Bluestar Adisseo Company

General Assembly of Shareholders for FY2016

Meeting Materials

19 May 2017

Bluestar Adisseo Company

Agenda for the Annual Meeting of Shareholders for FY2016

Time of On-site Meeting: 19 May 2017 (Friday) 2:00 p.m.

Venue: meeting room in Bluestar Building, 9 Beituchengxi Road, Chaoyang District, Beijing

Host: Gerard Deman, the Chairman

Attendee:

1. Shareholders holding the Company's shares on the record day
   The record day for the shareholders' meeting is 12 May 2017. Shareholders who are registered in book by China Securities Depository and Clearing Corporation Limited (CSDC) Shanghai Division after the trading market is closed on the record day are entitled to attend the shareholders' meeting. They may also appoint proxies in writing to attend and vote. The proxies can be non-shareholders.
2. Directors, supervisors and senior management
3. Lawyers engaged by the Company

Agenda

I. The host launches the meeting with welcome speech.

II. The Board Secretary delivers the voting rules and highlights.

III. Electing vote counters and scrutineer.

IV. Attendees deliberate and discuss the following proposals:

1. Proposal on 2016 Annual Report and the Executive Summary (see Material 1 for details)

2. Proposal on 2016 Annual Accounts (see Material 2 for details)
3. Proposal on 2017 annual budget (see Material 3 for details)
4. Proposal on Board's Report for FY2016 (see Material 4 for details)
5. Proposal on Board of Supervisors' Report for FY2016 (see Material 5 for details)
6. Proposal on 2016 Annual Plan of Dividend Distribution (see Material 6 for details)
7. Proposal on engagement of KPMG Huazhen LLP as accounting and internal control auditor for FY2017 (see Material 7 for details)
8. Proposal on renewal of D&O insurance policy (see Material 8 for details)
9. Proposal on election of director (see Material 9 for details)

9.01 Candidate: Michael Koenig

V. Listening to Independent Directors' Report for FY2016

VI. Q&A Session for Shareholders.

VII. Shareholders vote.

VIII. Votes cast on-site are counted and announced.

IX. Break and combing online and on-site voting results.

X. The results of voting are announced.

XI. Lawyers read the legal opinion.

XII. Directors, supervisors and the board secretary sign.

XIII. The meeting ends.

Bluestar Adisseo Company

Annual Meeting of Shareholders for FY2016

Notes on the Meeting

I. The Office of the Board Secretary is in charge of organization of the meeting and handling relevant matters.

II. The board of directors protects legitimate benefits and rights of shareholders in the principle of ensuring the order and efficiency of the meeting as well as exercising its legal duties and responsibilities.

III. Shareholders attending the meeting have legal rights of speaking, inquiring and voting, etc.

IV. Shareholders shall register with the Office of the Board Secretary before speaking in the shareholders' meeting. The total time of shareholders' speeches shall generally be limited to 30 minutes. In case more than one shareholder asks to speak, the host shall arrange the sequence of speaking in terms of shareholding, where shareholder with most shares speaks first. Shareholder shall report its shareholding before speaking. Generally each shareholder shall not speak for longer than 5 minutes.

V. To enhance the efficiency of the meeting, after the ending of shareholders' speeches related to the proposals, the voting shall begin immediately. The registration of the meeting closes before the voting.

VI. The meeting adopts both on-site voting and online voting.

VII. Shareholders attending the shareholders' general meeting shall exercise their legal obligations seriously. They shall not violate other shareholders' rights and benefits, neither shall they disturb the order of the meeting.

Bluestar Adisseo Company
Office of the Board Secretary

Material 1

Proposal on 2016 Annual Report and the Executive Summary

Dear Shareholders,

In compliance with *the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 - Contents and Formats of Annual Reports (2016 Revision)* issued by China Securities Regulatory Commission ("CSRC") and *Shanghai Stock Exchange Listing Rules (2014 Revision)*, etc., the board of directors of Bluestar Adisseo Company (the "Company"), deliberated and passed the Company's 2016 Annual Report and the Summary Version. Kindly find 2016 Annual Report and the Executive Summary released on 30 March 2017 on *China Securities Journal*, *Shanghai Securities News* and the official website of Shanghai Stock Exchange (www.sse.com.cn).

Please review the above proposal.

Material 2

Proposal on 2016 Annual Accounts

Dear Shareholders,

2016 Annual Accounts contain the balance sheet, the statement of income, the statement of cash flows and the statement of owners' equity, etc., as of 31 December 2016. KPMG Huazhen LLP has audited such documents and issued an unqualified audit opinion. For details please kindly find in *Audit Report for FY2016 and Audited Financial Statements* and "Section 11 Financial Statements" of *2016 Annual Report* released on 30 March 2017 on *China Securities Journal*, *Shanghai Securities News* and the official website of Shanghai Stock Exchange (www.sse.com.cn).

Please review the above proposal.

Material 3

Proposal on 2017 Annual Budget

Dear Shareholders,

According to requirements of CSRC, SSE, AOA and the actual operation situations in the year of 2016, the Company composes 2017 annual budget.

Based on the financial performance of last several years, the Company, in line with the principle of prudence, has set up the revenue target for FY2017 as 99.3 (100milCNY) and net profit attributable to shareholders of Company as 11.6 (100milCNY) using Euro/RMB exchange rate of 7.16.

Special Note: This budget is Company's internal management KPI only and does not suggest Company's profit forecast for FY2017. Actual performance is subject to the economic circumstances, demand in the market, and other uncertain factors.

Please review the above proposal.

Material 4

Proposal on Board's Report for FY2016

Dear Shareholders,

During the year of 2016, the Company's board carried out the development policy steadily and proactively to strengthen the management of operation in all aspects. The board accomplished the major operation tasks of this year soundly. For the Company's development in the year of 2017 and in the future, the board will continue to focus on major direction. For details of summary, development strategy and the business plan, please kindly see attached the Board's Report for FY2016.

Please review the above proposal.

Attachment: Board's Report for FY2016

Bluestar Adisseo Company

Annual Board Report

I. The Board of Directors' Discussion and Analysis of the Company's Operations during the Reporting Period

1. Discussion and Analysis of the Operation

Adisseo's businesses focus on research, development, production and sale of feed additives for animal nutrition. Its main products are classified within 3 categories of products: Performance products, Specialty products, and Other Products for other animal feed additives.

Its performance, financial position and future are affected by the global macro economy. Although the global macro economy has demonstrated signs of slow recovery, significant disparity exists among the recovery process for each competitor. Debt crisis, trade imbalances and exchange rate fluctuations also increase the uncertainty of such recovery. Thanks to that fact that Adisseo is a key important player in the food value chain, Adisseo has high resilience in facing with those uncertainties, which can be proved by the stable profit generation in the past 10 years.

Adisseo faces competition from large and well-known companies with strong financial positions as well as competition from smaller companies in the regional or local markets.
Indeed, longer term capacity additions on methionine through to the end of 2020 have been announced by SCC Novus, CUC, NHU and Evonik.
CJ is advancing with their objective to diversify towards more competitive raw material sources, as its production process is partially independent from petroleum based raw materials.

Adisseo has taken steps to improve its competitiveness, including tightening cost control, improving production technologies, providing value-added services and increasing its production capacity:

- Second phase engineering of the Nanjing plant has been launched in 2016. The aim is to increase production capacity to 140kT. The Nanjing plant has become one of the world's largest and lowest cost of liquid methionine production base by the fully vertical integration of the production process and world-class manufacturing capability.

- Adisseo is actively preparing future development by combining extensions and debottlenecking of existing production facilities, as well as by studying new potential sites.
- Adisseo also continually heavily invests in methionine related studies so as to make sure that it will take the leading position in technology and as such is always intending to provide break-through innovation in the industry.
- Specialty products are under active development as a second pillar to enhance animal performance and health. Adisseo actively explores innovative products and launches one new product per year, as it is confident about the great potential of these products in the near future.

2016 results

2016 BAC consolidated net profit (RMB 2,316 million) includes solely Adisseo business, while 2015 BAC consolidated result included 6 months of BNCM business (net loss of around RMB 800 million) and 12 months of Adisseo business (net profit of RMB 2,802 million).

In (100 million) Yuan	**2016**	**2015 Pure Adisseo business**	**Change (%)**
Operating revenue	106.9	122.0	*- 12%*
Net cash flow arising from operating activities	30.5	37.8	*- 19%*
Net profit attributable to shareholders	18.7	24.2	*- 23%*
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	18.7	24.1	*- 23%*
Basic earnings per share (Yuan/ share)	0.70	0.92	*- 24%*

2016 business trends are in line with expectations and reflect the combined impacts of:

- Additional production capacities allow volumes steadily increased as expected, except for the ruminants business due to the global dairy market crisis which is now ended. Adisseo announced the Polar project for end of 2018. It is a significant extension of the Les Roches (France) and Burgos (Spain) facilities, in order to expand production of liquid methionine and to meet Adisseo's customers demand;
- A less favorable market environment in the methionine business, after an exceptional 2015 year, as expected;

- A rigorous cost control and plant's management that ensure a good level of profit margin in a context of a decreasing pricing on methionine;
- Improved prices and margins on vitamins;
- New specialty products launches at a space of one per year over the last 4 years. The increase in operating revenue in specialties product reflects Adisseo's constant innovation and the success of new products. During 2016, Adisseo pursued the development of Alterion®, a new probiotic product, in partnership with Novozymes. This probiotic product improves feed performance and provides a natural alternative to antibiotic growth promoters on poultry farms;
- Favorable economic environment with stronger US$ and lower energy & raw material costs.

Due to these factors, 2016 net profit attributable to shareholders is above budget.

2017 outlook

- Safety is Adisseo first priority. In 2017, it will pursue its zero accident objective and further improve its safety performance.
- Demand for methionine will continue to grow on a global basis at a rate of around 5.0 – 6.0% per annum but this is not sufficient to absorb recent expansions. Adisseo objective is to maintain its global leadership and market share by better capturing growth from the methionine market (liquid and powder forms) and remaining flexible at serving customers' needs.
- Proactive price management of Performance products will be key to achieve Adisseo's performance.
- On Specialties development, after the launch of Selisseo® (a Specialty product based on selenium) in 2014, Advance® (a new enzyme product) in 2015 and Alterion® in 2016, Adisseo will continue to invest to develop with an objective to launch one new product on the market every year.
- Adisseo will launch additional savings plan in SG&A (Selling and General&Adminsitrative expenses) in all entities to limit potential gap with expectations.
- The global dairy market crisis ended: Smartamine volumes will strongly increase.
- Adisseo always benefits from the impact of strong US Dollar and low raw material cost due to Brent oil, even if it is increasing.
- Adisseo will also focus on environmental impacts.

2. Analysis of main changes in items of profit & loss statement and cash flow statement

Unit: Yuan Currency: RMB

Items	Amount of current period	Amount in the same period of last year	Change (%)

Operating revenue	10,688,263,140	15,173,331,658	-30%
Cost of sales	5,618,473,986	8,906,372,900	-37%
Selling and distribution expenses	900,475,273	952,871,565	-5%
General and administrative expenses	849,592,390	980,573,478	-13%
Financial expenses	(32,392,590)	502,569,156	106%
Net cash flow from operating activities	3,053,923,615	3,555,802,311	-14%
Net cash flow from investing activities	(609,768,378)	(997,053,575)	160%
Net cash flow from financing activities	(751,646,313)	798,518,058	194%
Research and development expenditure	243,211,995	165,471,057	47%

3. Income and cost analysis

Analysis by industry, by product and by region

Main operations by industry						
By industry	Operating revenue	Cost of sales	Gross profit ratio (%)	Increase/de-crease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Health and Nutrition	10,688,263,140	5,618,473,986	47%	-12%	-5%	-4 %

Main operations by product						
By product	Operating revenue	Cost of sales	Gross profit ratio (%)	Increase/decrease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Performance products	8,734,157,910	4,568,963,128	48%	-15%	-8%	-4%
Specialty	1,357,009,68	684,284,187	50%	-2%	11%	-5%

products	6					
Other products	597,095,544	365,226,671	39%	17%	6%	7%
Total	10,688,263,140	5,618,473,986	47%	-12%	-5%	-4%

Main operations by region						
By region	Operating revenue	Cost of sales (*)	Gross profit ratio (%)	Increase/decrease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Europe / Africa/MO	3,399,606,010			-13%		
North & Central America	2,094,702,587			-3%		
Asia / Pacific (excluded China)	1,755,642,101			-15%		
South America	1,725,907,555			-17%		
China	1,410,838,352			-16%		
Other	301,566,535			-5%		
Total	**10,688,263,140**			**-12%**		

Explanation on main business by industry, by product and by regions

√Applicable ☐ Not applicable

(*) The Company discloses only operating revenue by region due to the fact that neither operating cost, nor gross margin are monitored by region.

Performance products are mainly driven by the methionine business. This year, Adisseo faced with a less favorable market environment, after an exceptional 2015 year, as expected. It generated a price decrease on the methionine market and thus leading to a decrease in operating income by 15%. Thanks to a rigorous cost control and plant’s management, as well as positive external factors (stronger US$/€ impact and low raw material cost due to Brent oil), operating expenses have decreased by 8%. The combination of these impacts and a high profitability of the sulfuric business resulted in a decrease in gross profit ratio by 4%.

Operating revenue in Specialty products is quite stable despite the effect of 2016 global dairy market crisis on ruminants' volumes. The decrease in ruminants' volumes is offset by an increase in enzymes volumes sold.

Regions where Adisseo business is developing are mostly Asia Pacific, China and South America.

Analysis of the factors impacting the income from sale of products

In comparison with 2015	**Change in Volume**	**Change in sales price**	**Exchange rate impact**
Performance products	470,776,137	(2,501,885,118)	454,275,511
Specialty products	(57,935,035)	(47,369,876)	81,420,257

Adisseo's operating revenue in 2016 totaled RMB 10,688,263,140 and decreased by 17% at constant EUR/CNY rate (i.e. -12% at current EUR/CNY rate), compared to 2015.

Operating revenue from Performance products decreased by 15% due to the impact of price decrease on the methionine market, which has been partially compensated by higher volumes of methionine products sold and increase in vitamins selling prices in comparison with 2015.

Cost analysis table

Unit: Yuan

By industry							
By industry	Cost composition items	Amount of current period	Proportion to the total cost of current period (%)	Amount of the same period of last year	Proportion to the total cost of the same period of last year (%)	Proportion of change in the amount of current period over the same period of last year (%)	Explanation
Health and Nutrition		5,618,473,986	100%	5,941,636,279	67%	-5%	Positive impact of low raw material cost.

By product							
By product	Cost composition items	Amount of current period	Proportion to the total cost of current period (%)	Amount of the same period of last year	Proportion to the total cost of the same period of last year (%)	Proportion of change in the amount of current period over the same period of last year (%)	Explanation
Performance products	Raw materials, purchased equipment and consumables used (67%), Depreciation and amortization (12%), Other (21%)	4,568,963,128	81%	4,980,878,515	56%	-8%	Positive impact of low raw material cost.
Specialty products	Raw materials, purchased equipment and consumables used (72%), Depreciation and amortization (8%), Other (20%)	684,284,187	12%	615,935,606	7%	11%	Unfavorable impact of exchange rate €/CNY and slight increase in manufacturing fixed costs for ruminants.
Other products	Raw materials, purchased equipment and consumables used (48%), Depreciation and amortization (21%), Other (31%)	365,226,671	7%	344,822,158	4%	6%	Unfavorable impact of exchange rate €/CNY

4. Expenses

Items	Amount of current period	Amount in the same period of last year	Change (%)
Selling and distribution expenses	900,475,273	952,871,565	-5%
General and administrative expenses	849,592,390	980,573,478	-13%
Financial (income)/expenses	(32,392,590)	502,569,156	-106%

The decrease of financial expense is mainly due to interests earned on BAC funds and the increase in currency exchange result in 2016.

5. R&D expenditures

Unit: Yuan

Research and development expenditure recorded in expenses of current period	243,211,995
Research and development expenditure capitalized of current period	2,437,345
Total research and development expenditure	245,649,340
Proportion of total research and development expenditure to operating revenue (%)	2.30%
R&D headcount as of December 31 2016	145
% of R&D headcount over total headcount	7%
% of capitalized R&D expenditure over total amount	0.99%

6. Cash flow

The Adisseo net cash flow from operating activities amounts to RMB 3,053,923,616 compared to RMB 3,779,933,760 last year (at Adisseo scope). Including BNCM activities, the net cash flow from operating activities amounted to RMB 3,555,802,311 in 2015.

The decrease of net cash flow from operating activities compared to the same period of last year is explained by:

- RMB -898 million (-24%) due to the decrease in Adisseo's sales (Adisseo scope);
- RMB 172 million (5%) due to changes in the EUR/CNY currency exchange rate (Adisseo scope);
- RMB 224 million (-100%) due to the exchange-out of BNCM in the Restructuring, i.e., the BNCM activities between 1/1/2015 – 06/30/2015.

The economic performance of Adisseo mainly explains the still high level of cash generated. The operating cash flow generated by Adisseo enabled to invest RMB 616,666,994, reimbursed various debt for an amount of RMB 11,700,913 and paid dividends for an amount of RMB 771,642,413.

7. Analysis of assets and liabilities

Information of assets and liabilities

Unit: Yuan

Items	As at December 31 , 2016		As at December 31, 2015		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
Cash at bank and on hand	6,681,296,187	34%	4,941,121,304	28%	35%	Increase related to Adisseo business performance
Advances to suppliers	71,815,235	0%	42,894,418	0%	67%	Increase linked to new suppliers in China
Interest receivable	1,040,703	0%	493,308	0%	111%	Interest on BAC funds
Other current assets	468,296,784	2%	295,953,999	2%	58%	French VAT credit repayment postponed to January 2017
Available-for-sale financial assets	14,334,527	0%	3,275,648	0%	338%	Minority stakes investments in French start up
Long-term prepaid expenses	2,367,403	0%	7,804,167	0%	-70%	Amortization of capitalized fees
Deferred tax assets	164,911,390	1%	92,237,712	1%	79%	Decrease in enacted tax rate in France from 2020 strongly impacted net deferred tax balance
Other non-current assets	2,747,272	0%	11,171,808	0%	-75%	Transfer of prepayment due to property & equipment received
Derivative financial liabilities	68,508,557	0%	19,717,561	0%	247%	Change related to hedging of EUR/USD
Advances from customers	20,811,000	0%	11,402,470	0%	83%	Increase of receipt in advance in China

Items	As at December 31 , 2016		As at December 31, 2015		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
Interest payable	5,543,874	0%	3,132,185	0%	77%	Interests on profit sharing, increase due to the profit increase in 2015
Dividends payable	104,121,900	1%	0	0%	100%	Dividends not paid yet
Current portion of non-current liabilities	117,170,579	1%	84,893,599	0%	38%	Increase in provision
Other current liabilities	18,639,860	0%	13,329,420	0%	40%	Deferred income
Long-term employee benefits payable	647,814,349	3%	280,982,475	2%	131%	Profit sharing increase due to the profits increase in 2015
Provisions	29,196,374	0%	158,006,336	1%	-82%	
Other comprehensive income	(860,732,283)	-4%	(1,329,496,651)	-7%	35%	Impact of exchange rate EUR/CNY
Surplus reserve	256,211,737	1%	137,670,120	1%	86%	Allocation of 10% of the distributable profits of BAC

II. Overview of 2015 board meeting and shareholders' board meeting

1. Attendance of directors at board meetings and general shareholders' meetings

Name of Directors	Independent directors	Attendance at Board meetings						Attendance at general shareholders' meetings
		Required attendance at Board meetings in the term of office this year	Attendance in Person	Participation by other communications	Attendance by proxy	Absence	Consecutively Absent From two meetings	Attendance frequency at the general meeting of shareholders
Gérard Deman	N	6	3	3	0	0	N	1
Wang Dazhuang	N	6	3	3	0	0	N	1
Jean-Marc Dublanc	N	6	3	3	0	0	N	1
Fang Yang	N	5	2	3	0	0	N	1
Jean Falgoux	Y	6	1	5	0	0	N	1
Song Lixin	Y	6	3	3	0	0	N	1
Zhou Guomin	Y	6	2	4	0	0	N	1

Number of Board meetings held this year	6
Including: Number of meetings held on-site	1
Number of meetings held by other communications	2
Number of meetings held on-site combined with other communications	3

2. Board Meetings and Proposals of Each Meeting

Board Meetings	Proposals
The 4th Meeting of the 6th Board of Directors	Deliberated and passed the proposal in respect of 2015 Annual Report and the Summary Version; the proposal in respect of 2016 Annual Budget; the proposal in respect of 2015 Annual Financial Report; the proposal in respect of 2015 and 2016 day-to-day related-party transactions; the proposal in respect of 2015 Report of the Board of Directors; the proposal in respect of 2015 Independent Director Report; the proposal in respect of 2015 Annual Plan of Dividends Distribution; the proposal in respect of amending the Rules for the Work of Independent Directors; the proposal in respect of amending the Management System of Investor Relations; the proposal in respect of amending the Rules for the Work of the General Manager; the proposal in respect of amending the Management System of Related-party Transactions; the proposal in respect of amending the Management System of Funds Transfer between Related-parties; the proposal in respect of amending the Management System of External Guarantees; the proposal in respect of amending the Management System of External Investments; the proposal in respect of amending the Management System of Use of Raised Funds; the proposal in respect of amending the Accountability System for Major Errors in Information Disclosure of Annual Reports; the proposal in respect of nomination of WANG Peng as the secretary of the board of directors; the proposal in respect of 2015 Special Report of Deposits and Actual Use of Raised Funds; the proposal in respect of waiver of Internal Control Self-Appraisal and Audit Report; the proposal in respect of appointment of KPMG Huazhen LLP as the Company's 2016 annual financial and internal control auditor; and the proposal in respect of D&O insurance policy renewal
The 5th Meeting of the 6th Board of Directors	Deliberated and passed the proposal in respect of 2016 Q1 Report; and the proposal in respect of dividends distribution
The 6th Meeting of the 6th Board of Directors	Deliberated and passed the Proposal on Convening the Annual Meeting of Shareholders for FY2015

The 7th Meeting of the 6th Board of Directors	Deliberated and passed the proposal on 2016 H1 Report and the Executive Summary; and the proposal on Special Report of Deposits and Actual Use of Raised Funds
The 8th Meeting of the 6th Board of Directors	Deliberated and passed the proposal on 2016 Q3 Report
The 9th Meeting of the 6th Board of Directors	Deliberated and passed the proposal on the Polar Project

III. Board of Directors' Discussion and Analysis of the Company's Future Development

1. Basic information of the subdivided sectors industry and the companies' position in the industry

The animal feed additives industry is exposed to favorable global "megatrends" and is expected to grow significantly over the coming years. This growth is expected to be driven primarily by the industrialization of meat production, global population growth and wealth creation. This should be the case in emerging markets, where consumers' dietary preferences are expected to shift towards protein-rich diets.

Adisseo multi-product portfolio enhances its position with customers and differentiates our product offering from that of our competitors. Since Adisseo supplies a range of nutritional feed additives, it can provide value-added formulation advice to our customers and advise them with respect to their feed additive inclusion rate decisions.

This industry is further characterized by high entry barriers, such as high technological know-how, increasingly stringent regulations to obtain permits and authorizations, compliance with national and regional environmental and health and safety regulations, the ability to source key intermediates and the large capital investments required to develop new methionine and vitamin production capacities.

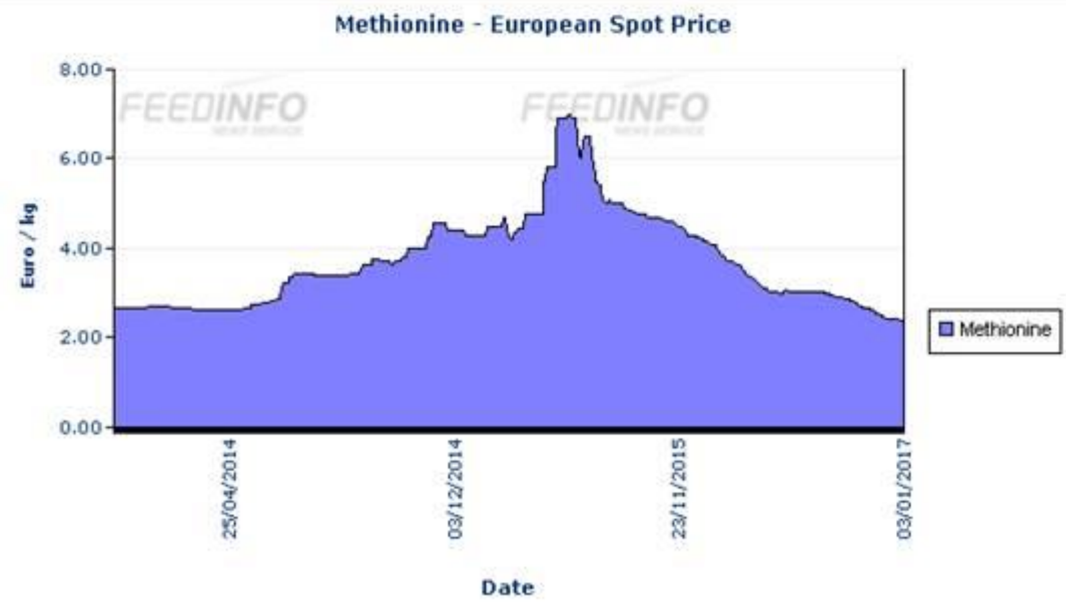
The chemical process to manufacture methionine requires significant manufacturing expertise and process technology. Access to, or development of, such expertise and technology constitutes a significant barrier to entry in this market. Furthermore, technical and commercial expertise and on-going investment in product and process innovation are critical factors to remain competitive.

Based on industry practice, the initial capital expenditures to build a world-scale, greenfield chemical methionine production facility would require a large amount of capital investment and could require at least four years to permit, plan and construct. Furthermore, access to key intermediates and raw materials used for manufacturing methionine, such as MMP for which there is only a limited number of merchant suppliers, is critical to the establishment of new production facilities.

On the demand side, global methionine continues to grow on a global scale at a rate of around 5 to 6% per year.

On the supply side, methionine supply shortage in 2015 has impacted market prices up. The announced new capacities from competitors have finally come on stream after some delays. In 2016, Adisseo faced with a less favorable market environment in the methionine business, after an exceptional 2015 year, as expected.

Negative impacts from price have been partly compensated by Adisseo volumes growth, and favorable raw material prices based on a low Brent level.



- <u>Adisseo's Competitive landscape in each Business</u>

Production capacity in the global methionine market is concentrated, large companies such as Evonik, Adisseo, Novus and Sumitomo are key players. 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. China has one of the world's highest production volumes for pork, poultry and livestock. Its animal husbandry sector continues to grow rapidly, which leads to rapid growth in demand for methionine. As the aforementioned key methionine players continue to strengthen their global position currently, they have increased investments in Asia, while domestic companies represented by Chongqing Ziguang Chemicals keep investing in additional capacity and Zhejiang NHU should enter the methionine market during the 1st semester of 2017 with a small new unit.

Vitamins are another important Performance product for Adisseo. Vitamins are widely used in medicine, food additives and animal feed additives. In recent years, as China's vitamin sector continues to grow, China has become a major producer and exporter of vitamins, and the production technology and market shares for vitamin C, vitamin E, vitamin B2 and vitamin D3 are top-ranked globally. Adisseo's major competitors in the vitamins market mainly include BASF S.E., DSM N.V., Zhejiang NHU and Zhejiang Pharmaceutical. The domestic vitamin A & E production in China is dominated by Zhejiang NHU and Zhejiang Pharmaceuticals Joint Stock Company.

The enzyme market needs extensive research & development, patented technology and capital expenditure for the production. Novozymes, DuPont, Ab Vista, BASF, DSM and Adisseo are the main players.

As indicated above, Adisseo is the world's second largest producer of methionine in 2016 with a market share of 27%. (Refer to Section 3 "Basic overview of the Company").

Based on *Feedinfo* October 2016 report, the capacity of methionine (KT per year) by major players breaks down as follows:

	2016	2017
ADISSEO	410	410
CJ	80	80
UNIS	75	100
EVONIK	530	530
SCC	155	160
NHU	0	40
NOVUS	230	230
VOLZHSKY	25	25
TOTAL	**1505**	**1575**

Based on public information, the main competitors of Adisseo on its different markets are as follows:

- Evonik, previously Degussa, was established in 1873, focused on specialty chemicals. Its methionine products are mainly powder methionine. Based on Evonik's 2016 annual report, its 2016 sales totaled EUR 12,732 million, net profit reached EUR 844 million, of which sales from the nutritional health sector of EUR 4,316 million.
- Novus is an American animal additives company, providing feed solutions for poultry, pork, rumen-protected, and aquaculture. Its products include methionine, chelated trace elements, feed enzymes, and mainly produces liquid methionine.
- CJ CheilJedang is a core subsidiary in charge of the food and bioengineering business unit of the CJ Group. It has led the development of the Korean food industry for the past 60 years, and contributed to the development of the bioengineering industry as the nation's top food originated company. CJ is advancing with their objective to lower input costs and diversify towards more competitive raw material sources. CJ's production process is partially independent from petroleum based raw materials.
- Chongqing Unisplendour Chemical Co (UNIS) is one of the natural gas fine chemical production bases with the largest scale, the most advanced technology and competitive cost in China. It is becoming one of the major methionine producers as it has recently

increased its capacity by successfully implementing the second phase at their Ningxia dl Methionine plant. By the end of December 2016, the UNIS facility has been capable of manufacturing around 90kt -100 kt per annum.

- Sumitomo Chemical is a major company within the Sumitomo Group. Its business sectors include basic chemicals, petrochemical and plastic chemicals, IT-related chemicals, health & crop science and pharmaceuticals. Methionine is a primary business in the health & crop sciences sector. As one of the major methionine producers globally, Sumitomo is the only company other than Adisseo that can produce both powder and liquid methionine.
- NHU is a Chinese company specialized in the production of bulk pharmaceutical chemicals, medications, health products, food additives, feed additives and flavors and aromas. NHU are making exceptional progress in bringing their brand new dl Methionine factory on-stream. The facility is expected to gradually scale up during the first quarter of 2017 and reach close to nameplate capacity of 50kt per annum during the first semester of 2017.
- Sichuan Hebang Group's primary business includes manufacture and sale of pesticides and pesticide intermediaries, pharmaceutical intermediaries, soda products, smart glass, salt, phosphate, new materials, and production and sales of environmental protection products.
- DuPont was established in 1802, its business spans over 90 countries and regions globally. Its main products and services include agriculture and foods, buildings and construction, telecommunications and transport, and energy and biotechnology sectors. In May 2011, DuPont purchased Danisco, a global leader in bio enzyme production to fill DuPont's gap in the biotechnology sector.
- DSM N.V. is an international nutritional supplements, chemicals materials and pharmaceutical group. The company was established in 1902, headquartered in the Netherlands, with over 200 institutions in Europe, Asia, and South Americas and 22,000 employees in total globally. Animal nutrition and health is a key business group under DSM. DSM provides high quality raw materials and animal feed additives for poultry, aquaculture, swine, rumen-protected animals and pets which are used to produce higher quality and better quality meat, eggs and milk. DSM's main products include amino acids, enzyme, vitamin, beta-carotene and pre-mix feeds, etc.
- Established in 1935, Associated British Foods is an international food manufacturing and retail company headquartered in London, and is one of the major food manufacturers in the world. Based on Associated British Foods' 2016 financial statements, its sales reached GBP 13.4 billion and its net profit was GBP 821 million.
- BASF S.E. is a globally leading chemicals company, providing products and services in chemical products, plastics, agricultural product, refined chemicals, petroleum and natural gas. Based on the 2016 Annual Report published by BASF, its sales amounted to EUR 57.6 billion, with a net profit of EUR 4.1 billion.

2. Global economy

The main global economies have implemented positive economic policies to stimulate economic growth. Employment rate and inflation are maintained within a reasonable range. The European and U.S. economies have slowly recovered. Emerging markets, including China, India, are expected to grow.

3. Emerging Economies Present Growth Opportunities in Protein Demand

The continuous global growth, particularly that of the emerging economies such as China and India, has driven urbanization and continuous improvement of people's living standards and has promoted per person consumption of high protein foods (poultry, beef, pork, fish etc.).

4. Development strategy of the Company

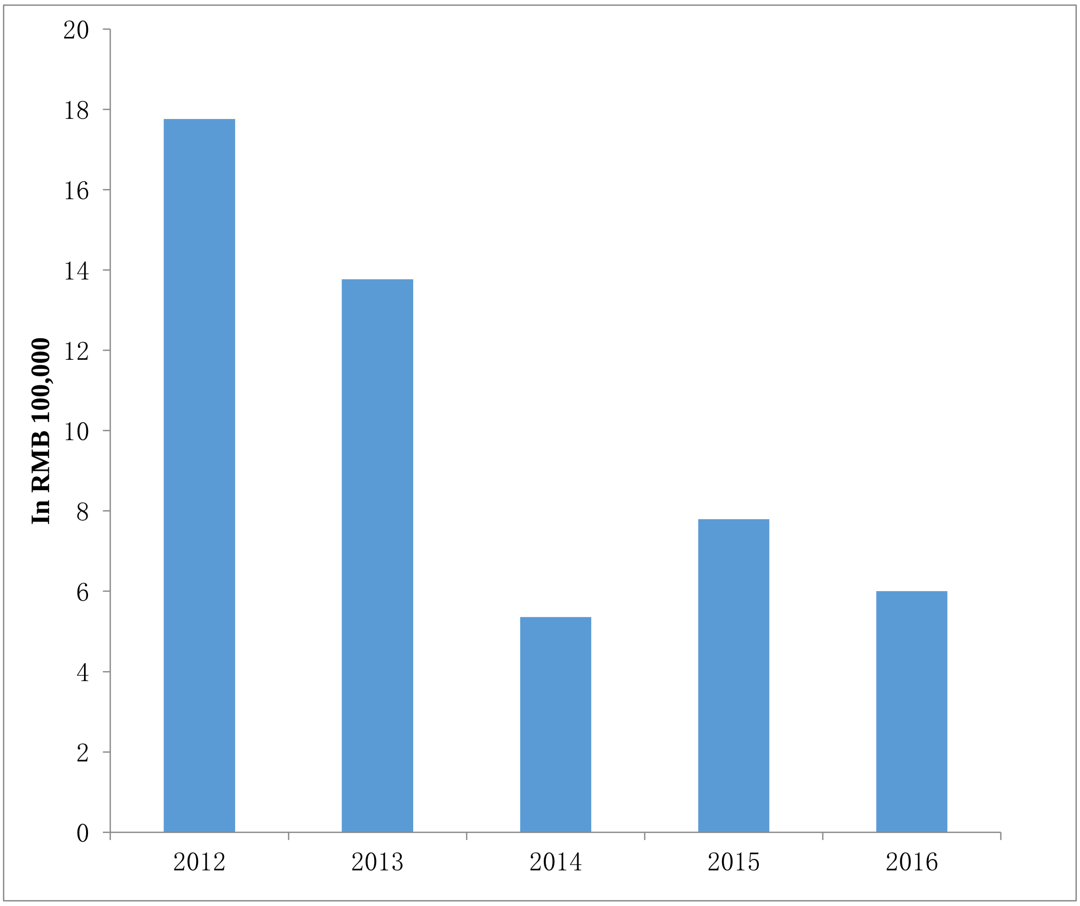
The primary Adisseo businesses are as follows: research, development, production and sale of feed additives for animal nutrition.

The Company bases its growth's strategy on four levers:

- Emerging markets footprint: 2 effective methionine production platforms, one in Europe and one in China, and a sales network with a focus on high-growth emerging markets (5 global sales and services divisions : Europe, China, Asia, North America, South America)

- Innovation: Seven R&D centers focused on several different areas such as analysis, nutrition, formulation, biotechnology, chemical processes, chemistry, formulation and processes to serve 3 axis:
    - Service improvement: an ecosystem of continuous improvement, with direct feedback from customers and third-party experts such as universities and external nutritionists, intimate collaboration with customers to discover their needs, thereby exploring new opportunities
    - Product development: Sustainable operation philosophy and track record of bringing products to market attract co-development from top academic and research institutions. Three major research directions: antibiotics replacement, reduction of harmful outputs, and yield improvement/enhanced cost efficiency
    - Process improvement: Sustainable investment in projects aiming to improve production process and technologies to maintain competitiveness
        - Breakthrough process and continuous improvements of daily methionine production capacity, on top of all the debottlenecking projects, thanks to the involvement of both R&D teams and manufacturing teams
        - Improvement of vitamin A production yield
        - Optimisation in Rovabio production costs
    - To strengthen its position, Adisseo plans to launch a new product every year. Selisseo®, a specialty product based on selenium and a new thermostable enzyme, Advance®, in 2014, a new Non-Starch Polysaccharide enzyme, in 2015 and Alterion®, a new probiotic, in 2016.

- Industrial investments: Adisseo's investment strategy enabled significant gains in methionine market shares in the last 3 years and strong value creation. Adisseo is actively preparing to grow in line with customer demands by combining extensions and debottlenecking of existing production facilities.
  - Methionine
    - Further capacities expansion of the Nanjing and European plants
    - Studying new potential sites
  - Specialty products
    - Increasing ruminant protected methionine production capacities to benefit from Adisseo's unique positioning
    - Reinforce industrial partnership for specialties development
    - Launching new products at a space of one per year
  - Capital expenditures



- M&A and partnerships: To reinforce its core businesses and diversify its portfolio in high growth segments in feed specialties and animal health.
  - Leverage competitive advantages of business partners through partnerships
  - Accelerate growth and create value with acquisitions supported by available financial means given by fortress balance sheet with minimal debt

Thanks to these levers, Adisseo is confident in its ability to manage its businesses properly, expand product portfolio and reinforce competitiveness and continuous profitable growth in the market.

5. Business plan

Adisseo aims to pursue delivering significant growth with sustainable margins. The figures disclosed below are consolidated figures of BANG and its subsidiaries.

Based on the Profit Forecasting Compensation Agreement signed for the Major Asset Restructuring, Adisseo disclosed a "committed net profit with deduction of non-recurring gains and losses" of EUR 106,978,590 in 2016 and EUR 106,506,110 in 2017 (i.e. RMB 785,372,621 and RMB 781,903,956 respectively using the EUR/CNY average exchange rate of 7.3414 for 2016).

The net profit with deduction of non-recurring gains and losses amounts to RMB 2,296.95 million which was in excess by RMB 1,511.58 million in comparison with the committed profit forecast amount for 2016, i.e. RMB 785.37 million as set forth in the Profit Forecasting Compensation Agreement.

Total sales volume is expected to increase across almost all product lines driven by the expected growth in global demand and additional methionine capacities linked to the debottlenecking of existing production plants.

Developments in Research & Development and Capital expenditures should lead Adisseo to develop its specialty products and to launch new products.

Adisseo plans for capital expenditure in the upcoming years mainly consist of:

- Additional enhancement of the Health, Safety and Environment policies;
- Further methionine capacities expansion of the Nanjing and European plants;
- Studying new potential sites;
- Increasing ruminant protected methionine production capacities to benefit from Adisseo's unique positioning.

The Business Plan may not be considered as a guarantee of profitability as committed to the investors.

6. C-Sox implementation

Since the completion of Major Asset Restructuring by the end of 2015, the Company has started to implement the whole internal control system in line with the C-SOX requirement. The Company has established one dedicated person to be the project leader under the leadership of the Group CFO and the Steering Committee, which is composed of Group CEO, Group CFO, Group General Counsel and Board Secretary of the listed Company. Based on the materiality principle, the Company has established a well-rounded internal control policy for those scope-in business or companies and ensure an effective implementation of the policies. The Company has performed adequate self-assessment on the effectiveness of the design as well as the implementation of the whole internal control system and it is confirmed that the Company has reached its target on the internal control and there is no material deficiency identified during the assessment.

The Company will issue its self-assessment report on internal control based on C-SOX requirement.

Material 5

Proposal on Board of Supervisors' Report for FY2016

Dear Shareholders,

During the year of 2016, according to *the Company Law of the People's Republic of China* ("the Company Law"), laws, rules, regulatory documents, and *the Articles of Association of Bluestar Adisseo Company* ("AOA"), the Company's board of supervisors supervises the Company's operation and management's performance of duties, supervises the Company's financial matters and issues opinions on distribution of dividends and other matters. Please kindly find attached Board of Supervisors' Report for FY2016 for details.

Please review the above proposal.

Attachment: Board of Supervisors' Report for FY2016

Board of Supervisors' Report for FY2016

(I) Meeting of the Board of Supervisors

Times of meetings held: 4

Meetings of the Board of Supervisors	Proposals at the meeting of the Board of Supervisors
The 2nd Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal in respect of 2015 Annual Report and the Summary Version; the proposal in respect of 2015 Final Annual Accounts; the proposal in respect of 2015 Report of the Board of Supervisors; the proposal in respect of 2015 Annual Plan of Dividends Distribution; the proposal in respect of waiver of Internal Control Self-Appraisal and Audit Report; the proposal in respect of 2015 Special Report of Deposits and Actual Use of Raised Funds
The 3rd Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal in respect of 2016 Q1 Report; the proposal in respect of dividends distribution
The 4th Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal on 2016 H1 Report and the Executive Summary; the proposal on Special Report of Deposits and Actual Use of Raised Funds
The 5th Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal on 2016 Q3 Report

(II) Opinions of the Board of Supervisors on the Self-assessment Report on Internal Control for FY2016

In the report period, Company has established a fairly complete internal control system which is in effective implementation. It complies with the Basic Standards for Internal Control of Enterprises, the Complementary Guideline for Internal Control of Enterprises and relevant requirements of securities regulatory authorities. It fulfills the Company's actual needs in operation and management and effectively manages risks in each links. The Self-assessment Report on Internal Control for FY2016 reflects the overall actual status of the Company's internal control in a complete, true and accurate way.

(III) Independent Opinions of the Board of Supervisors on the Financial Inspection of the Company

During the reporting period, the Board of Supervisors implemented inspection and supervision over the financial situation of the Company, holding the opinion that the Company has sound financial system, effective implementation, reasonable financial structure, and favorable financial condition. The 2016 annual financial report of the Company truthfully and objectively reveals the financial condition and operating result of the Company. The audit report with unqualified opinions provided by KPMG Huazhen LLP is objective and fair.

(IV) Independent Opinions of the Board of Supervisors on the Latest Input for Fund-raising of the Company

According to the Guidelines for the Supervision and Administration on Listed Companies No. 2 --- Supervision and Administration Requirements for Listed Companies on the Management and Use of Raised Funds and the Company's Management System of Use of Raised Funds, the board reviews and verifies 2016 Special Report of Deposits and Actual Use of Raised Funds. The board confirms that the report is composed properly and accurately, and the Company's deposition and use of raised funds is in compliance with requirements.

(V) Independent Opinions of the Board of Supervisors on Related Transactions of the Company

The day-to-day operational related transactions of the Company have been done following the principles of “voluntary, reasonable, fair and faithful”. The transaction prices are fair and reasonable, with standard procedures. Independent directors have provided independent opinions, and related directors have withdrawn from voting, thus bringing no damage to the interests of the Company and all stockholders.

(VI) Independent Opinions of the Board of Supervisors on Proposal the dividends distribution

The Company’s distribution of dividends complies with relevant laws, rules and AOA, takes fully consideration of all shareholders’ benefits and aligns with the Company’s actual situations. There is no prejudice on the Company’s and shareholders’ benefits.

Please deliberate the report above

Bluestar Adisseo Company

Board of Supervisors

Material 6

Proposal on 2016 Annual Plan of Dividend Distribution

Dear Shareholders,

According to the auditing conducted by KPMG Huazhen LLP, the Company's net profit belonging to Company's shareholders in 2016, on a consolidated basis, is RMB 1,865,346,347. As of 31 December 2016, the Company has an accrued profit for distribution of RMB 624,360,837.

To share the operation achievements with all shareholders and for further development of the Company, the board, after fully considering the actual operation status of the Company, proposes that: the total share capital of the Company by the date of 31 December 2016 being 2,681,901,273 shares. Company will distribute RMB 2.28 (inclusive of tax) per 10 shares in the form of cash dividends to all shareholders. The total amount of the cash dividends to be distributed is RMB 611,473,490.24.

Please review the above proposal.

Material 7

Proposal on Engagement of KPMG Huazhen LLP as Accounting and Internal Control Auditor for FY2017

Dear Shareholders,

To maintain the continuity of auditing, as proposed by the audit committee of the board, the Board proposes to continue to engage KPMG Huazhen LLP as the Company's 2017 annual auditor for financial and internal control auditing. The Board also proposes to authorize the board of directors to determine service fees for this engagement, depending on the service items, the workload and other factors.

Please review the above proposal.

Material 8

Proposal on Renewal of D&O Insurance Policy

Dear Shareholders,

To reduce potential risks in the process of due performance of the board members, the supervisors and senior management, the Company is to renew the D&O insurance policy whose annual premium is approximately RMB 292,885 (plus local insurance tax) and the insurance amount not exceeding RMB 127,341,200.

Please review the above proposal.

Material 9

Proposal on Election of Director

Dear Shareholders,

Ms. YANG Fang resigned as Director and member of Audit Committee due to work reasons on 15 November 2016 (see the “Lin 2016 023” Announcement for more information).

According to the Company Law, AOA and other laws and regulations, under the review of the Nomination Committee, the Board nominates Michael Koenig as Director candidate whose term will be the same as the 6th session of the board.

Michael Koenig is German citizen and has studied Chemical Engineering at the University of Dortmund (Germany). During his 25 years of working in the chemical industry, Michael has held positions as Engineering manager, global manufacturing head, country CEO, global head of a large business unit and board member of Bayer Group. In the course of his career he has also served as Managing director of Bayer Chinese joint venture and has negotiated large intercultural cooperation agreements. The city of Shanghai has honored him with the Golden magnolia for his contribution to the economic development of Shanghai.

Michael has rich experience in running large multinational corporations, with outstanding performance in corporate strategy formulation, restructuring, team building, business analysis, and production technology. Now Michael is the Chief Executive Officer at China National Bluestar (Group) Co., Ltd. Michael does not hold any of the Company’s shares and has not been punished by CSRC, relevant authorities and security exchanges.

This election will use cumulative voting.

Please review the above proposal.