Bluestar Adisseo Company

General Assembly of Shareholders for FY2018

Meeting Materials

12th April 2019

Bluestar Adisseo Company

Agenda for the Annual Meeting of Shareholders for FY2018

Time of On-site Meeting: 25th April 2019 (Thursday) 14:30 p.m.

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

Host: Dr. Hao Zhigang, the Chairman of Adisseo

Attendee:

1. Shareholders holding the Company's shares on the record day
   The record day for the shareholders' meeting is 18th April 2019. 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

Time	**Content**
14:30-14:40	**Introduction**
1	Welcome speech
2	The voting rules and highlights
3	Electing vote counters and scrutineer
14:40-15:10	**Attendees deliberate and discuss the following proposals**
1	2018 Annual Report and the Executive Summary
2	2018 Annual Final Accounts
3	Board's Report for FY2018
4	Board of Supervisors' Report for FY2018
5	2018 Annual Plan of Dividends Distribution
6	Appointment of Auditor and Internal Control Auditor for the Year 2019
7	Renewal of D&O Insurance Policy
8	Independent Directors' Report for FY2018
15:10-15:40	**Q&A Session for Shareholders**
15:40-16:00	**Voting**
1	Shareholders vote
2	Votes cast on-site are counted and announced
3	Lawyers read the legal opinion
4	Directors, supervisors and the board secretary sign

5	The meeting ends

Bluestar Adisseo Company

Annual Meeting of Shareholders for FY2018

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
Board Secretary Office

Material 1

Proposal on 2018 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 (2017 Revision)* issued by China Securities Regulatory Commission ("CSRC") and *Shanghai Stock Exchange Listing Rules (2018 Revision)*, etc., the board of directors of Bluestar Adisseo Company (the "Company"), deliberated and passed the Company's 2018 Annual Report and the Summary Version. Kindly find 2018 Annual Report and the Executive Summary released on 21th March 2019 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 2018 Annual Final Accounts

Dear Shareholders,

2018 Annual Final Accounts contain the balance sheet, the statement of income, the statement of cash flows and the statement of owners' equity, etc., as of 31th December 2018. KPMG Huazhen LLP has audited such documents and issued an unqualified audit opinion. For details please kindly find in *Audit Report for FY2018* and "Section 11 Financial Statements" of *2018 Annual Report* released on 21th March 2019 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 Board's Report for FY2018

Dear Shareholders,

During the year of 2018, 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 2019 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 FY2018.

Please review the above proposal.

Attachment: Board's Report for FY2018

2018 Annual Report by Board of Directors

1. The board of directors discussion and analysis of the company's operations during the reporting period

1.1. 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. 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 other companies in the regional or local markets. Chinese New Comers (CUC / NHU) have started their new units during the years 2016-2017. All Historical players have communicated about new facilities to come during the period 2019-2023 (Sumitomo, Evonik, Novus and Adisseo). 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, increasing its production capacity, providing value-added services and enriching product portfolio:

- The European platform expansion project is completed and successfully started: it is increasing about 50 KT the production capacity of the European plants by adding a new complete production line in downstream unit (Burgos) and in upstream unit (Les Roches), and some adjustments in existing intermediate products units. ;
- The brand new powder methionine product, Rhodimet® A-dry, which is developed based on the liquid methionine ("HMTBA") technology, offering the benefits of this molecule to customers whose manufacturing process does not allow the use of liquid form of methionine, obtained regulatory authorization in Europe in early 2019. With this new source, Adisseo will further support its position as a leading methionine supplier, offering the full-range of methionine sources valuable for feed producers and meeting their needs;
- Nanjing plant expansion project is also on schedule, which enables Adisseo to increase its production capacity to 170KT per year and to improve further its manufacturing efficiency;
- The new 180KT liquid methionine plant in Nanjing is progressing as planned. Upon completion, the new plant will enable Adisseo to satisfy ever-increasing customer needs as well as to improve cost efficiency. Adisseo is taking all actions to meet and anticipate new environmental regulations;
- Specialty products are under active development as a second-business-pillar to enhance animal performance and health. The Company sees great growth potential in Specialty products and actively explores innovative products. Adisseo also acquired Nutriad in February 2018: Nutriad's product range, the species addressed, and its

target markets are highly complementary to Adisseo's and will allow to implement integrated solutions to offer even more value to customers.

2018 results

In (100 million) Yuan	**2018**	**2017**	**Change (%)**
Operating revenue	114.2	104.0	10%
Net cash flow arising from operating activities	14.4	25.1	-43%
Net profit attributable to shareholders	9.3	13.2	-30%
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	9.0	12.9	-30%
Basic earnings per share (Yuan/ share)	0.35	0.49	-29%

Adisseo's TRIR (Total Recordable Injuries Rate – number of accidents per 200,000 hours worked) for the full year 2018 finally achieved at 0.76, which is a big continuous improvement from 0.96 in H1 2018 with a quite difficult beginning of 1st Quarter. This result is one of the best in the industry. It is the consequence of the Safety action plans continuously reinforced to reach our objective: zero accident.

The Company recorded an operating revenue of RMB 11.4 billion and a gross profit of RMB 4 billion in 2018, representing a yoy increase of 10% and near flat with a slight decrease of -1.6% respectively.

2018 business trends reflected the combined impacts of:

- Unfavorable economic environment with weaker US$ and higher energy & raw material costs;
- In Methionine business, a less favorable market environment as expected with a significant decrease in the selling price partially balanced by steady sales volume growth of liquid methionine;
- 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;
- Despite the plant shutdown of a major intermediate supplier, Adisseo mitigated the negative impact on volumes to continue to deliver Vitamin A to its key customers in an exceptional high price environment, which contributed significantly to the annual results;
- Thanks to the acquisition of Nutriad products as well as strong growth in Selisseo and Alterion, specialty products recorded an operating revenue of RMB 2.3 billion, representing a strong yoy increase of 31%, which reinforced its position as a solid second business pillar of Adisseo. Alterion® and Selisseo® recorded significant sales volume growth especially in Asia Pacific, Europe and South America. Ruminants' sales have been suffering from the U.S. milk crisis throughout 2018.

2019 outlook

- Safety is Adisseo first priority. In 2019, it will pursue its zero accident objective and further improve its safety performance including 2018 acquired companies, Nutriad and Inodry;

- Environmental impacts are also a key priority for Adisseo. The development and implementation of action plans for each entity of the Group to reduce environmental impacts (notably waste discharge, water consumption and air quality) are in progress;
- Demand for methionine will continue to grow on a global basis at a rate of around 6.0% per year. 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. The leadership of Adisseo in the methionine industry is further strengthened with the launch of Rhodimet® A-Dry+ as well as the completion of capacity expansion on the European sites in 2018 with European platform expansion project. The investment of a 180 KT liquid methionine plant in Nanjing will enable Adisseo to meet ever-increasing customer needs and to achieve cost efficiency in the near future. It is also a key step to consolidate the Company's leadership;
- After the offering shortage in 2017, the Vitamin market is expected to gradually get back to normal with the restart of plants of other key players. Besides, Adisseo is pursuing the implementation of a new strategic long-term cooperation agreement to secure the sourcing of Vitamin A intermediate;
- On Specialties development, Adisseo will continue to invest to develop with a leverage effect thanks to the incubator Innov'L@b launched in 2017;;
- Adisseo new integrated organization following Nutriad acquisition started to operate with confirmed business synergies including a promising business development on the aquaculture market... The acquisition of Nutriad, a global feed additives producer, is part of Adisseo' strategy to become one of the worldwide leaders of feed specialty additives. Nutriad products range, the animal species addressed (poultry, swine, aquaculture, dairy and cattle), and its customers are highly complementary to Adisseo's and will allow the combined businesses to implement integrated solutions and to offer even more value to customers;
- AVF fund: Adisseo is accelerating its innovation development leveraging venture capital on top of internal research: launched with the European leading venture capital firm Seventure Partners in March 2018, AVF Professional Private Equity Investment Fund with Adisseo as the cornerstone investor has completed its first investment of USD700K in early 2019. More on-going projects are in progress;
- Adisseo is undertaking and accelerating its competitiveness improvement plan which is expected to deliver about EUR 30 million savings on annualized basis;
- US Dollar and raw material cost will still be key factors.

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

Currency: RMB

Items	Amount of current period	Amount in the same period of last year	Change (%)
Operating revenue	11, 417, 981,750	10, 397, 823,108	10%
Cost of sales	7, 433, 746,398	6, 350, 759,160	17%
Selling and distribution expenses	1, 214, 491,598	1, 005, 421,123	21%
General and administrative expenses	662, 060,522	485, 412,524	36%
Research and development expenditure	298, 112,113	235, 620,918	27%

Financial expenses	(44, 370,696)	(57, 062,707)	22%
Net cash flow from operating activities	1, 441, 696,047	2, 513, 085,624	-43%
Net cash flow from investing activities	(2, 384, 358,208)	(900, 548,429)	-165%
Net cash flow from financing activities	(1, 373, 468,192)	(880, 068,583)	-56%

1.3. Income and cost analysis

Analysis by industry, by product and by region

Unit: Yuan

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	11,417,981,750	7,433,746,398	35%	10%	17%	-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	8,495,564,090	5, 909,035,432	30%	5%	12%	-5%
Specialty products	2, 261,542,569	1, 148,036,033	49%	31%	52%	-7%
Other products	660, 875,091	376, 674,933	43%	17%	24%	-4%

Total	**11,417,981,750**	**7, 433,746,398**	**35%**	**10%**	**17%**	**-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, 872, 245,015			17%		
North & Central America	2, 392, 665,760			3%		
Asia / Pacific (excluded China)	1, 913, 670,018			12%		
South America	1, 741, 032,926			6%		
China	1, 162, 201,679			1%		
Other	336, 166,352			23%		
Total	**11, 417,981,750**			**10%**		

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

Analysis of the factors impacting the income from sale of products

Unit: Yuan

In comparison with 2017	Change in Volume	Change in sales price	Changes in scope	Exchange rate impact
Performance products	(2, 957,260)	374, 620,930		22, 344,712
Specialty products	(106, 839,672)	(42, 232,283)	679, 600,241	1, 436,165

Adisseo's operating revenue in 2018 totaled RMB 11,417,981,750 and increased by 7% at constant EUR/CNY rate (i.e. 10% at current EUR/CNY rate), compared to 2017.

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		7,433,746,398	100%	6,350,759,160	100%	17%	Impact of increasing volume of sales and high 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 (73%), Depreciation and amortization (11%), Other (16%)	5,909,035,432	79%	5,290,143,748	83%	12%	Increased raw material cost and impact of increasing sales volume.

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
Specialty products	Raw materials, purchased equipment and consumables used (77%), Depreciation and amortization (5%), Other (18%)	1,148,036,033	15%	757,693,985	12%	52%	Impact of increasing volume of sales and scope effect due to Nutriad
Other products	Raw materials, purchased equipment and consumables used (46%), Depreciation and amortization (18%), Other (36%)	376,674,933	5%	302,921,427	5%	24%	Impact of increasing volume of sales and scope effect due to Inodry

1.4. Expenses

Unit: Yuan

Items	Amount of current period	Amount in the same period of last year	Change (%)
Selling and distribution expenses	1, 214, 491,598	1, 005, 421,123	21%
General and administrative expenses	662, 060,522	485, 412,524	36%
Financial (income)/expenses	(44, 370,696)	(57, 062,707)	22%

The increase of selling expenses was in line with the increase of sales volumes as well as the further expansion of business team of specialty production worldwide to support the second business-pillar strategy.

The increase of financial expense is mainly due to the negative FX result in 2018 linked to South America currency’s weakness.

1.5. R&D expenditures

Unit: Yuan

Research and development expenditure recorded in expenses of current period	384, 437,994
Research and development expenditure capitalized of current period	18, 293,514
Total research and development expenditure	402, 731,508
Proportion of total research and development expenditure to operating revenue (%)	3.53%
R&D headcount as of December 31 2018	179
% of R&D headcount over total headcount	8%
% of capitalized R&D expenditure over total amount	5%

The Research and development expenditure in the Income statement are decreased by a tax return effect about RMB 86,325,881.

Adisseo has reinforced its R&D resources in China by establishment a new R&D center in Nanjing as well as a new strategic alliance with Sichuan Agriculture University for the purpose to provide timely support and innovation to Nanjing plant as well as more China-market oriented technologies and solutions. A new partnership started mid-2018 with the University of Arkansas in Fayetteville (US) on poultry nutritional research.

1.6. Cash flow

The Adisseo net cash flow from operating activities amounts to RMB 1,441,696,047 compared to RMB 2,513,085,624 last year.

The decrease of net cash flow from operating activities compared to the same period of last year is explained by:
RMB -1,130 million (-45%) due to the decrease in Adisseo's gross profit at constant EUR/CNY rate;
RMB 59 million (2%) due to changes in the EUR/CNY currency exchange rate.

The operating cash flow generated by Adisseo enabled to invest RMB 2,384,358,208 including the acquisition of Nutriad and Inodry, to partialy redeem the preferred shares for an amount of RMB 517,192,516 and pay dividends for an amount of RMB 752,271,800, including dividends paid by BANG to non-controlling interests.

1.7. Analysis of assets and liabilities

Information of assets and liabilities

Unit: Yuan

Items	As at December 31 , 2018		As at December 31, 2017		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
Cash at bank and on hand	5,282,336,110	25%	7,659,509,312	36%	-31%	Decrease due to Nutriad Acquisition and PPE expenditure
Derivative financial assets	6,772,220	0%	19,287,286	0%	-65%	Change related to hedging of EUR/USD
Other current assets	583,989,258	3%	371,771,619	2%	57%	Increase due to tax prepayment
Available-for-sale financial assets	25,627,615	0%	16,866,929	0%	52%	New investments
Long-term receivables	59,891,031	0%	33,774,008	0%	77%	Increase due to Nutriad acquisition
Construction in progress	1,410,987,041	7%	887,324,323	4%	59%	Increase linked to European and Nanjing platforms expansion and A-Dry+ projects

Items	As at December 31 , 2018		As at December 31, 2017		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
Goodwill	1,626,099,606	8%	872,298,201	4%	86%	Increase due to Nutriad and Inodry acquisition
Other non-current assets	89,614,318	0%	8,468,000	0%	958%	Miscellaneous prepayments for the third platform construction in Nanjing
Derivative financial liabilities	67,384,765	0%	9,495,399	0%	610%	Change related to hedging of EUR/USD
Advances from customers	7,076,771	0%	4,551,000	0%	55%	Increase due to prepayment from customer
Wages and benefits payable	412,554,992	2%	690,155,511	3%	-40%	Decrease linked to the payment of employee benefits with maturity less than one year at the end of 2017
Interest payable	5,731,676	0%	8,559,892	0%	-33%	Interests payment
Dividends payable	3,531,285	0%	154,485,540	1%	-98%	Dividends paid on June 13
Current portion of non-current liabilities	135,567,900	1%	85,191,616	0%	59%	Increase due to Inodry acquisition
Long-term borrowings	30,592,778	0%	12,531,930	0%	144%	Increase due to Inodry acquisition

2. Overview of 2018 board meeting and shareholders' board meeting

2.1. 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
Hao Zhigang	N	6	4	2	0	0	N	1
Michael Koenig	N	6	4	2	0	0	N	0
Jean-Marc Dublanc	N	6	3	3	0	0	N	2
Gérard Deman	N	6	2	4	0	0	N	2
Gu Dengjie	N	2	1	1	0	0	N	0
Ge Yougen	N	2	1	1	0	0	N	0
Ding Yuan	Y	2	0	2	0	0	N	0
Jean Falgoux	Y	6	1	5	0	0	N	2
Song Lixin	Y	6	4	2	0	0	N	0
Zhou Guomin	Y	4	2	2	0	0	N	0

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

2.2. Board meetings and proposals of each meeting

Boarding meeting	**Proposals**

The 16th meeting of the 6th board of directors	Deliberated and passed the proposal on: 1) BAC's third liquid methionine platform in Nanjing.
The 17th meeting of the 6th board of directors	Deliberated and passed the proposal on: 1) 2017 Annual Report and the Executive Summary; 2) 2017 Annual Final Accounts; 3) 2017 and 2018 day-to-day Connected Transactions; 4) Board's Report for FY2017; 5) 2017 Annual Plan of Dividends Distribution; 6) Nomination of BOD Secretary; 7) Audit Committee's Report for FY2017; 8) Special Report on Occupancy of Non-operation Funds and Other Fund Transactions with Connected Parties for FY2017; 9) Special Report on the Difference between the Actual Profit and the Profit Forecast for FY2017 of Bluestar Adisseo Nutrition Group Ltd.; 10) Self-Assessment Report on Internal Control for FY2017 and Audit Report on Internal Control for FY2017; 11) Appointment of Auditor and Internal Control Auditor for the year 2018; 12) Auditing Fees for FY2017; 13) Renewal of D&O Insurance Policy; 14) Approval of Risk Report of ChemChina Finance Co., Ltd. for FY2017; 15) Approval of Renewal of the Finance Service between ChemChina Finance Co., Ltd. & Bluestar Adisseo Company; 16) Annual Appraisal & Remuneration of the Senior Management for Y2017; 17) Convening the Shareholders' Annual Assembly for FY2017. Listening to Independent Directors' Report for FY2017.
The 18th meeting of the 6th board of directors	Deliberated and passed the proposal on: 1) 2018 Q1 Report; 2) Management Incentive Plan;

	3) Connected Transaction Rules.
The 19th meeting of the 6th board of directors	Deliberated and passed the proposal on: 1) 2018 H1 Report and the Executive Summary; 2) Changing the Articles of Association of Bluestar Adisseo Company; 3) Nomination of the 7th Board of Directors; 4) Allowance of Independent Directors of 7th Board; 5) Convening the 1st Interim General Meeting of 2018; 6) Approval of Risk Report of ChemChina Finance Co., Ltd. for 2018 H1; 7) Amending the Implementation Rules of the Strategic Committee.
The 1st meeting of the 7th board of directors	Deliberated and passed the proposal on: 1) Electing Chairman and Deputy Chairman of the 7th Session of the Board; 2) Changing Members of Special Committees of 7th Session of the Board; 3) Nominating Executive Management.
The 2nd meeting of the 7th board of directors	Deliberated and passed the proposal on: 1) 2018 Q3 Report; 2) Compensation Plan of Partial Management Team.

3. Board of directors' discussion and analysis of the company's future development

3.1. Basic information of the subdivided sectors industry and the company's 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.

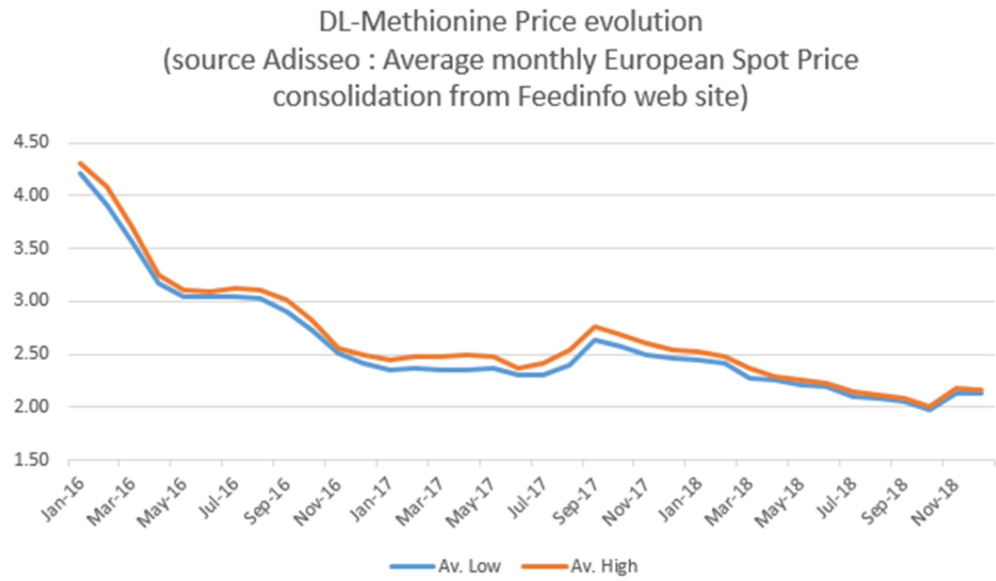
On the demand side, global methionine continues to grow on a global scale at a rate of 5-6% per year as shown in the following internal analysis.

	2017	2018	2019	2020
Demand KT	1265	1338	1414	1492
% growth rate	+6.3%	+5.8%	+5.7%	+5.5%
Additional volume	75	73	76	78

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 2017 and 2018, 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 raw material prices increase based on a higher Brent level has been partly compensated by rigorous cost management.

After a decrease till a unit price under 2.00$ in October 2018, a rebound has been observed on the market at the year end.

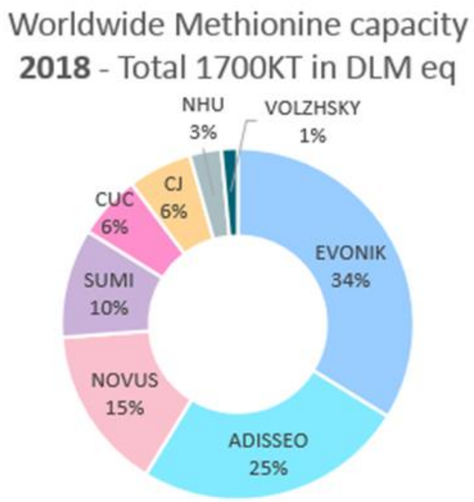


- Adisseo's Competitive landscape in each Business:

Methionine

Production capacity in the global methionine market is concentrated, large companies such as Evonik, Adisseo, Novus and Sumitomo Chemical (SCC) 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 Ningxia Ziguang keep investing in additional capacity. Zhejiang NHU has entered in the methionine market during the 1st semester of 2017, however, with a nameplate capacity of 50 KT per year, the extra volumes sold into the market during 2017 remained modest in the context of the overall global demand of around 1300 KT. During 2017 CJ sold more product into the market than the previous year. However, the year on year increase was modest and partially absorbed by their growing captive use.

According to an Adisseo analysis, there have been only minor increases in the volumes of additional capacity brought to the market during the past twelve months and the capacity of methionine (KT per year) by major players breaks down as follows:



As indicated above, Adisseo is the world's second largest producer of methionine in 2018.

Vitamins

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.

Enzymes

The enzymes 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.

3.2. 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. Several markets, including China, India, are expected to grow.

3.3. Emerging economics 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 a higher consumption of animal protein per person (poultry, beef, pork, fish, eggs, etc.).

3.4. Development strategy of the company

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

The Company has actively implemented its "two-business-pillar" strategy in recent years, i.e. continuous consolidating its leadership in Methionine (liquid in particular), while at the same time accelerating its development in Specialty business.

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

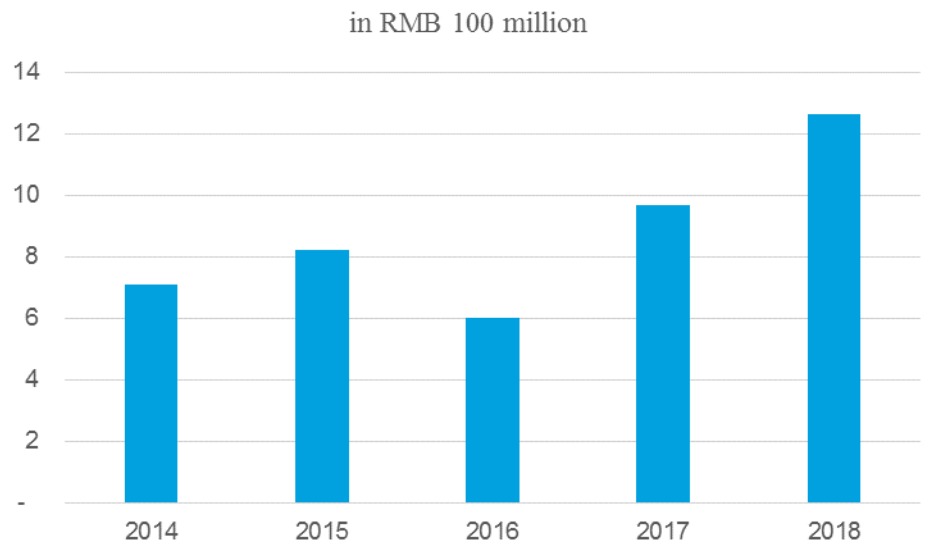
- Innovation: 9 R&D centers focused on several different areas such as analytical model, nutrition, formulation, biotechnology, chemical processes and formulation with key partnerships with leading Universities and Academics:
  - Development of Value-added Services to Customers : answering customers global needs beyond products;
  - Creation of new Sustainable Product: Products contributing to reduce the impact of animal production on the Environment. Three major research directions: antibiotics replacement, reduction of emissions and waste, and yield improvement;
  - Process improvement: Sustainable investment in projects aiming to improve production process and technologies to maintain competitiveness and reduce environment impact;
  - Launch of 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. In 2017, an incubator (Innov'L@b) has been created to get access to breakthrough innovations by partnering with hi-tech start-ups in key technologies and in 2018 Rhodimet® A-Dry+ and Rumensmart®.

- 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 pursue this growth line with customer demands by combining extensions & debottlenecking of existing production facilities and construction of a new facility in Nanjing.
  - Methionine
    - Further capacities expansions both in Nanjing & Burgos, creation of the Rumensmart®, A-Dry+ production unit in Burgos
    - Approval of the construction of a third platform, with a capacity of 180 KT per year, located in the Nanjing Liuhe Chemical Park, adjacent to the existing Adisseo plant in Nanjing
  - Specialty products
    - Reinforcing rumen-protected methionine business to leverage Adisseo's market

leadership.

- Reinforce industrial partnership for specialties development

- 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 by nutrition.
  - 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
  - Acquisition of Nutriad in February 2018, a global feed additives producer since more than 50 years. This multinational company, headquartered in Dendermonde (Belgium), operates 4 laboratories and 5 plants located in Belgium, Spain, the UK, China and the USA. Nutriad has a solid product range in palatability, mycotoxin management and digestive performance. Next to poultry and swine they are also present in aqua, dairy and cattle. This transaction is part of the Adisseo Group's strategy to become one of the worldwide leaders of specialty additives in animal nutrition. The business generates sales of about US$100 million per year. Nutriad's product range, the species addressed, and its target markets are highly complementary to Adisseo's and will allow to implement integrated solutions to offer even more value to customers.

- Emerging markets footprint: a sales network with a focus on high-growth emerging markets and development of specialties; Adisseo has reinforced its commercial presence in the Middle East and in India.

Thanks to these levers, Adisseo is confident in its ability to manage its businesses growth and performance challenges with confidence, by expanding its product portfolio and reinforcing overall competitiveness in a sustainable way.

3.5. Business plan

Adisseo aims to pursue delivering significant growth with sustainable margins.

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 and the launches of new products.

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:
- Further methionine capacities to support sales growth;
- R&D expenditures on innovation of products as well as optimization of manufacturing process;
- Increasing rumen-protected methionine production capacities to leverage Adisseo's technologies;
- Additional enhancement of the Health, Safety and Environment policies.

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

3.6. C-Sox implementation

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.

For the current reporting period, the Company will issue separately its self-assessment report on internal control based on C-SOX requirement.

.Material 4

Proposal on Board of Supervisors' Report for FY2018

Dear Shareholders,

During the year of 2018, 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 FY2018 for details.

Please review the above proposal.

Attachment: Board of Supervisors' Report for FY2018

Board of supervisors' report for 2018

1. Meeting of the board of supervisors

Times of meetings held：5

Meetings of the Board of Supervisors	Proposals at the meetings of the Board of Supervisors
The 10th Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal on: 1) 2017 Annual Report and the Executive Summary; 2) 2017 Annual Final Accounts; 3) the Board of Supervisors' Report for FY2017; 4) 2017 Annual Plan of Dividends Distribution; 5) Self-Assessment Report on Internal Control for FY2017 and Audit Report on Internal Control for FY2017; 6) Special Report on Occupancy of Non-operation Funds and Other Fund Transactions with Connected Parties for FY2017; 7) Approval of Risk Report of ChemChina Finance Co., Ltd. for FY2017; 8) Approval of Renewal of Finance Service between ChemChina Finance Co., Ltd. and Bluestar Adisseo Company.
The 11th Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal on: 1) 2018 Q1 Report.
The 12th Meeting of the 6th Board of Supervisors	Deliberated and passed the proposal on: 1) 2018 H1 Report and the Executive Summary; 2) Nomination of the 7th Board of Supervisors.
The 1st Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) Electing Chairman of the Board of Supervisors.
The 2nd Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) 2018 Q3 Report.

2. **Opinions of the board of supervisors on self-assessment report on internal control for FY2018**

   In the FY2018, Company has established a fairly mature internal control system which has been effectively implemented. 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 FY2018" reflects the overall actual status of the Company's internal control in a complete, true, objective and accurate way.

3. **Independent opinions of board of supervisors on 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, normative operation, effective implementation, reasonable financial structure, and positive financial condition. The 2018 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.

4. **Independent opinions of the board of supervisors on proposal of the dividends distribution**

   The proposal of the dividends distribution of the Company is in line with laws and regulations, and fully reflects shareholders' interests and the Company's condition. There is no damage to the interests of the Company and shareholders.

Material 5

Proposal on 2018 Annual Plan of Dividend Distribution

Dear Shareholders,

The net profit attributable to the shareholders of the Company at the consolidated level for the year ended December 31, 2018 amounted to RMB 926,130,660 and the accumulated profits available for distribution at parent company level as at December 31, 2018 amounted to RMB 465,347,234.

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, propose that: the total share capital of the Company by the date of 31 December 2018 being 2,681,901,273 shares. Company will distribute RMB 1.73 (inclusive of tax) per 10 shares in the form of cash dividends to all shareholders. The total amount of the cash dividend to be distributed is RMB 463,968,920.23.

Please review the above proposal.

Material 6

Proposal on Appointment of Auditor and Internal Control Auditor for the Year 2019

Dear Shareholders,

To maintain the continuity of auditing, the Company proposes to continue to engage KPMG Huazhen LLP as the Company's 2019 annual auditor for financial and internal control auditing. The Company 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 7

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.