shares, 1 dollar per share

(v) Paid-up share capital: 8,000,000,000 common shares, 0.00025 euro per share; 320,000,000 preferred shares, 1 dollar per share

(vi) Date of establishment: November 21, 2005

(vii) Registered address: Level 54, Hopewell Center, 183 Queen's Road East, Hong Kong

(3) Right of first refusal: The other shareholders of the Target Company do not have any rights of first refusal. The preferred shareholder Grandon has approved this Transaction.

(4) Ownership status: The target assets of the Acquisition is the 15% common shares Bluestar Group holds in Adisseo Nutrition Group ("Target Shares"), and the Target shares have clear property right, and is free of mortgage, pledge or any other restrictions on the share transfer. The Target Shares are not involving in any litigation, arbitration, seizure, freezing or other judicial measures, and there is no other circumstance impeding the share transfer.

(5) Key financial indexes of the Target Company in the last year and the latest period:

(i) Key financial indexes of the Target Company (on a consolidated basis) in the last year and the latest period:

Key Financial	As of December 31, 2017 / FY	As of September 30, 2018 /

Indexes (RMB)	2017 (unaudited)	January to September of FY 2018 (unaudited)
Total Assets	19,075,898,621	18,407,770,503
Net Assets	14,292,596,274	14,865,812,140
Net Assets attributable to Owners of Common Stock of the Parent Company	14,281,765,969	14,855,273,652
Revenues	10,397,823,108	8,525,305,727
Net Profits	1,614,469,473	894,219,479
Net Profits after deduction of nonrecurring profits and losses	1,575,490,403	881,415,808

The above figures are unaudited.

(ii) Key financial indexes of the Target Company (on an unconsolidated basis) in the last year and the latest period:

Key Financial Indexes (EUR)	As of December 31, 2017 / FY 2017 (unaudited)	As of September 30, 2018 / January to September of FY 2018 (unaudited)
Total Assets	634,602,407	630,378,349
Net Assets	500,103,073	627,994,311
Net Assets after deduction of preferred shares	207,854,954	394,195,815.60
Revenues	-	-
Net Profits	134,810,330	202,516,283
Net Profits after deduction of nonrecurring profits and losses	134,810,330	202,516,283

The above figures has been audited by KPMG. KPMG is qualified to conduct businesses of securities and futures and has issued an audit report (Bi Ma Wei Hua Zhen Shen Zi No. 1803309) for the target assets of this Transaction.

2. Determination of the price of the related-party transaction

According to the result of preliminary valuation conducted by DeveChina International Appraisals ("DeveChina Appraisal") (which has been jointly appointed by Bluestar Group and the Listed Company) which is qualified to conduct appraisal business in relation to securities and futures, the preliminary value of the 100% of common shares in the Target Company at the benchmark date of September 30, 2018 is RMB 24,095,035,800; and that of the Target Shares at the benchmark date of September 30, 2018 is RMB 3,614,255,400, and the final Consideration of the Target Shares shall equal to the final appraisal result provided in the assets appraisal report (which shall be issued by DeveChina and filed with ChemChina).

(3) Transfer of credit and debt: This Transaction does not involve with any transfer of credit or debt of the Target Company.

(4) Analysis on the pricing of the Target Shares and fairness and reasonability: The Consideration of this Transaction shall be subject to the appraisal result which shall be filed with competent state-owned regulatory authority.

IV. Main content and performance arrangement of the related-party transaction

On January 16, 2019, the Company signed a Share Purchase Agreement with Bluestar Group, the main content of which is as follows:

1. Parties: the Listed Company (as Purchaser) and Bluestar Group (as Seller)

2. Purchase price: According to the result of preliminary valuation conducted by DeveChina International Appraisals ("DeveChina Appraisal") (which has been jointly appointed by Bluestar Group and the Listed Company) which is qualified to conduct appraisal business in relation to securities and futures, the preliminary value of the Target Shares is RMB 3,614,255,400 at the benchmark date of September 30, 2018, and the final Consideration of the Target Shares shall equal to the final appraisal result provided in the assets appraisal report (which shall be issued by DeveChina and filed with ChemChina).

3. Payment: in cash

4. Payment schedule: the First Consideration equals to 50% of the Consideration (RMB 1,807,127,700) and the Purchaser shall pay the First Consideration to the Seller's designated bank account within five (5) Business Days from the First Closing Date; and the Second Consideration equals to 50% of the Consideration (RMB 1,807,127,700) and the Purchaser shall pay the Second Consideration to the Seller's designated bank account within five (5) Business Days from the Second Closing Date.

5. Closing arrangement: The Closing of this Transaction includes two steps. The target assets of the First Closing is 7.50% of common shares in the Target Company and that of the Second Closing is the remaining 7.50% of common shares in the Target Company. The First Closing shall take place on the First Closing Date at Room 6518, Beijing Haidian Garden Restaurant, No.30, East Garden Road, Haidian District, Beijing or at such other place as is agreed in writing by both Parties; and the Second Closing shall take place on the Second Closing Date at Room 6518, Beijing Haidian Garden Restaurant, No.30, East Garden Road, Haidian District, Beijing or at such other place as is agreed in writing by both Parties.

6. Closing conditions:

(1) The First Closing Conditions: this Transaction shall have been approved by both parties' competent internal authorities and obtained relevant authorities' approvals; the Appraisal Report of this Transaction shall have been filed with ChemChina; and no injunction, restraining order or other order or any other legal or regulatory objection, restraint or prohibition having been issued or made by any court of competent jurisdiction or any other governmental or regulatory authority which prevents the consummation of this Transaction contemplated by this Agreement, etc.

(2) The Second Closing Conditions: the First Closing has been consummated in accordance with this Agreement; the Seller shall deliver a duly signed statement to the Purchaser at the Second Closing Date stating that the Seller's representations and warranties under this Agreement are true, accurate, complete and valid prior to or on the Second Closing Date; and the Purchaser shall have received sufficient additional funds through the implementation of a refinancing or any other way of financing (including but without limitation, bank loans, etc.) made available to the Purchaser and the payments made by the Purchaser for the Second Consideration shall in no event cause any material adverse impact on the Purchaser's ordinary course of business.

7. Breach of contract: If any Party cannot fulfill its obligations or commitments under

this Agreement or the representations or warranties made by such Party have any false records, misleading statements or major omissions ("Breach"), all Losses (including reasonable expenses incurred to avoid such Losses) suffered by the other Party due to the Breach shall be fully reimbursed by such breaching Party.

8. Dispute resolution: Any dispute or claim arising from or in connection with this Agreement ("Disputes") shall be settled upon amicable consultation. If such Disputes cannot be settled within sixty (60) days from the date of such Disputes, either Party is entitled to submit the Disputes to Beijing International Arbitration Center in accordance with its arbitration rules applicable at the time when the arbitration proceedings are commenced. The seat or legal place of the arbitration shall be Beijing. There shall be three (3) arbitrators. The language of the arbitration shall be Chinese. The arbitration award shall be final and binding on both Parties.

V. Purpose of the related-party transaction and the relevant effect on the listed company

Through this Transaction, the Target Company will become the wholly-owned subsidiary of the Listed Company, which will help the Listed Company implement comprehensive management on the Target Company, improve the quality of business operation and enhance the core competitiveness. In the meanwhile, this Transaction will help the Listed Company further improve its financial conditions and operating results.

VI. Deliberation procedures shall be completed regarding the related-party transaction

On January 16, 2019, the Company held the third meeting of the 7th session of the Board and the meeting has approved the proposal on related-party acquisition of 15% common shares in Bluestar Adisseo Nutrition Group Limited. Related-party directors Hao Zhigang, Michael Koenig, Gerard Deman and Ge Yougen have abstained from voting when deliberating this proposal. This proposal was deliberated by unaffiliated directors and passed with 5 votes in favor, 0 objection, and 0 abstention.

1. The independent directors have approved this proposal in advance and issued opinions as follow:

After reviewing relevant materials, based on the principles of independence and objective judgment, we understand: this related-party transaction aligns with the Company's strategies of business and development and relevant laws, regulations and rules; and there is no circumstance that harms the benefits of the Company and its shareholders, especially the minority shareholders.

Therefore, we agree to submit this related-party transaction to the Board of Directors for deliberation.

2. The independent directors issued independent opinions on this proposal as follow: This proposal has been approved by us before submitting to the Board of Directors for deliberation.

After reviewing relevant materials, based on the principles of independence and objective judgment, we understand: this related-party transaction aligns with the Company's strategies of business and development and relevant laws, regulations and rules; and there is no circumstance that harms the benefits of the Company and its shareholders, especially the minority shareholders. When the Board of Directors deliberated this proposal, related-party directors have abstained from voting. The procedures of deliberation and voting complies with relevant laws, regulations, rules and the Company's Articles of Association.

Therefore, we agree on this related-party transaction.

3. The audit committee of the Board issued written opinions on this proposal as follows:
This related-party transaction is aligned with the Company's strategy of operation and development, and also complies with relevant laws, regulations and other regulatory documents. This transaction does not harm the interests of the Company and its shareholders especially the minority shareholders, and also will not affect the independence of the Company's business operation. Through this Transaction, Bluestar Adisseo Nutrition Group Limited will become the wholly-owned subsidiary of the Company, which will improve the Company's quality of business operation, and enhance the core competitiveness. Therefore we agreed on the above related-party transaction.

This Transaction shall be submitted to the SH meeting of the Listed Company for deliberation and approval. Related-party shareholders Bluestar Group and Beijing Rubber Industry Research Design Institute shall abstain from voting in such shareholders' meeting.

The assets appraisal report of This Transaction shall be filed with competent state-owned regulatory authority and the Transaction shall be approved by competent state-owned regulatory authority.

This Transaction shall complete the filing procedures in relation to ODI with NDRC and MOC and relevant foreign exchange registrations.

VII. Filing documents

1. Advanced opinions of independent directors

2. Independent directors' opinions

3. Written opinions of audit committee of the Board

4. Audit report

It is hereby announced.

Board of Directors
January 16, 2019

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