Securities Code: 600299　　Securities Abbreviation: Adisseo　　　No.: Temp 2016-009

BlueStar Adisseo Company

Announcement of Daily Connected Transaction

The Company and all members of its Board of Directors guarantee that the contents of this announcement are authentic, accurate and complete, and assume several and joint liabilities for any false information, misguiding statement or material omission in this announcement.

Important Notice:

- **Whether need to submit to the approval of Shareholding's meeting or not: No**

- **Impact to the company arising from the daily connected transactions: The daily connection transactions to be incurred in 2016 are all normal operation activities and the pricing of the connected transactions will strictly follow the marketing arm-length principle of being open, fair and just. The Company will not rely on those related parties substantially.**

On the 4th meeting of the Company's sixth board of directors, the board unanimously adopted this connected transaction upon deliberation. Taken into consideration of the forecasted connected transaction will be quite limited, it is unanimously agreed by the board that the overall Operation Service Agreement with Chemchina will not be renewed upon its validity period in 2016. Instead, separate agreements will be signed by the Company with related party when business required based on arm-length pricing principal.

I　General information of daily connected transactions

(I)　The procedure of deliberations of the daily connected transactions

On the 4th meeting of the Company's sixth board of directors, the board unanimously adopted this connected transaction upon deliberation. Taken into consideration of the forecasted connected transaction will be quite limited, it is unanimously agreed by the board that the overall Operation Service Agreement with Chemchina will not be renewed upon its validity period in 2016. Instead, separate agreements will be signed by the Company with related party when business required based on arm-length pricing principal. Two associated directors withdrew from the voting, and the Company's three independent directors Zhou Guommin, Song Lixin and Jean Falgoux issued beforehand approval and independent opinions on this matter.

(II)　Daily connected transactions in 2015 and prediction on daily connected transactions in

2016

The sum of actual incurred annual connected transactions for 2015, as audited, was CNY747 million, including RMB732 million incurred actually by the purchasing and sale of products, and RMB15 million incurred actually by comprehensive services. It's predicted that, the sum of annual connected transactions for 2016 will not exceed RMB95 million at the most. The sharp decreases is due to the completion of the major assets restructuring in Oct 2015.

The breakdown of the actual connected transaction in 2015 shown as below:

Unit: Yuan

Associated Parties	Type of connected transactions	Pricing principle	Dec. 31, 2015
Gansu Bluestar Cleaning Technology Co., Ltd.	Purchase of goods	Market price	201,073,186
Anhui Yuhe Agricultural Production Material Co., Ltd.	Purchase of goods	Market price	51,186,829
China Bluestar Harbin Petrochemical Co.,Ltd.	Purchase of goods	Market price	35,711,460
Bluestar Organic Silicon Investment Co.,Ltd.	Purchase of goods	Market price	12,255,710
Nanjing Bluestar Chemical New Material Co., Ltd.	Purchase of goods	Market price	42,536,645
Wuxi Bluestar Petrochemical Co., Ltd.	Purchase of goods	Market price	6,980,000
Gansu Bluestar Cleaning Technology Co., Ltd.	Accepting engineering services	Market price	4,316,992
Others	Purchase of goods/ receiving labor services	Market price	53,724,869
Total Purchase of goods/services			407,785,691
Dezhou Shihua Chemical Co., Ltd.	Sales of goods	Market price	56,275,459
Bluestar Organic Silicon Investment Co.,Ltd.	Sales of goods	Market price	52,348,103
Jiangsu Anpon Electrochemical Co., Ltd.	Sales of goods	Market price	43,698,318
Jinan Yuxing Chemical Co., Ltd.	Sales of goods	Market price	42,882,013
Qinyang Changhuai Electric Power Co.,Ltd.	Sales of goods	Market price	37,866,629
China Bluestar Harbin Petrochemical Co.,Ltd.	Sales of goods	Market price	23,577,574

Associated Parties	Type of connected transactions	Pricing principle	Dec. 31, 2015
Beijing Chemical Machinery Co., Ltd.	Sales of goods	Market price	21,444,199
Jiangsu Huaihe Chemical Co., Ltd.	Sales of goods	Market price	10,197,020
Bluestar Silicones France SAS	Sales of Services	Market price	10,417,733
Others	Sales of goods/providing services	Market price	40,440,966
Total Sale of goods/services			339,148,014
Total amount of connected transactions			746,933,705

(For details, please refer to the contents of connected transactions in the footnotes to the Annual Report of the Company.)

Details of forecasted connected transactions in 2016: Unit: Yuan

Associated Parties	Type of connected transactions	Pricing principle	2016
Nanjing Bluestar Chemical New Material Co., Ltd.	Purchase of goods	Market price	67,383,000
Bluestar Gansu Cleaning Technology Co., Ltd.	Purchase of services	Market price	9,858,000
Bluestar Silicones France SAS	Sales of Services	Market price	16,800,000
Total			94,041,000

II. Introduction of Related Parties: Chemchina and its affiliates

ChemChina: China National Chemical Corporation. Legal representative: REN Jianxin; registered capital: RMB11,010,025,968; scope of main businesses: The production and sale of chemical raw materials, chemical products, chemical minerals, plastics, tires, rubber products, membrane equipment, and chemical equipment; the production and sale of mechanical products, electronic products, instruments and meters, building materials, textiles, light industry products, forest products, and forest-chemical products; the research, development, design and construction of chemical equipment, chemical cleaning, anti-corrosion, petrochemical, and water treatment technologies; technical consulting, information service, and equipment leasing.

Connected relationship: ChemChina holds 63.58% shares of China National BlueStar

(Group) Co., Ltd.; China National BlueStar (Group) Co., Ltd is the Company's controlling shareholder, and holds 89.09% shares of the Company.

Chemchina's business operation is in normal situation and has adequate contract execution ability.

III. Main Contents and Pricing Policy for the Connected Transaction

1. The main purpose of the connected transaction is to provide comprehensive services and purchasing & sale of products.
2. .Pricing method:

① Comprehensive services: ChemChina provides the Company with supply and services of related water, electricity, steam, cold quantity, nitrogen, sewage treatment and means of transport, etc.. The Company provides ChemChina with the supply and service of steam, electricity, cold quantity, nitrogen, sewage treatment, and means of transport, etc., and ensures the balance for use of the Company.

a. Where national authorities have compulsory pricing, the pricing standard shall be executed;

b. Where there is no governmental pricing, the normal and fair price of similar services provided by third parties at the transaction place shall be referred to;

c. Where there is no third party price for reference, the actual cost of services provided by the supplier plus 5% profit shall be referred to;

d. The fees collected previously by the 3rd-party supplier for related services.

② Purchasing and sale of products: The Company purchases partial raw materials necessary for its production from ChemChina, and sells PBT, epoxy resin, biphenol A, organic silicon series products, etc.. The following prices at the time of transaction shall be referred to:

a. Where the price is regulated by China, such price shall be executed;

b. Where there is applicable industrial price standard, such price standard shall be executed;

c. Where there is no applicable industrial price standard, local market price shall be executed.

3. Settlement method: cash settled

4. Scope:

a. The counterparties are the subsidiaries and branches of ChemChina, no matter it is a legal entity or not.

b. Adisseo and its subsidiaries or branches, no matter it is a legal entity or not.

IV. The objective of the connected transaction and the influence of the connected transaction on listed company

The Company's board of directors considers that, the connected transaction will be able to ensure the continuous supply on related raw materials, partial energy resources and logistics services which are lacked for the Company's normal production and operation, and meanwhile, the Company can sell surplus energy resources to the other parties, which brings benefits to the Company with a fair transaction price. Thus, it is beneficial for the interests of the Company and all stockholders. Thanks to the strict implementation of the arm-length pricing principal, the connected transactions does not have negative impact on the Company's current or future financial positions or operations. Instead, it brings positive impact on the Company's continuous operation capability, profit earnings as well as the asset healthiness. The Company will not have strong rely on the connected transactions.

V. Opinions of Independent Directors

The Company's three independent directors Zhou Guommin, Song Lixin and Jean Falgoux unanimously consider that, the connected transaction strictly follows the Company's Connected Transaction Management System, meets the requirement of that associated directors withdraw from voting, persists with the principles of being open, fair and just, and does not involve any inside transaction. The transaction is necessary for the Company, and also, the transaction price is fair and reasonable, does not impair the benefits of the Company and non-associated stockholders, and it is fair to all stockholders. The connected transactions does not have negative impact on the Company's current or future financial positions or operations. Instead, it brings positive impact on the Company's continuous operation capability, profit earnings as well as the asset healthiness. The Company will not have strong rely on the connected transactions. It is unanimously adopted the connected transaction deliberated in the board.

VI. Reference Documents

1、Announcement on the Resolutions at the 3rd Meeting of the Sixth Board of Directors of the Company;

2、Announcement on the Resolutions at the 2nd Meeting of the Sixth Board of Supervisors of the Company;

3、Independent Opinions of Independent Directors on the Connected Transaction.

Respectively submitted,

BlueStar Adisseo Company
Board of Directors
April 13, 2016