Stock Code: 600299 Stock Name: Adisseo No: 2021-009

Bluestar Adisseo Company

Announcement on Change of Accounting Policies

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.

Prompts for Important Content:

- The change of accounting policies has no significant impact on the Company's financial position, operating results and cash flows of the Company.

I. Overview of Changes of Accounting Policies

(I) Reason for change

On 7th December 7 2018, the Ministry of Finance issued *the Notice on Revising and Printing the Accounting Standards for Business Enterprises No. 21 - Leasing (CK [2018] No. 35)* (hereinafter referred to as the "new leasing standards"), which requires that enterprises listed both domestic and abroad as well as enterprises listed overseas and preparing financial statements by adopting *International Financial Reporting Standards* or *Accounting Standards for Business Enterprises* shall take effect from 1st January 2019; Other enterprises that implement the new leasing standards shall take effect as of 1st January 2021.

(II) Date of change

To implement the provisions and requirements of the new leasing standards, Bluestar Adisseo Co., Ltd. (hereinafter referred to as the "company") will implement the new leasing standards from 1st January 2021.

(III) Accounting policies adopted before the change

Before the change, the company implemented the *Accounting Standards for Business Enterprises - Basic Standards* and *Various Specific Accounting Standards* issued by the Ministry of Finance, the guide to the application of *Accounting Standards for Business Enterprises*, the explanatory notice of *Accounting Standards for Business Enterprises* and other relevant regulations.

(IV) Accounting policies adopted after the change

After this change, the company will implement the provisions in the new leasing standards issued by the Ministry of Finance. Other unchanged parts shall still be implemented in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* and *Various Specific Accounting Standards* issued by the Ministry of Finance in the earlier stage, the guide to the application of *Accounting Standards for Business Enterprises*, the explanatory Notice of *Accounting Standards for Business Enterprises* and other relevant provisions.

(V) Deliberation and Voting of the Board of Directors

The company held the Fourteenth Meeting of the 7th Board of Directors on 30th March 2021, deliberating and passing the Proposal on Change of Accounting Policies. The proposal was passed with 9 votes in favor, 0 objection, and 0 abstention. There is no need to submit it to the general meeting of shareholders for deliberation.

II. Specific situation and impact on the company

(I) The main content of the accounting policy change

1. Under the new leasing standards, except for short-term leasing and low-value asset leasing, the lessee will no longer distinguish between financial leasing and operating leasing. All leases will adopt the same accounting treatment, and the right to use assets and lease liabilities must be recognized.
2. For the right to use assets, if the lessee can reasonably determine that the ownership of the leased assets will be acquired at the end of the lease term, the depreciation shall be accrued within the remaining service life of the leased assets. If it is impossible to reasonably determine whether the ownership of the leased asset can be obtained at the end of the lease term, the depreciation shall be accrued within the shorter of the lease term and the remaining service life of the leased asset. At the same time, the lessee should determine whether the right to use assets are impaired and carry out accounting treatment for the identified impairment loss.
3. For lease liability, the lessee shall calculate the interest expense of the lease liability in each period of the lease term and include it in the current profit and loss.
4. For short-term lease and low value asset lease, the lessee can choose not to recognize the right to use assets and lease liabilities, and include them in the relevant asset cost or current profit and loss according to the straight-line method or other systematic and reasonable methods in each period of the lease term.

(II) The influence of accounting policy change on the company

The change of accounting policy has no significant impact on the total assets, total liabilities, net assets and net profit of the company.

III. Opinions of Independent Directors, Board of Supervisors

The independent directors believe that the change of accounting policy is made by the company according to the latest regulations of the Ministry of Finance, in line with the regulatory regulations of the Ministry of Finance and China Securities Regulatory Commission, which can objectively and fairly reflect the financial situation and operating results of the company and is in line with the interests of the company and all shareholders. There is no damage to the interests of the company and its small and medium shareholders. We agree on this change of accounting policy.

The board of supervisors believe that the accounting policy change is a reasonable change in accordance with the new leasing standards issued by the Ministry of Finance, which can reflect the company's financial situation and operating results more objectively and fairly and provide more accurate accounting information for investors. The decision-making process of this accounting policy change complies with the provisions of relevant laws, regulations and the *Articles of Association*, and does not harm the interests of the company and all shareholders. We agree on this change of accounting policy.

IV. Attachment

(I) The Resolutions of the Fourteenth Meeting of the 7th Session of Board of Directors

(II) The Resolutions of the Twelfth Meeting of the 7th Session of Board of Supervisors Resolutions

(III) Independent Directors' Independent Opinions

It is hereby announced.

Board of Directors
Date: 30th March 2021

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