Bluestar Adisseo Company

Annual meeting of Shareholders of FY2019

Meeting Materials

17th April 2020

Bluestar Adisseo Company

Agenda for the Annual meeting of Shareholders of FY2019

Note:
- The shareholders' meeting adopts a voting mode of combination of onsite voting and online voting through Online Voting System. Shareholders can exercise their voting rights through the above system during the online voting time.
- In order to cooperate with the prevention and control of coronavirus, online voting is suggested.

Time of On-site Meeting: 27th April 2020 (Monday) 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
2. The record day for the shareholders' meeting is 20th April 2020. 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.
3. Directors, supervisors and senior management
4. Lawyers engaged by the Company

Agenda

Time	Content
14:30-14:35	**Introduction**
1	Welcome speech
2	The voting rules and highlights
3	Electing vote counters and scrutineer
14:35-15:20	**Attendees deliberate and discuss the following proposals**
1	2019 Annual Report and the Executive Summary
2	2019 Annual Final Accounts
3	Board's Report for FY2019
4	Board of Supervisors' Report for FY2019
5	2019 Annual Plan of Dividends Distribution
6	Appointment of Auditor and Internal Control Auditor for the Year 2020
7	Renewal of D&O Insurance Policy
8	Nominating WU Jingwan as the Candidate of the Board
15:20-15:25	**Attendees listen to the following proposal**
1	Independent Directors' Report for FY2019

15:25-15:30	**Q&A Session for Shareholders and Voting**
1	Shareholders raise questions and 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 of FY2019

Notes on the Meeting

1. The Office of the Board Secretary is in charge of organization of the meeting and handling relevant matters.
2. 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.
3. In order to count the total number of shares represented by the shareholders (shareholder agents) present at the meeting, all shareholders who plan to participate in the on-site meeting shall cooperate with the Company to do an early registration. The shareholders shall arrive at the meeting ten minutes in advance.
4. Shareholders attending the meeting have legal rights of speaking, inquiring and voting, etc.
5. 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.
6. 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.
7. The meeting adopts both on-site voting and online voting.
8. 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. Shareholders may not record or post any contents of this meeting on social media without Company's consent.

Bluestar Adisseo Company
Board Secretary Office

Material 1

Proposal on 2019 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 (2019 Revision)*, etc., the board of directors of Bluestar Adisseo Company (the "Company"), deliberated and passed the Company's 2019 Annual Report and the Summary Version. Kindly find 2019 Annual Report and the Executive Summary released on 21st March 2020 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 2019 Annual Final Accounts

Dear Shareholders,

2019 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 31st December 2019. KPMG Huazhen LLP has audited such documents and issued an unqualified audit opinion. For details please kindly find in Audit Report for FY2019 and "Section 11 Financial Statements" of 2019 Annual Report released on 21st March 2020 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 the Board's Report for FY2019

Dear Shareholders,

During the year of 2019, 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 2020 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 FY2019.

Please review the above proposal.

Attachment: Board's Report for FY2019

2019 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. The global macro economy has demonstrated signs of slowing down with rising trade barriers, increasing commercial and geopolitical tensions. However, significant disparity exists among the recovery process in different regions: for developed countries, economics declined due to low productivity growth and ageing demographics and for developing countries, strong growth performances continued. Trade imbalances and exchange rate fluctuations also increase the uncertainties. The China/Asian African Swine Fever crisis has significantly impacted the Chinese meat sector. It is expected that the shortfall in pork supply will be difficult to be filled in the short-term with imports, which shows that the strong demand drivers will continue to outweigh brakes despite all challenges mentioned above.

Adisseo as a key player in the food value chain, 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 Newcomers (CUC / NHU) have started their new units during the years 2016-2017. Almost all historical players (Sumitomo, Evonik, Adisseo) have communicated about new facilities to come during the period 2019-2023 with Novus announced the cancellation of new expansion in 2019. 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 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, will further support Adisseo's 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 finalized smoothly in early 2019 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. 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. The full integration of Nutriad into Adisseo allows a high complement to existing product range, the addressed species, and the target markets and also enables Adisseo to offer an integrated solution and to provide more value to customers.

2019 results

In (100 million) Yuan	**2019**	**2018**	**Change (%)**
Operating revenue	111.4	114.2	-2.5%
Net profit attributable to shareholders	9.92	9.26	7.2%
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	8.97	9.07	-1.1%
Basic earnings per share (Yuan/ share)	0.37	0.35	6%

As of 31st December 2019, TRIR landed at 0.71, the best ever results for the whole group thanks to no accident for more than 600 days and 2,000 days respectively by Nanjing and Burgos.

The Company recorded an operating revenue of CNY11.14 billion in 2019, nearly stabilized thanks to volume growth despite price decrease. The gross profit reached CNY3.78 billion in 2019, representing a yoy decrease of 5%, mainly due to the downwards pressure on methionine' prices and progressive normalization of vitamins' prices.

The gross profit margin remained at 34% thanks to the more and more balanced business portfolio with the high-margin specialty business contributing more than 30% of the total gross profit reflecting the execution of our strategy.

Regarding the methionine business, liquid methionine has recorded accelerated volume growth driven by strong growth in China and production costs achieved their lowest level worldwide which contributed to the stabilization of the gross profit margin of performance product at 30%. On Vitamins, Vitamin A achieved a stabilized production throughout the year.

The specialty business demonstrated its strong growth momentum in 2019 with revenue and gross profit reaching CNY2.4 billion and CNY1.2 billion respectively (+7% vs FY 2018) and gross profit margin stabilized at 49%. The accelerated growth is mainly driven by +12% revenue increase in the feed digestibility (enzyme) business, +27% volume growth for Selisseo (Health by Nutrition) which continuously achieved historical-high quarterly revenue in 2019, a +11% rebound in ruminants in 2019 (especially +27% in Q4) thanks to early positive signs from the dairy market in the U.S., +17% sales increase in aqua thanks to the strong sales in Asia Pacific and South America plus rebounding performance in Mycotoxin Management with +12% revenue growth.

The competitiveness plan has delivered savings of Euro 36million resulting from short terms quick wins as well as long-term sustainable initiatives.

2020 outlook

- Safety is Adisseo first priority. In 2020, it will pursue its zero-accident objective and further improve its safety performance;
- Sustainable development and environment 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;
- Business development
  - In the context of fierce competition, Adisseo expects to pursue its profitable growth trajectory driven by:
    - Continued volume growth in liquid methionine
    - Accelerated growth in Specialties

    - Continuous margin and cost management
    - Leveraging its global advantage and to further develop China business
  - Beginning of 2020 is impacted especially in China by the coronavirus epidemy with impact being evaluated but certainly being mitigated based on the fact that Adisseo is a global player.
- 15% BANG Share Buy-back
  - The acquisition of 15% stake of Adisseo's subsidiary Bluestar Adisseo Nutrition Group ("BANG") from its controlling shareholder Bluestar was approved by shareholders on 6th December, and is expected to be completed in the first half of 2020. Upon the completion, Adisseo's business will be 100% consolidated into the listed entity, and the 2019 proforma earnings per share will be increased from CNY0.37 to CNY0.44.

- AVF fund: Adisseo is accelerating its innovation development leveraging venture capital on top of internal research: another new investment was completed recently via AVF fund in the field of antibiotics replacement. Overuse of antibiotics to fight bacteria in both livestock and humans has led to widespread antibiotic resistance. The new investment has developed and commercially introduced the phage-based products preventing bacterial infection in live animals in livestock farming & aquaculture;
- Adisseo will continue the undertaking of competitiveness improvement plan;
- Via building the joint venture with Calysta to seize major aqua market opportunity with innovative solution;
- 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

Unit: Yuan

Items	Amount of current period	Amount in the same period of last year	Change (%)
Operating revenue	11,135,489,839	11,417,981,750	-2.5%
Cost of sales	7,357,134,517	7,433,746,398	-1%
Selling and distribution expenses	1,282,742,038	1,214,491,598	6%
General and administrative expenses	618,844,949	662,060,522	-7%
Research and development expenditure	294,254,663	298,112,113	-1%
Financial expenses	(63,535,915)	(44,370,696)	43%
Net cash flow from operating activities	2,550,601,183	1,441,696,047	77%

Net cash flow from investing activities	(1,160,396,390)	(2,384,358,208)	-51%
Net cash flow from financing activities	(1,357,752,395)	(1,373,468,192)	-1%

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	11,135,489,839	7,357,134,517	34%	-2.5%	-1%	-1 ppt

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	8,086,108,163	5,683,719,046	30%	-5%	-4%	0 ppt

Specialty products	2,431,310,166	1,240,507,642	49%	8%	8%	0 ppt
Other products	618,071,510	432,907,829	30%	-6%	15%	-13 ppt
Total	11,135,489,839	7,357,134,517	34%	-2.5%	-1%	-1 ppt

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	3,827,563,212			-1%		
North & Central America	2,360,190,360			-1%		
Asia / Pacific (excluded China)	1,835,864,320			-4%		
South America	1,620,527,191			-7%		
China	1,245,494,832			7%		
Other	245,849,924			-27%		
Total	**11,135,489,839**			**-2.5%**		

(*) 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 2018	Change in Volume	Change in sales price	Exchange rate impact
Performance products	389,150,861	-941,532,263	142,925,475
Specialty products	125,427,571	8,741,899	35,598,127

Adisseo's operating revenue in 2019 totaled RMB 11,135,489,839 and decreased by 4% at constant EUR/CNY rate and decreased by 2.5% at current EUR/CNY rate, compared to 2018.

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		7,357,134,517	100 %	7,433,746,398	100%	-1%	Decrease of raw material price offset by increased 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
Performance products	Raw materials, purchased equipment and consumables used (73%), Depreciation and amortization (11%), Other (16%)	5,683,719,046	77%	5,909,035,432	79%	-4%	Decrease of raw material price offset by increased sales volume
Specialty products	Raw materials, purchased equipment and consumables used (77%), Depreciation and amortization (5%), Other (18%)	1,240,507,642	17%	1,148,036,033	15%	8%	Total cost increased in line with increased sales volume and scope effect due to Nutriad

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
Other products	Raw materials, purchased equipment and consumables used (46%), Depreciation and amortization (18%), Other (36%)	432,907,829	6%	376,674,933	5%	15%	Volume increase plus the impact from bi-yearly maintenance of the plant

1.4. Expenses

Unit: Yuan

Items	Amount of current period	Amount in the same period of last year	Change (%)
Selling and distribution expenses	1,282,742,038	1,214,491,598	6%
General and administrative expenses	618,844,949	662,060,522	-7%
Financial (income)/expenses	(63,535,915)	(44,370,696)	43%

The increase of selling and distribution expenses was mainly due to the continuous investment in the acceleration of specialty business.

The decrease of general and administrative expenses was thanks to the successful implementation competitiveness enhancement plan.

The increase of financial income was mainly due to cash yields and no negative impact on foreign exchange in 2019 compared with 2018.

1.5. R&D expenditures

Unit: Yuan

Research and development expenditure recorded in expenses of current period	349,666,477
Research and development expenditure capitalized of current period	4,177,602
Total research and development expenditure	353,844,079
Proportion of total research and development expenditure to operating revenue (%)	3.18%
R&D headcount as of December 31 2018	184
% of R&D headcount over total headcount	8%
% of capitalized R&D expenditure over total amount	1%

The Research and development expenditure in the Income statement are decreased by a tax return effect about RMB 55,411,814.

Adisseo has reinforced its R&D resources in China by developing its investments and in APAC by establishing a new R&D center (Aqua Station Adisseo) in Singapore as well as some new strategic alliance with famous universities in different regions for the purpose to be close to the market needs and to provide timely support and innovation to all animal species.

1.6. Cash flow

The Adisseo net cash flow from operating activities amounts to RMB 2,550,601,183 compared to RMB 1,441,696,047 last year.

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

- RMB 1,075 million (75%) due to the tax refund and insurance claim repayment;

- RMB 34 million (2%) due to changes in the EUR/CNY currency exchange rate.

The operating cash flow generated by Adisseo enabled to partially redeem the preferred shares for an amount of RMB 479,785,145 and pay dividends for an amount of RMB 847,694,541, including dividends paid by BANG to non-controlling interests.

The decrease in cash outflows from investing activities in 2019 is mainly due to the completion of the acquisition of Nutriad in 2018.

1.7. Analysis of assets and liabilities

Information of assets and liabilities

Unit: Yuan

Items	As at December 31, 2019		As at December 31, 2018		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
Advances to suppliers	60,862,071	0%	46,697,860	0%	30%	Advance increase due to purchased material received less on time at 2019 year-end
Other current assets	380,980,363	2%	583,989,258	3%	-35%	Income Tax prepayment at 2019 year-end was less than that of 2018
Available-for-sale financial assets	0	0%	25,627,615	0%	-100%	Application of New CAS on financial instrument as of January 1, 2019
Investments in other equity instruments	11,479,649	0%	0	0%	NA	Application of New CAS on financial instrument as of January 1, 2019
Other non-current	32,676,606	0%	0	0%	NA	Application of New CAS on financial

Items	As at December 31, 2019		As at December 31, 2018		% change	Explanation
	Amount	Percentage to total assets (%)	Amount	Percentage to total assets (%)		
financial assets						instrument as of January 1, 2019
Construction in progress	612,534,221	3%	1,410,987,041	7%	-57%	European Expansion project completed in 2019
Other non-current assets	48,589,640	0%	89,614,318	0%	-46%	Less prepayments for tangible assets at 2019 year-end
Derivative financial liabilities	2,063,292	0%	67,384,765	0%	-97%	End of raw materials hedging contract
Other current liabilities	11,611,670	0%	7,037,948	0%	65%	Reclassification of government grants short-term to deferred income
Long-term payables	14,635,305	0%	8,350,312	0%	75%	More financing for project

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	3	3	0	0	N	3
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	3	3	0	0	N	1
Gu Dengjie	N	6	1	5	0	0	N	0
Ge Yougen	N	6	4	2	0	0	N	0
Ding Yuan	Y	6	1	5	0	0	N	0
Jean Falgoux	Y	6	1	5	0	0	N	3
Song Lixin	Y	6	1	5	0	0	N	2

Number of Board meetings held this year	6
Including: Number of meetings held on-site	0
Number of meetings held by other communications	2
Number of meetings held on-site combined with other communications	4

2.2. Board meetings and proposals of each meeting

Boarding meeting	**Proposals**
The 3rd meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on Related-party Acquisition of 15% Common Shares in Bluestar Adisseo Nutrition Group Limited 2) Proposal on Convening the First Extraordinary Shareholders' Meeting in FY 2019

The 4th meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on 2018 Annual Report and the Executive Summary 2) Proposal on 2018 Annual Final Accounts 3) Proposal on 2018 and 2019 Day-to-Day Connected Transactions 4) Proposal on the Board's Report for FY2018 5) Proposal on Audit Committee's Report for FY2018 6) Proposal on 2018 Annual Plan of Dividends Distribution 7) proposal on Amending the Implementation Rules of the Audit Committee and Formulating the Management Regulation on the Information Disclosure Postponement and Exemption 8) Proposal on the Special Report on Occupancy of Non-Operation Funds and Other Fund Transactions with Connected Parties for FY2018 9) Proposal on Self-Assessment Report on Internal Control for FY2018 and Audit Report on Internal Control for FY2018 10) Proposal of Appointment of Auditor and Internal Control Auditor for the year 2019 11) Proposal on Auditing Fees for FY2018 12) Proposal on Renewal of D&O Insurance Policy 13) Proposal on the Approval of Risk Report of ChemChina Finance Co., Ltd. For FY2018 14) Proposal on the Appraisal & Remuneration of Senior Management for FY2018 15) Proposal on Convening the Shareholders' Annual Assembly for FY2018
The 5th meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on 2019 Q1 Report

	2) Proposal on the Changing of Accounting Rules 3) Proposal on 2019 Short Term Remuneration Policy
The 6th meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on Listed Company's Executive Management Remuneration Policy 2) Proposal on Convening the First Extraordinary Shareholders' Meeting in FY 2019
The 7th meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on 2019 H1 Report and Executive Summary 2) Proposal on 2019 Short Term Remuneration Policy 3) Proposal on Subsidiary Company's Credit Facility 4) Proposal on the Approval of Risk Report of ChemChina Finance Co., Ltd. For 2019 H1
The 8th meeting of the 7th board of directors	Deliberated and passed the: 1) Proposal on 2019 Q3 Report 2) Proposal on 2019 Dividends Distribution Plan for the First Three Quarters of 2019 3) Proposal on Listed Company's Executive Management Remuneration Policy 4) Proposal on Related-party Acquisition of 15% Common Shares in Bluestar Adisseo Nutrition Group Limited 5) Proposal on the Implementation on Subsidiary Company's Credit Facility 6) Proposal on Convening the Second Extraordinary Shareholders' Meeting in FY2019

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, wealth creation and global sustainability awareness and necessity. This should be the case in emerging markets, where consumers’ dietary preferences are expected to shift towards protein-rich diets and in developed countries, where consumers’ dietary preferences are shifting towards more healthy food concept.

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.

Among which, methionine 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 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. An extra 1-2% growth has been seen due to the China/Asia African swine fever impact.

On the supply side, due to the new capacities from competitors finally came on stream after some delays mid-2015, 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 strong volumes growth in liquid methionine, reduction in raw material prices based on a lower Brent level as well as by rigorous cost management.

After a continuous decrease till a unit price under 1.7Euro in November 2019, stabilization and a rebound has been observed on the spot market at the year-end after the announcements of Force Majeur made by Evonik and Adisseo respectively in Nov and in Dec.

- Adisseo's Competitive landscape in each Business:

<u>Methionine</u>

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, which was exceptionally strengthened in 2019 due to the impact from African Swine Fever. As the aforementioned key methionine players continue to strengthen their global position currently, they have increased investments in Asia. In mid-2019, in Japan, with Sumitomo who started a new production line, and in Singapore with Evonik, significant additional volume was provided to the market. NHU, recent newcomer in the methionine business has also a plan to increase its capacity in different steps with a progressive ramp-up and additional volume from mid-2020.

However, robust demand has been seen in all regions, meaning that global methionine market should have a higher growth rate than the usual 5-6%, in 2019 and 2020. With a global market at 1.3 million tons in DLM equivalent for 2018, a 7 to 8% market growth would mean an additional need of about 200 KT in 2 years. However, the above-mentioned forecast does not include the impact arising from COVID-19 on meat consumption, which is yet to be followed and monitored.

Thanks to the successful capacity expansion project in Europe and debottlenecking project in China, Adisseo consolidates its second ranking leadership in 2019 and enjoyed an extra accelerated growth in China market with historical high-volume growth in 2nd half of 2019.

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.

The majority of Vitamin producers in China have all been impacted by COVID-19, which caused the supply tight in the market in first quarter of 2020.

Specialty products

a) Feed Digestibilty (Enzymes)

Feed enzymes are included in feeds of all species to improve the utilization of energy and nutrients or to degrade several undesired components. These feed enzymes primarily improve the gut and performance of animals while considerably reducing feed and waste management costs.

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 worldwide. In China, the market is mainly monopolized by several domestic companies, the market share of imported products continues to shrink. Main Chinese players are VTR, Vland Biotech, SunHY, Youtell, Challenge and Smistyle.

b) Rumen-protected amino-acids

The rumen-protected amino-acids market (for dairy cows and beef) mainly comprises of protected methionine and protected lysine and is a quite concentrated market. Adisseo main competitors in this field are Balchem, Ajinomoto, Evonik, Novus and Kemin.

c) Health by nutrition

This field includes different types of technologies and products like selenium, probiotics, sodium butyrate and phytogenics in Adisseo portfolio, to target all the main species on the market. There are a lot of players worldwide on these different solutions but the most important are ADM, Alltech, Angel Yeast, Arm & Hammer, Biomin, Calpis, Chr. Hansen, Delacon, Diamond V, DuPont, Evonik, EW Nutrition, Huvepharma, Kemin, Lallemand, Norel, Orffa, Perstorp, Phileo and Phytobiotics.

d) Aquaculture

Alltech, Biomin, Kemin, Liptosa and Novus are among the main competitors of Adisseo in the Aquaculture specialties field.

e) Palatability

The palatants are mainly used in swine and ruminants' markets to improve feed intake. In addition to Adisseo, the market comprises of western companies (ADM, Lucta, Norel, Phodé) and Chinese companies (Dadi, Menon).

f) Mycotoxin Management

The addition of mycotoxin management products in the feed is useful for all the animal species around the world. Adisseo, Alltech, Biomin, EW Nutrition, Impextraco, Innovad, Kemin, Norel and Olmix are the main players on this market.

g) Feed preservation

Like for mycotoxin management products, the feed preservation additives are used widely for all species around the world. Adisseo main competitors on this market are Alltech, Anpario, Impextraco, Innovad, Kemin, Lucta, Norel, Perstorp and Selko

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. Trade pacts and trade conflicts, especially between USA and China, will not change the global industry growth. It will only influence the trade volumes and speed between the parties. Although unsure at the moment for the animal feed and food production industry we see a strong tendency in establishing new trade pacts.

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.).

The impact of African Swine Fever on Chinese and Asian pork production has an unprecedent scale and affecting the entire animal production industry, far beyond China and pork. Substitution of the lost pork production is primarily stimulating poultry production worldwide, the main animal species for methionine consumption. Strong prices for all meat types reinforces the investment in the industry.

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.

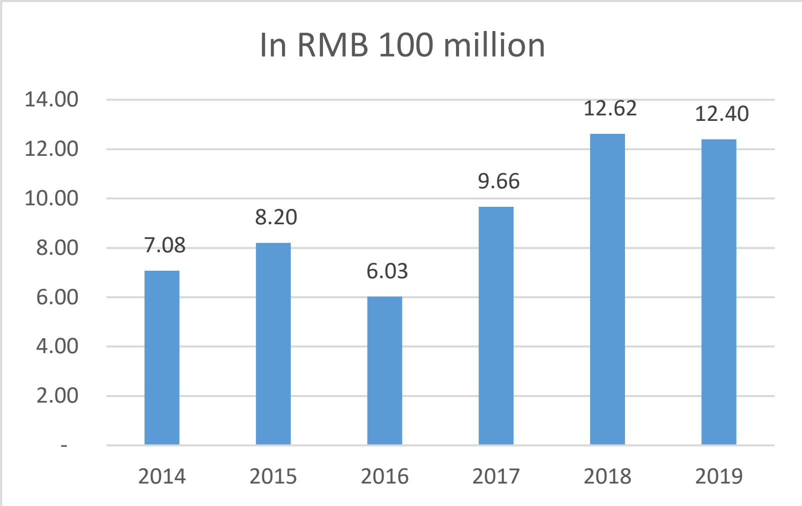
The Company bases its growth's strategy on four levers:

- Innovation: 10 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:
    - o Development of Value-added Services to Customers: answering customers global needs beyond products;
    - o 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, 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. In 2018, Adisseo has launched Rhodimet® A-Dry+ and Rumensmart® and in 2019 Smartamine ML and Rovabio Advance Phy.

- Industrial investments: Adisseo's investment strategy enabled significant gains in methionine market shares in the last several 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®, Rhodimet® A-Dry+ production unit in Burgos
        - 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, a global feed additives producer for more than 50 years is a good example. 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. Nutriad’s product range, the species addressed, and its target markets are highly complementary to Adisseo’s and allows 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;
- Close connection with disruptive new technology via AVF (professional private equity investment fund managed by Seventure Partners and in which Adisseo is the cornerstone investor);
- 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 the Board of Supervisors' Report for FY2019

Dear Shareholders,

During the year of 2019, 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 FY2019 for details.

Please review the above proposal.

Attachment: Board of Supervisors' Report for FY2019

Board of Supervisors' Report for FY2019

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 3rd Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) 2018 Annual Report and the Executive Summary 2) 2018 Annual Final Accounts 3) the Board of Supervisors' Report for FY2018 4) 2018 Annual Plan of Dividends Distribution 5) Special Report on Occupancy of Non-operation Funds and Other Fund Transactions with Connected Parties for FY2018 6) Self-Assessment Report on Internal Control for FY2018 and Audit Report on Internal Control for FY2018 7) Approval of Risk Report of ChemChina Finance Co., Ltd. for FY2018
The 4th Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) 2019 Q1 Report 2) The Changing of Accounting Rules 3) 2019 Short Term Remuneration Policy
The 5th Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) Listed Company's Executive Management Remuneration Policy
The 6th Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) 2019 H1 Report and Executive Summary 2) 2019 Short Term Remuneration Policy
The 7th Meeting of the 7th Board of Supervisors	Deliberated and passed the proposal on: 1) 2019 Q3 Report 2) Dividends Distribution Plan for the First Three Quarters of 2019 3) Listed Company's Executive Management Remuneration Policy

2. Opinions of the board of supervisors on self-assessment report on internal control for FY2019

In the FY2019, 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 FY2019” 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 2019 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 2019 Annual Plan of Dividends Distribution

Dear Shareholders,

The net profit attributable to the shareholders of the Company at the consolidated level for the year ended 31st December 2019 amounted to RMB 992,382,202 and the accumulated profits available for distribution at parent company level as at 31st December 2019 amounted to RMB 423,586,890.

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: based on the total share capital on the registration date, the Company will distribute RMB 1.56 (inclusive of tax) per 10 shares in the form of cash dividends to all shareholders. The total expected amount of the cash dividend to be distributed is RMB 418,376,599.

If the total share capital of the Company changes before the date of registration, it is proposed to maintain the same distribution ratio per share and adjust the total amount of distribution accordingly. An announcement shall be released accordingly.

Please review the above proposal.

Material 6

Proposal on Appointment of Auditor and Internal Control Auditor for the Year 2020

Dear Shareholders,

To maintain the continuity of auditing, the Company proposes to continue to engage KPMG Huazhen LLP as the Company's 2020 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 287,575 (plus local insurance tax) and the insurance amount not exceeding RMB 132,340,000.

Please review the above proposal.

Material 8

Proposal on Nominating WU Jingwan as the Candidate of the Board

Dear Shareholders,

Due to change of work, Mr. Michael Koenig tendered his resignation as deputy chairman of the 7th session of the Board of Directors, and the member of Remuneration and Appraisal Committee and the Strategy Committee on 14th February 2020.

Following the *Company law*, *AOA* and other regulations, the board discussed and passed the proposal on nominating Mr. Wu (resume attached) as the candidate of the board. His tenures will be the same as the 7th session of the board since approved by the shareholders' meeting.

Please review the above proposal.

Resume:
Wu Jingwan, born in 1969, American. He obtained a bachelor's degree from University of International Business & Economics and an MBA from Purdue University's Krannert Graduate School of Management.

Certified General Accountant of Canada. Mr. Wu used to work in China National Geological Import and Export Corporation, Shell China Limited and Akzo Nobel. He used to be a Finance Director in United Technology Corporation, Vice President of Finance Control in Pearson China and CFO Asia in Nexeo Solutions. Mr. Wu is currently working as a Group CFO in China National Bluestar (Group) Co., Ltd.

Mr. Wu is an expert in team management, accounting, financial planning and analysis, financial control, etc. He has experience in mergers and acquisitions, joint venture management, co-financial services and ERP system.

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