Company Code: 600299 Company Abbreviation: Adisseo

Bluestar Adisseo Company
2024 Half-year Report

Important Notice

I. The Company's Board of Directors, Board of Supervisors, directors, supervisors, and senior management guarantee that, the content of the annual report is authentic, accurate and complete, and contains no false statement, misleading presentation or material omissions, and they assume individual and several & joint legal liabilities for the half-year report.

II. Directors who did not attend the board meeting.

Position of absent director	Name of absent director	Explanation of reasons for not attending the board meeting	Name of the entrusted director
Director	Yougen Ge	Meeting conflict	Zhigang Hao
Director	Yanfeng Sun	Meeting conflict	Xiaolei Zhu

III. The half-year report has not been audited.

IV. Zhigang HAO, the Company's principal, Virginie CAYATTE, the person in charge of the accounting function, and Virginie CAYATTE, the person in charge of the accounting department (the personnel in charge of accounting) state that, they ensure the authenticity, accuracy and completeness of the financial statements in the half-year report.

V. The Board of Directors has reviewed the profit distribution plan and the plan to use the statutory reserve to perform a capital increase in the reporting period.

The Company did not have a profit distribution plan or the plan to use the statutory reserve to perform a capital increase in the reporting period.

VI. Statement on the risks of forward-looking information

√ Applicable ☐ Not applicable

The forward-looking information such as future and development strategy, etc. described in the report do not constitute in any manner whatsoever the Company's substantial commitment to investors. Investors should pay special attention to assessing investment risks.

VII. Has the capital held by the controlling shareholder and its related parties been used for purposes other than for transaction purposes?

No.

VIII. Has the guarantee been granted externally in violation of regulated decision-making procedures?

No.

IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and integrity

of the report disclosed by the company

No.

X. Risk factors

√ Applicable ☐ Not applicable

During the reporting period, no material risks have been identified that will have a substantial impact on the operations of the Company. The Company has disclosed the relevant kinds of business and production risks as well as their corresponding solutions. For more information, please refer to Section 3, Management's Discussion and Analysis, part V.1 "Possible risks in the future".

XI. Other information

√ Applicable ☐ Not applicable

Chinese version of this report

This is an English translation of the Annual Report of Bluestar Adisseo Company. If there is any conflict between the Chinese version and its English translation, the Chinese version will prevail.

CONTENTS

Document for Reference	Financial statements signed and sealed by principal, person in charge of financial function, person in charge of the financial department,
	The original copies of all documents and announcements of the Company publicly disclosed in the newspapers designated by the CSRC during the reporting period,

Section 1 Interpretations

I. Interpretations

Unless otherwise specified, the following terms in the report shall have the meanings shown below:

Interpretations of the terms in common use		
a. General terms		
Company, the Company	Indicate	Bluestar Adisseo Company
BNCM	Indicates	Bluestar New Chemical Material Co., Ltd
Nutriad	Indicates	The Nutriad Holding B.V. company and its subsidiaries acquired by Adisseo in February 2018
Calysta	Indicates	A US-based technology firm that has developed a proprietary Single Cell Protein and its innovative associated manufacturing process
Calysseo	Indicates	Adisseo has formed a joint-venture company called Calysseo together with Calysta in March 2020
FRAmelco	Indicates	The Franklin Group BV and its subsidiaries acquired by Adisseo in December 2020
Nor-Feed	Indicates	A French leader in functional plant extracts for animal nutrition, acquired by Adisseo in Feb 2023
Nanjing Plant	Indicate	Bluestar Adisseo Nanjing Co., Ltd.
Group, the Group, or Adisseo	Indicate	Bluestar Adisseo Company and its subsidiaries
ChemChina	Indicates	China National Chemical Corporation
China Bluestar	Indicates	China National Bluestar (Group) Co., Ltd.
SinoChem	Indicates	Sinochem Group Co., Ltd.
SinoChem Holdings	Indicates	SinoChem Holdings Co., Ltd. is a new company established by the SASAC of the State Council on behalf of the State Council to perform the duties of investor for the purpose of joint reorganization between SinoChem Group and ChemChina. SinoChem Group and ChemChina will be included in the new company as a whole.
BANG	Indicates	Bluestar Adisseo Nutrition Group Ltd
Board of Directors	Indicates	The Board of Directors of Bluestar Adisseo Company
Board of Supervisors	Indicates	The Board of Supervisors of Bluestar Adisseo Company
Shareholders' General Meeting	Indicates	The Shareholders' General Meeting of Bluestar Adisseo Company
Articles of association ("AOA")	Indicate	The Articles of Association of Bluestar Adisseo Company
CSRC	Indicates	China Securities Regulatory Commission
SSE	Indicates	Shanghai Stock Exchange
SASAC of the State Council	Indicates	State Assets Supervision and Administration Commission of China of the State Council
Yuan, 10 thousand Yuan, 100 million Yuan	Indicate	RMB Yuan, RMB ten thousand Yuan, RMB one hundred million Yuan
Reporting period	Indicates	1 Jan 2024 ~ 30 June 2024
Transaction and restructuring	Indicates	In 2015, the company purchased 85% of the common stock of Adisseo through major asset restructuring with related party by issuing shares and cash payment and disposed of all the original businesses of the listed company.
Company Law	Indicates	Company Law of the People's Republic of China
Securities Law	Indicates	Securities Law of the People's Republic of China
Listing Rules	Indicates	Listing Rules of the Shanghai Stock Exchange
b. Technical terms		

Interpretations of the terms in common use		
Feed additives for animal nutrition	Indicates	Feed additives are food supplements for farm animals that cannot get enough nutrients from regular feeds and have to be added to the feed for nutritional purpose which could promote the growth, development and wellbeing of animals.
Methionine / Methionine product	Indicate	One of the naturally occurring, sulfur-containing essential amino acid, which cannot be synthetized by animals and needs to be added to the feed. Methionine products refer to those that contain methionine itself or chemicals that can be bio-transformed to methionine in animals.
Liquid methionine ("HMTBA")	Indicates	A methionine hydroxyl analogue, which can be naturally transformed to methionine in animals and is in a liquid state at ambient temperature.
Powder methionine	Indicates	Methionine in a powdery state at ambient temperature.
Ammonium sulfate	Indicates	A colorless crystalline salt, which is a by-product during the liquid methionine production process, and mainly is used as a fertilizer.
Sodium sulfate	Indicates	A white crystalline compound, which is a by-product during the powder methionine production process, and used especially in detergents as well as the production of paper, glass, fuel and pharmaceutical products.
Enzyme	Indicates	A protein molecule functions as a biological catalyst and effectively promotes certain biological reactions in animals, and also can be used to accelerate the reaction processes in chemical industrial production. Enzymes can be added to feed to ameliorate the feed utilization and nutrition, health and immune status of animals.
Ruminants	Indicate	Refers to animals whose stomach is usually divided into four compartments, namely rumen, reticulum, omasum, and abomasum, and chews a cud consisting of regurgitated, particularly digested food. Ruminants include cattle, sheep, goats, deer, giraffes, camels, etc.
Rumen	Indicates	The first stomach of a ruminant, which receives food or cud from the esophagus, particularly digests it with the aid of bacteria and passes it to the reticulum.
Performance products*	Indicate	The following products: methionine, methionine hydroxyl analogue, vitamins, ammonium sulfate, sodium sulfate and related sulfur business.
Specialty products	Indicate	The following products: enzymes preparation, rumen-protected methionine, organic selenium additives, probiotics additives and other specialties, including FeedKind® business and services of processing powder.
MMP	Indicates	3-(Methylthio) propionaldehyde. This substance is the first intermediate in the synthesis of methionine. It is generated by the chemical reaction between methane thiol and propylene.
FeedKind®	Indicates	FeedKind® protein is a natural, traceable and safe non-animal source of high protein produced using the world's only commercially validated gas fermentation process. It is a sustainable alternative to high protein feed ingredients such as fishmeal.
KT	Indicates	Kilo ton
TWh	Indicates	Terawatt-hour, a unit of measurement for the amount of electrical energy produced.

**Note: The definition here is only for internal financial reporting purpose as we consolidate the result of main products together with its by-products, which is different from the definition used in animal nutrition industry (i.e. technically, ammonium sulfate should not belong to Performance products if considering from the point of view of animal nutrition industry).*

Section 2 Company Profile and Financial highlights

II. Company profile

The Company's Chinese name	蓝星安迪苏股份有限公司
The Company's Chinese abbreviation	安迪苏
The Company's English name	Bluestar Adisseo Company
The Company's English abbreviation	Adisseo
The Company's legal representative	Zhigang HAO

III. Contact Person and Contact Methods

	Secretary to the Board of Directors
Name	Mrs. Cai Yun
Contact address	9 West Beitucheng Road, Chaoyang District, Beijing
Tel	010-61958802
Fax	010-61958805
E-mail	Investor-service@bluestar-adisseo.com

IV. Brief Information

The Company's registered address	Room 3079, 3F, Shangdi Information Industry Base Zoom, 6 Chuang Ye Road, Haidian District, Beijing
Any changes in registered address in history	On 23rd July 2024, the Company has changed the registered address from Room 6518, Garden Hotel, 30 East Garden Road, Haidian District, Beijing to Room 3079, 3F, Shangdi Information Industry Base Zoom, 6 Chuang Ye Road, Haidian District, Beijing.
The Company's office address	9 West Beitucheng Road, Chaoyang District, Beijing
Zip code of the Company's office address	100029
The Company's website	https://www.adisseo.com.cn/
E-mail	Investor-service@bluestar-adisseo.com

V. Information Disclosure and Preparation Site

The name of newspapers selected by the Company for information disclosure	Shanghai Securities News https://www.cnstock.com/, China Securities Journal https://www.cs.com.cn/
The website specified by CSRC for publishing the annual report	www.sse.com.cn
Preparation site of the Company's annual report	Board Secretary Office

VI. Brief Information on the Company's Shares

Brief information on the Company's stock				
Type of security	Stock exchange on which the securities are listed	Share abbreviation	Share code	Share abbreviation before modification
Ordinary Shares	Shanghai Stock Exchange	Adisseo	600299	BNCM

VII. Other relevant information

☐ Applicable √ Not applicable

VIII. Main financial data and financial ratios

Main financial data

Unit: Yuan Currency: RMB

Main accounting data	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Changes in comparison with the same period of last year (%)
Operating revenue	7,260,948,548	6,328,375,755	14.74%
Net profit attributable to the shareholders of the Company	607,599,304	33,400,286	1,719.14%
Net profit attributable to the shareholders of the Company after deduction of non-recurring profit or losses	704,686,306	10,640,672	6,522.57%
Net cash flow arising from operating activities	1,230,668,395	1,175,333,319	4.71%
	30 June 2024	**31 December 2023**	**Changes in comparison with the end of last period (%)**
Net assets attributable to the shareholders of the Company	15,164,386,551	15,036,928,489	0.85%
Total assets	21,416,897,892	21,513,367,642	-0.45%

Main financial ratios

Main financial ratios	30 June 2024	30 June 2023	Change of the present period over the same period of last year (%)
Basic earnings per share (Yuan/ share)	0.23	0.01	2,200.00%
Diluted earnings per share (Yuan/ share)	0.23	0.01	2,200.00%
Basic earnings per share after deduction of non-recurring profit or loss (Yuan/ share)	0.26	0.0038	6,742.11%
Weighted average return on net asset (%)	4.00	0.22	3.78ppt
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	4.64	0.07	4.57ppt

Explanations of main financial data and financial ratios:
√ Applicable ☐ Not applicable

The strong yoy increase in the net profit attributable to shareholders and in the recurring net profit attributable to shareholders for H1 2024 is mainly driven by
1) Strong growth in methionine business,
2) Sustained business dynamic in specialties, notably in monogastric and aqua, partially offsetting the negative impact posed by downturn of dairy industry in North America,
3) Positive impact from decreased raw material, energy costs, continuous monitoring and optimization of global supply chain, distribution and duties management.

4) On-going strict working capital management and continuous costs control measures & competitiveness enhancement program.

IX. Differences of Accounting Data under Domestic and Overseas Accounting Standards

☐ Applicable √ Not applicable

X. Non-recurring Profit or Loss Items

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	**For the six months ended 30 June 2023**	**Description (if applicable)**
Net profit or loss on disposal of non-current assets	(620,931)	Scrapping of non-conform or defective equipment-BANC2 write-off
Government grants recognized in profit or loss, other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	12,702,833	Mainly grants related to assets for land use right and industrial structure adjustment in Nanjing plant and related to R&D policy
Profit or loss on changes in fair value		
One-off expenses incurred for discontinued operations of the Company, such as severance payments	(128,865,550)	Restructuring cost
Other non-operating income or expenses other than the above	(11,145,269)	
Less: Impact of income tax	(30,841,915)	
Impact of non-controlling interest (after tax)		
Total	**(97,087,002)**	

XI. Others

☐ Applicable √ Not applicable

Section 3 Management's Discussion and Analysis

XII. Main businesses, Operating Methods and Industry explanation of the company during the reporting period

The world's population now encompasses about 8 billion people, and it is expected to continue to rise to around 10billion by 2050. The combination of natural resources scarcity, climate change and population growth aggravate the complexity of providing food and nutrition security.

The feed-food chain faces a dual challenge: Producing larger quantities of high quality and affordable meat, milk, and eggs in response to an increasing global demand, while doing so through production systems that are environmentally sound, socially responsible and economically viable. Today it is acknowledged that animal nutrition plays an important role to improve end-product quality and safety, increase livestock production efficiency, reduce its environmental impact, and keep animals healthy and feeling well.

Being a worldwide leader in the feed additives market for animal nutrition and health, Adisseo provides a solution approach through partnerships, products and services, research & innovation, Adisseo's mission is to feed the planet in a high-quality, affordable, safe and sustainable way.

Adisseo contributes effectively to develop and provide innovative products and services to the feed and food industry already for more than 80 years. Adisseo provides feed additives for animal nutrition including essential nutrients and specialty feed ingredients including but not limited to digestibility improvement, preserving precious resources and qualitatively formulated feed, stabilization of gut flora, improving animal health by strengthening the animals' intestinal tract and therefore increase their resistance to harmful micro-organisms. As such, we contribute to the prudent use of antibiotics, reducing the risk of antimicrobial resistance (AMR). Meanwhile, Adisseo's feed ingredients contribute to support sustainable production and environmental protection by the reduction of effluent (e.g. nitrogen, phosphorus, and methane), the increase of raw material usage efficiency and the balance of animal productivity and welfare.

Adisseo is bringing solutions to premixers, feed mills, farms, integrators and animals in every food producing category: poultry, swine, ruminants and aqua. A global team serves about 4,200 customers in over 110 countries globally to partner in solving issues related to production efficiency, improve livestock performance, optimize animal nutrition and raw material usage, keep animals healthy and feeling well while reducing/minimizing its environmental impact.

Adisseo is present worldwide and operates on all continents with sales force organized in six business areas: Europe/CIS, Middle East/Africa & Indian sub-continent, North America, South & Central America, Asia Pacific and China. A team of acknowledgeable sales and technical support brings expertise to offer professional consultation on additive application technologies and feed formulation and finished products analysis, strengthening its position as the go-to supplier through its distribution platforms for and its long-term and productive relationships with its customers.

Leveraging safety and sustainability DNA, the Company pursues the implementation of its "two-business-pillar" strategy, i.e. continuously consolidating its leadership in methionine industry, while accelerating its development in Specialty business.

To do so, Adisseo brings a full range of products and services to the market that supports customers in every step of the feed and animal production for all animal species:

- Performance products:
    - Adisseo is the world leader in liquid methionine and is aiming to become the world's largest producer in the global methionine market. Adisseo is one of the few global methionine producers capable of producing methionine in both liquid and powder forms.
    - Adisseo is uniquely positioned in the vitamin business in the feed industry, who endeavors to provide a full range of vitamin offerings with high quality and complete traceability.

- Specialties:
  - Monogastric business including
    - Feed Digestibility (enzymes, lysolecithins, etc.): Adisseo is a world-leading and the most recognized supplier of Non-Starch Polysaccharide enzymes resulted from 25^+ years development history in this sector.
    - Animal Resilience (products to support animal performance like gut health products, Selisseo, Alterion, Adimix, etc): Adisseo is one of the world leading companies in animal performance products like gut health. The acquisition of FRAmelco is further reinforcing Adisseo's position in the promising and fast-growing animal resilience market segment.
    - The acquisition of Norfeed allows Adisseo to complement its offering with natural ingredients additives
    - Other products (Palatability, Mycotoxin management, Feed Preservation) to support customers in raw material evaluation, feed formulation, feed production, storage and animal well-being and performance.
  - Ruminant (protected amino acid, etc.): With notably its Protected Methionine and undisputable market positioning. Adisseo is the world-leading producer of rumen-protected methionine for amino-acid balanced diet with 30 years of experience.
  - Aqua and new alternative protein (aqua feed additive and FeedKind®, the new, safe, healthy, traceable and nutritional protein): A new highly promising segment for Adisseo.
- Services: Adisseo brings a comprehensive range of products and services to support customers in every step of the production process of feed and animals.

The global research and innovation centers,_with around 300 people dedicated to research and innovation, represent solid engines to support the "two-business-pillar" strategy.
Adisseo relies on its production sites based in Europe, USA, Southeast Asia and China to design, produce and market nutritional solutions. The manufacturing platforms enable Adisseo to manage most of its production internally, some vitamins are traded and Adisseo works with industrial partnerships for the production of some specialties. Now Adisseo is reinforcing its own global industrial footprint in both methionine and specialties to address the customer needs as well as to ensure reliable global supply reliability in the context of ever-increasing geopolitical risks.

To guarantee a sustainable growth model, Adisseo is keen to strike the right balance between economic and human development and the preservation of the planet's resources. Thanks to innovative methods and constant awareness, all staff members are mobilized to reach "Zero Accidents": occupational safety, process safety, product safety, transportation safety and environmental safety.

Sustainability is critical for Adisseo, and the company has defined clear guidelines based on carbon neutrality and the limitation of its environmental impact. Adisseo's objectives are aligned on international standards such as Paris agreements, the COP21 and contribute to the UN Sustainable Development goals such as SDG 2 "Zero hunger", SDG 8 "Decent work and economic growth", SDG 12 "Responsible conception and production" and SDG 13 "Climate action". In 2023, Adisseo finalized a process with a leading French sustainable development external consultant to establish its carbon reduction roadmap to 2050.

Adisseo's ambition is to establish Sustainable Development at the heart of Adisseo Strategy in order to build a sustainable future for the Group, and to align Adisseo environmental footprint objectives with the COP21 Paris agreement objectives. Four priorities have been defined:

- Reduce Adisseo environmental footprint,
- Contribute to the reduction of the environmental footprint of our value chain,
- Ensure a responsible behavior towards employees, stakeholders and the society,
- Strengthen Adisseo Governance and SD reporting.

Adisseo's commitment is long-term. Each year, Adisseo decides on new initiatives and new progress which allows to build and continue to advance on the path of sustainable development for the company and for the entire food production chain.
Adisseo is also engaged to minimize environmental impact. Adisseo is pursuing its reduction policy for the impact of its activities on the environment.

In 2020, Adisseo set up the target of a 20% reduction engagement for scope 1 and 2 of GHG emissions (absolute value) as well as its water and energy consumption per kilogram by 2025.
The achievement of the target is well on track thanks to the investment to develop and optimize processes, improve energy efficiency and the purchasing of renewable or decarbonated energy. Improvement in energy consumption is built around 3 main areas: operational rigor to avoid losses, technical and economic studies aimed at improving the energy efficiency of our processes, optimization of purchasing contracts and the search of subsidies. Adisseo also ensures continuous improvement processes to increase water efficiency and recycling initiatives.

XIII. Core competitiveness analysis in the reporting period

√ Applicable ☐ Not applicable

1. Global Industry Leader

Adisseo awareness is improving all over the world. Adisseo is seen as expert company in animal nutrition thanks to its highly qualified teams and R&D research centers.

➢ **Performance products**

Performance products include mainly methionine and vitamins. Consolidating its leadership on methionine market is the first business-pillar of Adisseo.

Methionine

Methionine is Adisseo's main product categories. The complicated production processes of chemical synthesis of methionine require significant expertise and large initial capital investment. The whole production process is regulated and supervised strictly from the perspective of environmental protection and production safety. Therefore, only a few producers in the world can produce methionine safely, sustainably and on a large scale. Adisseo is also one of the few global methionine producers capable of producing methionine in both powder and liquid forms.

Adisseo has currently two platforms (Europe and China), allowing Adisseo to serve our customers in a most cost-effective and reliable way. In addition, Adisseo has started the feasibility study on the next methionine production platform in USD-zone area for the purpose to meet the ever-increasing customer demand.

- European platform

It is the historical platform, which is structured around following main plants: Les Roches plants is the upstream unit where the first intermediate in the synthesis of methionine, MMP, is produced before being supplied then converted to powder methionine in Roussillon (France) and to liquid methionine in Burgos plant (Spain).

To increase its liquid methionine production in Europe, there has been consecutive capacity expansion projects performed in recent years, which have successfully provided additional capacity of 80KT/year to the market since Q3 2021, allowing Adisseo to address the continuously growing market and to further improve cost competitiveness.

Furthermore, Adisseo finalized the development of Rhodimet® A-Dry+, a brand-new methionine product, based on the liquid methionine ("HMTBA") technology also offering a new product for the dairy market: RumenSmart. The new production unit constructed in European platform expansion project was built in Burgos (Spain) and is now producing with continuously increasing production volumes to meet the market demand. Designed to incorporate many aspects of sustainability, the Burgos plant optimizes energy consumption (by recycling waste steam), reduces CO_2 emissions, and imposes the minimum possible level of environmental impact.

Following exceptional economic situation including lower demand of meat and milk, higher raw material prices and sky rocketing energy prices arising from Ukraine crisis in recent years, Adisseo decided to take immediate mitigation plan including adapted and optimized European operations to protect margins. In Jan 2024, Adisseo decided definitely not to restart its powder methionine production plant in Commentry to improve overall cost competitiveness of methionine business.

- Nanjing platform

In 2009, Adisseo established the Nanjing plant to firstly supply China market, the world's largest methionine consumption market. Adisseo is one of the first global companies to establish major production facilities to produce methionine in China. Adisseo is continuously improving its cost competitiveness thanks to its fully integrated manufacturing platform, continuous improvement in the manufacturing process thanks to the research and innovation efforts as well as continuously expanded capacity. The gradual increase of investment and production including debottlenecking enabled Nnajing platform to seize the opportunities afforded by China's rapidly growing methionine demand, swiftly respond to the changes in the market, and further enhance its competitiveness and market position.

To meet the continuously growing demand of global customers and to maximize the economic scale of the production platform, thus, to further consolidate its leadership role, another new liquid methionine plant with a capacity of 180KT per year was constructed and started up in September 2022. The new facility is located adjacent to the existing Adisseo plant in Nanjing. It embeds some specific changes to production processes to improve environmental protection and to further reduce already world leading production costs. Accompanying with the stable operation of the plant with the high-capacity utilization rate, Nanjing Plant has now become one of the largest in terms of capacity, most technically advanced, and most competitive liquid methionine production platforms in the world. This is a major step in Adisseo's strategy to build a complete global industrial layout. The company ambitions to make full use of it to best meet the growing market demand in the world and to provide most efficient and reliable products and services to its customers in China, in Asia and in the rest of the world. Adisseo is expecting great benefits from the Second Nanjing Plant thanks notably to the important economy of scale effect arising from the synergy with the existing Nanjing plant. More than that, the new integrated platform is on its way to make further investment to optimize its energy consumption so as to improve its environmental impact.

- Quanzhou platform – a new powder platform in China

To meet the demand of all methionine customers and to further consolidate leadership in methionine industry, not only in liquid form, but also in powder form, on August 4, 2023, the Board of Directors of Bluestar Adisseo Company decided to construct of a new powder methionine plant with a capacity of 150KT per year in Quanzhou where Adisseo can fully leverage integration synergies with SinoChem group with expected start-up in 2027.

Thanks notably to the Nanjing platform, although there was new capacity from both existing players and newcomers, Adisseo managed to increase its market share from 23% to 28% from 2012 to 2023 and in a context of continuously growing market. Adisseo expects to reinforce its leading position in the coming years and is pursuing its investment path with further capacity expansion projects.

Adisseo markets methionine under Rhodimet®. Adisseo is considered as the best at the "global picture and global supply" for methionine in liquid form by key customers.

Adisseo is a key participant in each regional market across the world. Main competitors are Novus, Evonik, Sumitomo, CJ, NHU and CUC.

<u>Vitamins</u>

Adisseo is also a major player in vitamins with full range of products, including A, B, D3, E and H. Adisseo markets the vitamin portfolio under Microvit® which is recognized as a reliable and qualitative range of vitamins by our customers. Adisseo selects suppliers and guarantees quality through the Microvit Certification System.

Adisseo holds around 20% of Vitamin A production capacity in feed industry. Adisseo buys raw materials from different sources to avoid supply issues, including large chemical companies to produce its Vitamin A.

The price of Vitamin A has rebounded slightly in this first half year after experiencing a sharp drop since April 2022 due to one main player back to the market. The pricing upward trend is now being further reinforced in summertime due to a fire in the plant of a major player in the industry.

Adisseo is continuously optimizing production and operations of Vitamin business through optimization of sourcing and consolidating a new operation model. Thanks to these efforts, the overall profitability level of Vitamin business is improving.

➢ **Specialty products**

Specialty products include 1) rumen business mainly rumen-protected amino acids dedicated to the ruminant species, 2) specialties for monogastric business including feed digestibility (enzymes & emulsifiers); animal resilience (incl. probiotic, short and medium chain fatty acids, botanicals and organic selenium); palatability, mycotoxin management, feed preservation, 3) aqua & new alternative protein, etc.

Accelerating the development of Specialty products is the second business-pillar of the Adisseo Group. Adisseo has the ambition to become one of the worldwide leaders of specialty additives in animal thanks to the organic growth of its existing product range, the launch of new products and external acquisitions.

1. Ruminant (Rumen-protected amino-acids)

Based on the world's leading methionine technology, Adisseo has actively developed two rumen-protected methionine: Smartamine®M and MetaSmart®, which are recognized as the best protected methionine for ruminants with excellent performance. These products improve milk composition as well as overall production, reproduction, and health of cows. Ultimately these products contribute to a more sustainable milk production through decrease of the release of nitrogen into the environment, reduce ration carbon footprints and increase longevity in the herd.

Promotion of two new products, complementary to the existing range, continued as planned: RumenSmart® which has proven its role in mitigating milk fat depression and Smartamine®ML, a rumen-protected lysine, which benefits from the unique coating technology that made the success of Smartamine®. These new products are reinforcing Adisseo offering and its amino acids balancing diet nutritional program. A new ruminant product, DynOmik™ was launched to the market in Q3 2023, which will improve milk production and reduce methane emissions from cows at the same time.

Adisseo will continue investing in R&I to develop innovative technology on Rumen-protected amino acids and new knowledge related to dairy cow nutrition and health.

2. Monogastric

a) Feed Digestibility (Enzymes)

Adisseo developed a leading position in the feed enzymes market. Enzymes improve digestibility and efficiency of feed, which in turn reduces feed costs, cereals consumption (soya, corn…) and nitrogen and phosphorus emissions. Consequently, feed enzymes contribute strongly to a more sustainable animal production. Feed enzymes market can be divided into different segments:

- Non-starch polysaccharide enzymes are used in poultry and swine diets to enhance digestibility of cereals and meals; Rovabio® is a leading brand in the NSPases segment for more than 25 years, supported with the Precise Nutrition Evaluation (PNE by Adisseo), a prediction service to evaluate feedstuff quality and help our customers to formulate the feed in line with the animal needs. PNE service has been completed with Addict, an innovative software which translates automatically the analytical values predicted by PNE into nutritional values used for feed formulation.

- Phytase enzymes are used to break down phytate in poultry, swine and aqua diets to release bound phosphorus. Thanks to this mechanism, phytase enzymes allow for an optimized utilization of phosphorus found in cereals (soya, corn, wheat, II), thus resulting to less excretion of phosphorus into the environment while assuring high performance animal production.

Rovabio Advance®, a Non-Starch Polysaccharide enzyme launched in 2015 continues its nice successful career thanks to an unmatched efficiency.

In 2019, Adisseo has launched Rovabio Advance Phy®, an innovative enzyme product covering the needs of the two above mentioned categories. This product is being made available gradually in liquid and powder form depending on regulatory approvals; consequently, since 2021, acceleration of Rovabio Advance Phy penetration has been witnessed.

In Oct 2021, Rovabio Phyplus, the newest generation phytase product was launched, representing a cornerstone in term of feed digestibility solutions – this new product, used in combination with Rovabio Advance, will reinforce the competitiveness and sustainability of our customers' poultry and swine operations. In addition to its efficiency and its intrinsic thermostability, the product leads to a new way of applying phytase in liquid form in the feed mixer, which will contribute to the simplification, cost-efficiency and safety of operations in feed mills. This new product is now available in all major countries/regions.

b) Animal Resilience including

1) Organic selenium

Since the launch in 2014 of Selisseo® (organic selenium), Adisseo became one of the leaders in this segment thanks to an innovative and patented product, supported by extensive R&D and technical work.

Organic selenium helps to enhance reproduction of livestock (poultry, swine and ruminants) improve livability in shrimp and fish, and support production performance and health in challenging conditions (heat stress, physiological and sanitary stress). Thanks to the higher selenium transfer in tissues, organic selenium is also able to improve the quality of the eggs, meat and milk enabling to produce selenium enriched food. Usage of organic selenium increases steadily in all geographies and species.

Adisseo keeps gaining market share, not only in the breeder segment but as well in all other species (broilers, layers, swine, aqua and dairy cows). After successful sales in the USA, penetration into the China market with huge potential is currently being launched.

2) Gut health products

Alterion probiotic is one of the solutions offered by Adisseo to help animal producers to reduce antibiotic usage. Adimix sodium butyrate and Apex botanicals complement nicely Adisseo's offering. The recent acquisition of FRAmelco reinforces further Adisseo's position in the promising and fast-growing Health by Nutrition market segment thanks to short and medium chain fatty acids which complement the existing product portfolio.

R&I work is ongoing to develop more products and solutions that will help farmers to produce poultry, swine, fish, and shrimps in a more sustainable way (reduced usage of antibiotics, animal welfare).

c) Palatability

Palatability products stimulate feed intake and consequently support performance and health of animals (swine, horses, ruminant), especially in hot or stressful conditions. Sales growth is driven by innovation, species expansion (dairy) and geographic expansion.

d) Mycotoxin management and Feed preservation

Global warming tends to favor development of fungi on the grains and consequently increases the prevalence of mycotoxins in grains and feeds. Mycotoxin management products alleviate the negative impact of mycotoxins on health, reproduction and performance of poultry, swine, ruminant, and aqua species. Development of these products is supported by analytical services which help customers to better assess mycotoxin risk in their feeds.

Feed preservation products inhibit the development of mold and bacterial pathogens in grains and feeds, thus allowing better use of feed resources and limiting wastes. Adisseo is gradually phasing out acid-based feed preservation products to limit its exposure to this volatile and commoditized markets and to refocus commercial efforts on higher value specialty additives. Beyond these acid-based products, the product range also includes antioxidants that prevent degradation of fat and thus protect the nutritional value of feed.

To improve operational efficiency and better focus on high margin products, Adisseo has merged the two-above family of products into a new category called Feed integrity. The purpose of this category is to deliver to customers solutions that ensure protection of feed nutritional value and prevent any negative effects of mycotoxin on animal health and performance.

3. Aqua & New Alternative Protein

Adisseo offers innovative nutritional and health solutions to sustain fish and shrimp farming in the key markets. Aqua, especially in Asia, represents a great growth opportunity for Adisseo. Adisseo reinforces steadily its field presence in Asia, Latin America as well as in new geographies as Middle East and Africa to develop its sales.

The establishment of Calysseo, the joint venture with Calysta, to develop an innovative protein business FeedKind® for the Aquaculture industry in China and Asia, could be a potential game-changer in the aqua feed sector, which allows Adisseo to tap into a new sector: alternative protein business with great potential. Calysseo Chongqing plant, the world’s first commercial FeedKind® facility, completed its construction in 2022, and is now in trial production phase. First strategic alliance agreement on FeedKind® has been signed with one of top feed producers in China. The innovative single-cell protein obtained MARA registration in mid-January, and also succeeded in sell the product in the domestic and overseas market in H1 2024.

2. Global Production and Sales Network

Adisseo has set up local supply chain systems operating in an efficient and highly responsive way based on the distribution of its regional customers. Its main manufacturing network spreads over Europe, USA and China. In the main regional markets, Adisseo associates to this network some toll-manufacturers for specific products or operations. From those plants, it delivers its finished products directly or indirectly to its customers in the world. It either ships directly to its customers or regional warehouses.

On the Chinese market, for example, to ensure to all products safely delivered to customers all over the country on time, Adisseo has established a multipurpose supply chain with a distribution center in Nanjing, combined with 9 distribution warehousing centers national-wide according to where and how much the customers are concentrated. At the same time, this organization allows to Adisseo to export worldwide their products from China.

Adisseo also has a dedicated warehouse in Shanghai for traded products that are sourced in China, grouped in this warehouse and shipped worldwide either to customers or to its regional warehouses.

The Adisseo sales team has regularly opened distribution subsidiaries or offices globally. Adisseo will gradually establish and refine the local sales organizations according to the development of the emerging economies. With the integration of Nutriad, the Group benefits from sales offices in Italy, Spain, Poland, and Greece. In addition, to further develop the sales network globally, Adisseo has set up sales subsidiaries in India, Malaysia, Dubai and Turkey in past years to better provide our products and services to local market by our own team and is now reinforcing our position in South-east Asian market by establishing new entities in Indonesia and Vietnam. In addition to Adisseo's own sales force, Adisseo has set up close long-term relationships with sales agents and distributors around the world to better serve the local market and customers.

In 2018, Adisseo finalized the development of its e-commerce site through the e-platform of SinoChem Group. The main benefits of this platform are to digitalize the ordering process and allowing them to follow their complete ordering process, payment process as well as goods receipt process online. Especially in recent years, the digital platform played an important role for Adisseo China to effectively respond to the market and customer demand. Adisseo has strengthened customer relationship through the e-commerce platform by providing customers with more accurate, timely, high-quality and innovative services and will continue to improve the e-commerce platform and strive to maintain the leading position in the industry.

Since 2018, Adisseo has decided to deploy a Global Key Account strategy to better manage their Global Key Customers (with operations in different regions). Key account managers have been nominated for each account.

3. Specialized and Comprehensive Feed Solutions

Because of Adisseo's brand awareness, consistent product quality, competitive prices and rich product portfolio, most of its main customers purchase more than one kind of product. Adisseo has a long and distinguished history in animal feed nutrition, an outstanding market position, technological innovation and powerful R&D capabilities that allows to develop scientific programs related to customer pain point.

Adisseo has integrated Nutriad, FRAmelco and recently Nor-Feed's product portfolio to offer new solution possibilities to its customers. Solutions are covering a large range of issues faced by farmers, feed millers and integrators including prevention of nutritional loss in grains and feed during storage; reduction of antibiotic usage; improvement of animal welfare; reduction of feed cost; improvement of cows' longevity etc.

In addition, dedicated customer programs and training sessions are organized to explore a total approach for e.g. mycotoxin contamination, gut health issues and preventive measurements for antibiotic reduction and AGP (antibiotic growth promotor) ban in husbandry. Nestor, a new Adisseo service, was launched to market in Q3 2022, providing nutritional recommendations and nutritional values to customers, a step further in formulation accuracy for more sustainable production.

In the context of global surge of raw material cost for feed production, solutions have been developed and introduced to customers to enhance product efficiency and control production costs such as low-protein application, A special on-line "protect your margin" program has been launched in 2023 as raw material cost for feed production remains high.

To further improve customer preference and differentiate from competition, Innov'l@b is continuously scouting disruptive technologies, products, and services to improve efficiency, sustainability, and animal wellbeing at customer level.

4. Unparalleled Market Explorer and Pioneer

Adisseo has continuously expanded its business to successfully seize the opportunities presented by the growth in demand for protein and animal feed additives in emerging economies. With population growth, growth in income per capita and changes in diet in emerging economies, a greater demand for animal proteins exists. Adisseo's products enhance the metabolism and health of the animals and increase the efficiency in animal husbandry. The growth in population and per capita income and the need for higher efficiency in using land and water resources have created bright prospects for Adisseo's core products.

To fulfill its mission which consists in feeding the planet in a high-quality, affordable, safe and sustainable way, Adisseo strives to keep a leading position on methionine market (first business-pillar of Adisseo's strategy) and to bring new solutions by accelerating the development of Specialty products (second business-pillar).

Methionine

Adisseo is actively preparing future development by combining capacity extensions and debottlenecking of existing production facilities, while, at the same time, improving their reliability, performance and environmental compliance:

- Adisseo secures sourcing for strategic raw materials. In 2016, Adisseo integrates sulfur melting activity of Sobegi in European platform.
- Adisseo increases its production capacities in both Europe and China plants. The construction of a new liquid methionine plant in Nanjing and the project of another new powder methionine plant in Quanzhou are key steps to implement the “two-business-pillar” strategy and important action to consolidate leadership role in methionine industry.

Adisseo conducts each year new surveys and initiates new projects to reduce the environmental impact of its activities: high level of environmental investments conducted in past several years, such as new electrostatic filter to reduce dust in fumes and a wastewater pre-treatment plant in Nanjing, new furnace to maximize energy recovery on a MMP (intermediary product in the synthesis of methionine) production unit, investment of a new waste water treatment unit at Commentry which was put into use in fall 2021. Nanjing plant wastewater treatment project has started its construction in Q2 2024 and is planned to put into operation in 2025 Q2. The steam recycling project in Nanjing construction was completed in Q3 2023 and the turbine is now in use since January 2024. It will contribute to the energy consumption efficiency as well as cost competitiveness of the plant.

Specialties

Adisseo reinforces its core businesses and diversifies its portfolio in high growth segments by developing strategic partnerships, innovative products and external acquisition. Main industry drivers include high feed cost, antibiotics replacement, yield improvement, quest for sustainability, animal welfare, etc. with target to build a complete, tailor-made solution offering using the following key criteria to select the best development opportunities:

- technology (added value, ‘solutions’ to client’s needs, growth & profitability)
- access to market
- services to be provided (digitalization)

species dimension (Poultry, Swine, Ruminants, Aqua)

5. Strong Research and Innovation Capabilities

Adisseo R&I is progressing with a few new projects in the pipeline for the “Producing Tomorrow” dimension, a strong step-change (improved by data science) in the “Experimenting Tomorrow” dimension, several co-development projects being initiated with key customers in the “Winning Together” dimension and the introduction of the new Project and Portfolio Management tool in the “Aiming 4 Efficiency” dimension. These 4 research directions which have been set up to deliver the Adisseo R&I vision: “Together we deliver customer-driven innovation by impulsing and driving science and technology to feed sustainably our future” are well progressing on track with expectations.

Adisseo is committed to have a long-term implication in research and is fully involved to find sustainable and meaningful innovations in animal nutrition field. The 5 Adisseo Research Grant (ARG) projects (selected in 2021 and 2022) progressed well. A scientific seminar to present the progress was organized in 2023 and based on these successes, a new ARG will be launched in 2024. These research grants aim to encourage international labs to collaborate on some of the main challenges of the feed industry. Those challenges include sustainability, antibiotic bans, new feedstuffs, early feeding, and hot conditions. The objective is to offer up to 1M€, over 3 years, to collaborative projects addressing key feed industry challenges.

In parallel, being the only subsidiary in SinoChem focused on animal nutrition industry, Adisseo R&I has been positioned by SinoChem as “SinoChem Animal Nutrition Central Institute” in early 2023.

As such, Adisseo and the Sinochem Animal Nutrition Central Institute, reinforce their cooperation with several international laboratories, universities, and research institutions, strengthens its bonds with the scientific community, encourages the passion for innovation, and attracts technical talents by sponsoring R&I projects on the different topics/challenges. After partnerships officially started with the Sichuan University in Chengdu on swine nutritional research, with the University of Arkansas in Fayetteville (US) on poultry nutritional research, with the Nanyang Technical University in Singapore on aquaculture nutritional research, with the University of Wisconsin on ruminant research, and one with INRAe in France on specific critical global nutritional topics, 2 new long-term partnerships have been formalized in China recently with Beijing University Chemical Technology Institute, Tianjing university to develop disruptive technologies and product development in bioengineering and new crystallization technology and the National Key Laboratory of Animal Nutrition of the CAU(Chinese Academy of Agriculture) in Beijing.

In the aquaculture Research & Innovation center in Singapore, the support to develop Adisseo aquaculture business and to Calysseo, the Adisseo-Calysta joint venture, on alternative proteins (Single Cell Proteins) are pursued. In the meantime, starting from its French experimental farm, Adisseo is fully engaged in the development of new data management techniques to run its experimental farms. Following a long-term development for its Precise Nutrition Evaluation (PNE tool), the system is now also operational and being further developed and customized in China where the specificities of the available raw materials need specific developments.

Along with the nutritional competencies, Adisseo remains an industry pioneer through its own prominent Research and Innovation capabilities since the release of powder methionine in 1945. Adisseo is one of the first companies in the world to synthesize methionine and vertically integrate its upstream and downstream production processes, one of the first companies to develop rumen-protected methionine for the ruminant market and is one of the first companies to develop the coated Vitamin A product. Adisseo was the first company to launch a high concentrated Vitamin A (1 million unit/g), which became the new market standard.

From 2014 onwards, Adisseo launched one new product/service per year, and it is targeted that 20% of revenue of specialties business will come from new products by 2026. As an illustration, in recent years, there are launches of 1) Rovabio Advance Phy in early 2022; 2) Nestor, the new Adisseo service, in Q3 2022, providing nutritional recommendations and nutritional values to customers, a step further in formulation accuracy for more sustainable production; 3)Dynomik in the US in 2023, the first solution improving milk production and reducing methane emissions from cows at the same time; 4) Rovabio Phyplus, the latest generation of phytase enzyme, contributing to overall nutrient efficiency and sustainability and improving the overall digestibility of feed.

6. Scientific and Competitive Cost Operational Structure

Adisseo has vertically integrated its upstream and downstream production processes in methionine production. Its methionine production extends to the production of propylene, sulfur and other such basic materials, ensuring a stable and reliable supply for the hazardous intermediates in methionine production. These intermediates mainly include methanol, MMP, hydrogen sulfide, hydrogen cyanide, among others. These materials have limited suppliers in the public market and production is not integrated. Through the production of these intermediates, Adisseo is able to monitor the product quality at each production step, and appropriately lower the production costs and become even more competitive at the same time.

7. Experienced Management Team with Rich Industry Experience

The Adisseo management team has over decades of industry and management experience in animal feed additives and international company management on average. Adisseo’s management team has focused on effectively integrating and allocating Adisseo’s global business and resources. Additionally, at Adisseo, the commitment of its people is a key performance indicator alongside safety and financial results. Adisseo has built employee development and incentive programs, which provides an internal drive for sustainable growth.

Adisseo is investing in technical and scientific expertise through the creation of a Sales academy, a Research and Innovation academy, a project academy, and an internal school for production efficiency. Adisseo is also investing in technical and scientific expertise through individual development program dedicated to high potential scientists selected every year for a strategic list of expertise, and through an associated specific recognition program.

XIV. 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 2 categories of products: Performance products and Specialty products.

Its performance, financial position and future are affected by the global macro economy. The global macro economy is experiencing high inflations, rising trade barriers, increasing commercial and geopolitical tensions, exchange rate fluctuations, animal diseases such as bird flu, African Swine Fever etc. Volatility and uncertainty are prevailing. The market demand has been impacted accordingly.

Being a key player in the food value chain, Adisseo has shown its resilience in facing the challenges.

Adisseo has taken steps to improve its competitiveness, including improving production technologies, increasing its production capacity, providing value-added services and enriching product portfolio as well as on-going competitiveness enhancement program launched since 2019 to address the serious challenges.

2024 H1 Performance Summary

I. Business Review: Revenues & Net Profit Contributed to Shareholders

Unit: CNY (100mil)	**H1 2024**	**H1 2023**	**YoY variance**
Operating revenue	**72.6**	**63.3**	**15%**
- **Performance Products***	53.9	44.8	20%
- **Specialty Products***	18.7	18.5	1%
Gross profit ***(in % of operating revenue)***	**22.8** ***31%***	**13.3** ***21%***	**71%** **+10 ppt**
- **Performance Products**	15.1	6.0	152%
- **Specialty Products**	7.7	7.3	6%
Net profit attributable to the shareholders of the Company	**6.1**	**0.3**	**1719%**

**Since 2024, Adisseo streamlined its business units and recategorized all the products into performance and specialty products business units. Performance products include methionine, vitamins, ammonium sulfate, sodium sulfate, and sulfur products. Specialty products include monogastric, ruminant and aqua products, of which Norfeed, Innovia (Powder processing services) and FeedKind® are also included. H1 2023 figures were restated per the new categorization.*

Safety is and will remain Adisseo's priority. In H1 2024, Adisseo continued its excellent safety performance with the YTD TRIR landing at 0.11. Adisseo experienced a significant reduction of process safety events driven by its targeted actions on specific units.

Adisseo is on track towards its sustainability ambition thanks to tight management of environment KPIs and investments. In H1 2024, Adisseo consistently decreased its GHG emissions per ton produced and water consumption.

Adisseo issued its 2023 Sustainability Report together with its annual report, illustrating the Company's strong commitment to the sustainable development. Adisseo's ESG rating has improved in several rating agencies including ECOVADIS and CSI. Adisseo ranks in the top 4% of companies rated by EcoVadis in animal feeds industry.

In the first half of 2024, Adisseo has delivered:

- Continuous growth in methionine driven by continuous penetration in liquid methionine, double-digit growth in powder methionine as well as pricing increase
- Sustained specialty business dynamics thanks to solid growth in monogastric and aqua business offsetting struggling dairy market in the North America
- Gross margin improvement contributed by decreased raw material and energy costs
- Continuous optimization of supply chain, transportation and duties to best serve our clients across the world
- Strict cash and working capital management as well as cost competitiveness program.

The ongoing cost competitiveness enhancement program is being pursued. The recurring savings of CNY156 million are expected for 2024, which is more than the initial target.

In H1 2024, One-China Strategy progressed successfully with tangible benefits delivered:

- Double-digit revenue growth in Chinese market thanks to the continuous penetration of liquid methionine
- Strong yoy growth in aqua and ruminant despite difficult swine market in H1 2024
- New product tailor made for Chinese market is in commercializing phase
- Nanjing Plant thanks to its excellent safety performance and high utilization rate continues to improve its competitiveness
- The first Chinese Specialty Blending Facility in Nanjing is on track, with first equipment installation started and mechanic completion expected by the end of 2024
- The first sales of FeedKind®, the innovative single-cell protein, were delivered in April 2024 both in Chinese market and in overseas market. Calysseo's FeedKind® plant made tangible achievement in the last five trials with aiming to achieve design capacity in the coming quarters, which requiring longer time than initially planned.

II. **Cash-flow and Net Debt**

Cash position as of 30 June 2024 stood at CNY1bn, which remains flat compared with the end of December 2023.

In H1 2024, Adisseo recorded a positive cashflow from operating activities (CNY1.2 billion), mainly driven by the improved profitability of the business and strict working capital management and has been consumed on CAPEX financing as well as debt reimbursement.

XV. Operation of main business of the reporting period

I). Analysis of main business

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

Unit: Yuan Currency: RMB

Items	Amount of current period	Amount in the same period of last year	Change (%)
Operating revenue	7,260,948,548	6,328,375,755	14.74%
Cost of sales	4,984,047,631	4,998,471,707	-0.29%
Selling and distribution expenses	638,155,566	614,748,837	3.81%
General and administrative expenses	455,409,188	363,622,547	25.24%
Research and development expenditure	207,848,131	202,833,128	2.47%
Financial expenses	23,399,999	43,841,183	-46.63%
Net cash flow from operating activities	1,230,668,395	1,175,333,319	4.71%
Net cash flow from investing activities	(697,780,178)	(833,666,729)	N/A
Net cash flow from financing activities	(488,859,398)	(327,625,542)	N/A

Increase of G&A expenses is due to the provision of restructuring costs.
Decrease of financial expenses was mainly due to the positive FX result.
Decrease of net cash outflow from investing activities is mainly due to acquisition of Norfeed in 2023.
Increase of net cash outflow from financing activities is due to repayment of debt in 2024.

2. Details on significant changes of profits structure and sources

☐ Applicable √ Not applicable

II). Significant change in the Company's profit composition or profit sources in the reporting period arises from the ancillary businesses

☐ Applicable √ Not applicable

III). Analysis of assets and liabilities

1. Information of assets and liabilities

Unit: Yuan

Balance Sheet Items	30 Jun 2024	Percentage to total assets (%)	31 December 2023	Percentage to total assets (%)	Total Fluctuation	Explanations on fluctuation
Derivative financial assets	5,387,649	0.03%	16,278,030	0.08%	-66.90%	Mainly due to flat foreign exchange rate at period end compared with appreciating trend at last period end.
Notes receivable	14,827,432	0.07%	-	0.00%	N.A	Bank acceptance bill from customers
Advances to suppliers	191,055,728	0.89%	107,109,970	0.50%	78.37%	Mainly due to increased prepayments for raw materials in accordance with increased sales.
Investments in other equity instruments	179,837,133	0.84%	277,802,940	1.29%	-35.26%	Fair value changes
Short-term borrowings	509,520,038	2.38%	913,311,108	4.25%	-44.21%	Repayment of loans
Derivative financial liabilities	8,397,698	0.04%	8,818	0.00%	95133.59%	Mainly due to flat foreign exchange rate at period end compared with appreciating trend at last period end.
Contract liabilities	5,668,047	0.03%	3,021,746	0.01%	87.58%	More advances from customers
Taxes payable	205,096,455	0.96%	133,406,041	0.62%	53.74%	Value added tax and enterprise income tax
Current portion of non-current liabilities	326,351,359	1.52%	238,059,843	1.11%	37.09%	Mainly due to increase in provision due within 1 year
Other current liabilities	2,487,996	0.01%	5,022,901	0.02%	-50.47%	Decreased pending output VAT

Summary of overseas assets

√ Applicable ☐ Not applicable

(1) Assets amount
Overseas assets amount was CNY 11,730,335,395, accounts for 55% of the Group's total Assets

(2) Other description

As a global manufacturer of animal nutrition additives, Adisseo’s sales and distribution network, production capacity, research and innovation strength are distributed all over the world. Our reliable and efficient production network is mainly composed of two production platforms located in Europe and China.

2. Restricted assets at the end of reporting period

☐ Applicable √ Not applicable

3. Other information

☐ Applicable √ Not applicable

IV). Summary of Analysis of overall investments

√ Applicable Not applicable

(1) Significant equity investment acquired in the reporting period

☐ Applicable √ Not applicable

In March 2020, Adisseo participated in the D-1 series financing of Calysta, a US biotechnology innovation company focused on the development and manufacturing of new alternative protein products. At the same time, Adisseo and Calysta established Calysseo Ltd. in Hong Kong, each holding 50% equity, to commercialize FeedKind®, the innovative feed solution for aquaculture. Calysseo (Chongqing) Co., Ltd., the wholly owned subsidiary of Calysseo Ltd, was established in September 2020 and became the first world's single cell protein factory with an annual output of 20,000 tons. Being the first demonstration unit to apply the disruptive fermentation technology in the world, the project requires additional financial support. Huge technical progress has been achieved in H1 2024. aiming to achieve design-level capacity in Q1 2025.

Calysta is a technology company with main operating income based on licensing fee, Due to the complexity of biotechnology and issues faced in the scaling up of the technology to industrialization, the commissioning period of Calysseo Chongqing plant is longer than expected. In order to ensure the continued operation of Calysta till the series E financing (expected to be in early 2025), Calysta issued a bridge financing in the form of CLN (Convertible Loan Note) with a pay-to-play clause. As Adisseo did not participate in the last CLN financing, Adisseo shares get diluted, the financial impact is estimated based on the expected pre-money value of the Series E financing and has been reflected in the financial statements accordingly.

(2) Significant non-equity investment made in the reporting period

☐ Applicable √ Not applicable

(3) Financial Assets measured at fair value

√ Applicable ☐ Not applicable

Adisseo holds derivative financial instruments to manage the effect of changes in currency exchange rates. Derivatives are not used for speculative purposes. For most of those transactions, the Group applies cash flow hedge accounting and documents, at the inception of the hedge, the type of hedging relationship, the hedging instruments, the nature and the term of the hedged item.

For further detail, please refer to Part VII No.58 “Hedging” in Section 10.

V). Sales of Major Assets and Equity

☐ Applicable √ Not applicable

VI). Analysis of companies controlled or invested by the Company

√ Applicable ☐ Not applicable

The following figures are based on financial information before elimination of the entities. If not specified, Unit: in RMB.

Company Name	Registered/Subscribed Capital	Business	Total assets	Net assets	Revenue	Net profit
Adisseo France S.A.S	EUR 83,417,000	R&D, production and distribution	8,792,103,242	5,029,793,216	5,093,683,781	348,109,210
Bluestar Adisseo Nanjing Co., Ltd	RMB 3,037,640,586	R&D, production and distribution	5,899,957,581	5,107,727,674	1,620,233,210	271,777,846

Adisseo France S.A.S is an important subsidiary of Adisseo: the main businesses of this company are R&D, manufacturing as well as distribution of protected methionine for ruminants and vitamin A produced at the Commentry plant, powder methionine produced at the Roussillon plants, upstream products of methionine at the Les Roches plant and also of liquid methionine produced at Burgos plant (Spain).

Bluestar Adisseo Nanjing Co., Ltd is the second largest entity within the Adisseo Group and deals with the production of liquid methionine and is building Research & Innovation Center in China.

VII). Structured entities controlled by the Company

☐ Applicable √ Not applicable

XVI. Other Disclosure Matter

1. Possible risks in the future

√ Applicable ☐ Not applicable

Adisseo's insurance coverage policy is in line with risk management.

The material and specific risks to which the Group is exposed, based on its own assessment are divided into seven categories of risks:

- Political and regulatory risks;
- Risks deriving from climate and environmental issues;
- Economic and competitive risks;
- Financial risks;
- Industrial risks;
- Other operational risks;
- Social and societal risks.

(1) Political and regulatory risks

Adisseo is sensitive to the structural and economic risk factors that affect nutritional feed additives. These risks are all analyzed as part of strategic planning processes that allow Adisseo to anticipate certain changes in the external environment and prepare for them. The Group's research and innovation policy also helps to deal with strategic developments.

a. Risks related to cross-border operations, oversight and business expansion

As a global producer of nutritional feed additives, Adisseo is implementing and is operating businesses all over the world. Cross-border operations are exposed to the risks related to changes in the market, economy, geopolitics, demographics, public consensus, exchange rates, trade barriers, exchange control, regulatory, tax regimes, restrictions on foreign investment in some regions. For example, of Adisseo's 53 subsidiaries, 47 are located outside China Mainland, over 85% of its sales and a significant part of its production are outside China.

Although Adisseo has extensive experience in operating a global business, changes in policies and laws and regulations of the countries in which its assets and business are located may affect the operation of its business in such countries. Investors should be aware of the risks associated with Adisseo's cross-border operations worldwide considering that Adisseo is also developing its network of subsidiaries and participations all over the world. In this respect, the Ukraine crisis enhanced the level of uncertainties notably considering the evolution of sanctions regulations and weigh on the availability of certain raw materials and energy such as natural gas. The recent Houthi attacks on shipping vessels in the Red Sea is impacting the global containers shipping activities as rerouted vessels lead to higher shipping costs and scheduling disruptions. Furthermore, the economic effects of the Israel-Hamas War are still evolving, the larger Middle Eastern region could potentially be directly impacted as the war unfolds. In this context, the likelihood of supply interruptions and impacts on Adisseo’ s sales, cost of procuring raw materials, or distribution costs may increase in future periods.

b. Risks related to compliance, law and regulatory framework

Compliance means lawful business conduct. The principal compliance rules are set out in the Adisseo’s Code of Ethics, which explicitly prohibits e.g., all forms of corruption, including “facilitation payments,” and violation of antitrust regulations or international sanctions regulations. Risks could result from failure to comply with the corresponding regulations. To minimize such risks, extensive training and sensitization of Adisseo Group employees is undertaken at face-to-face training sessions and/or through e-learning programs. In its operating business, the Adisseo Group is exposed to liability risks, especially in connection with product liability, patent law, tax law, competition law, export control and trade law, social law and environmental law (detail please see below). Any major change of the regulation applicable to Adisseo’ s activities or changes in public law could also give rise to legal risks or impact Adisseo’ s business, growth or profitability.

In terms of ethical risks, the main risks identified are risk of corruption, non-compliance with competition rules, fraud, and breaches of personal data (privacy). Any breach of the ethical principles of Adisseo in own operations or through its supply chain could constitute a legal, judicial and reputational risk. In order to prevent the occurrence of such risks, ethical compliance policies and procedure are rolled out throughout Adisseo and apply to all the Group entities.

(2) Risks deriving from climate and environmental issues

In the longer term, climate change could have a greater impact on Adisseo’s activities, for example through changes in regional or seasonal energy demand, changes to the network’s production, the obligation to reduce CO^2 equivalent emissions, heightened regulations and neutrality carbon.

Adisseo is firmly committed to contributing to fight against climate change by reducing its greenhouse gas emissions and energy consumptions.

c. Risks related to environmental protection policies

As a feed additives producer, Adisseo is subject to strict regulation and monitoring by governmental authorities with respect to discharge of sewage water, exhaust gas and solid wastes. As the global

environmental impact awareness become more pregnant, if countries in which Adisseo operates facilities amend the current environmental laws and regulations or alter the current pollutant discharge standards, Adisseo may need to incur additional costs and expenses to adapt its facilities to new applicable environmental protection rules. Although Adisseo continuously invests on sustainable development, Adisseo's effort to minimize its products or activities potential environmental impacts may not provide the expected outcome which is likely to impact its business growth.
In addition, confirmed or suspected breach of any environmental regulation may prompt governmental authorities to temporarily suspend or to cancel permits to operate the manufacturing plants.
Health safety is also at the heart of Adisseo concerns. All manufacturing sites are FAMI-QS certified. The risk methodology retained is HACCP (Hazard Analysis Critical Control Point).

(3) Economic and competitive risks

d. Risks related to the cyclical fluctuation of the global macro economy.

As an international company, Adisseo provides products and services to around 4,200 customers in over 110 countries and regions. Its performance, financial position and future will continue to be affected by the global macro economy. The debt crisis, trade imbalances, international sanctions, exchange rate fluctuation and other issues also increase the uncertainty of such recovery. The fluctuation of the global economy will increase fluctuation in Adisseo business.

e. Risks related to imbalance of supply and demand

The methionine market is affected by global methionine production capacities, the imbalance between supply and demand, the availability and pricing of raw materials and various factors such as the global macro economy.

f. Risks related to market competition

Adisseo faces competition from large and well-known companies with strong financial positions as well as competition from other companies in regional or local markets as well as newcomers. Adisseo has taken steps to improve its competitiveness, including tightening cost control, improving production technologies, providing value-added services, introducing brand-new products and increasing capacities in the Chinese and European plants.

g. Risks related to raw materials and energy

Adisseo continues to operate in an uncertain, and challenging environment, characterized by volatile prices of raw materials, energy and logistics costs. Raw materials used by Adisseo mainly include propylene, sulphur, methanol, ammonia and natural gas. Adisseo has a limited number of suppliers for such materials because such raw materials are not easily transportable. If the suppliers fail to supply such raw materials, if the prices of such raw materials fluctuate significantly, or if Adisseo fails to acquire sufficient raw materials at a reasonable price, the Company's business, financial position, and results from operations may be materially and adversely affected. Restrictions to cross-borders shipments, the ongoing Ukraine crisis including international sanctions regulations relating thereto, as well as natural disasters damaging supplier's physical assets could increase the risk of interruption in the sourcing of raw materials and energy.

In addition, Adisseo may unwillingly be involved in business with raw material and energy suppliers whose practices may appear to not comply with Human Rights or internationally recognized environmental or business standards. This might cause risks of reputational damage, financial loss and liabilities.

h. Risks related to product research and development, technology upgrade and alternative methionine production technologies

In order to maintain competitiveness, Adisseo continues to invest in innovation, launch innovative products to meet the customers' needs and develop new production technologies that are more efficient and competitive. R&D projects and collaborations aiming to improve production process and technologies may be terminated because of factors such as changes in market conditions, changes in technology, and changes in government policies. If Adisseo fails to continuously launch new products or improve its production process, or if Adisseo's competitors successfully launch competitive products or improve their production process better and faster than Adisseo, its market position may be impacted, which may materially and adversely affect the business, financial positions, and results of Adisseo. For instance, application of alternative methionine production technologies (such as the fermentation approach) or other technologies in the enzymes or vitamins businesses may adversely affect the production and operations of Adisseo if not developed by latter.

(4) Financial risks

The Group is exposed to foreign exchange risk, defined as the impact of the financial position and income statement of exchange rate fluctuations, in the performance of its operational and financial activities.

Due to its operational activities, Adisseo is exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, and banks).

i. Risks related to exchange rate

The reporting currency of the Company's consolidated financial statements is the Chinese Renminbi, or RMB. The majority of Adisseo's production, operations and sales are performed outside of China, and day-to-day transactions are mainly carried out in EUR and USD. Exchange rate risks mainly include risks associated with translating foreign currencies for the purpose of conducting day-to-day transactions and risks associated with translating foreign currencies into RMB when preparing Adisseo's financial statements. Fluctuation of exchange rates may expose its operations to exchange rate risk and may adversely affect the financial position of the Company.

j. Risks related to customer credit

Adisseo is exposed to the credit risk of its customers. While Adisseo seeks to manage such exposure through a number of measures such as establishing customer accounts, setting credit limits for customers, obtaining deposits and security, and profiling the customers' credit risk, there is no assurance that such risk will be entirely eliminated.

k. Risks related to the potential changes in tax and custom duties

As an international company, Adisseo may be investigated by the tax authorities in the relevant countries with respect to its tax matters from time to time. Tax audits or investigations may result in Adisseo losing its tax benefits, exemptions, other tax incentives, which may subject Adisseo to a higher effective tax rate. Although Adisseo had no material tax-related issues so far, there is no assurance that the provisions made by Adisseo will be sufficient; or that Adisseo will not be subject to a higher tax rate.

As provided under paragraph (a) above, geopolitical tensions and restrictions to free trade could increase risks and uncertainties regarding import regulations and custom taxes.

(5) Industrial risks

The areas of activity in which Adisseo operates carry industrial risks capable of causing harm to individuals, property or the environment. These risks could expose Adisseo to claims for civil, criminal and/or environmental liability. These may relate to facilities that belong to the Group or are managed by it on behalf of customers, or facilities where employees work. The process safety of the facilities that Adisseo operates is one of its major concerns. The handling of these risks is subject to in-depth monitoring and specific targeted investments, and audits of the facilities in question are performed regularly. Some of Adisseo French facilities are classified under European Union Directives as "upper tier" Seveso sites (as posing a particular risk to their surrounding environment).

l. Risks related to hazardous chemicals

Adisseo's complex production process involves many hazardous chemicals that require special production, transportation, and storage facilities. In addition, production process and research and development processes generate waste gas, liquid and solid waste. Even though Adisseo is committed to Health, Safety and Environment system, and has adopted prudent safety measures and exercises huge precautions in accordance with relevant laws, regulations and administrative measures, there is risk that leaked hazardous chemicals, emission of waste gas, liquid and solid waste may exceed the relevant standards. Should this case arise, Adisseo may be exposed to serious civil or criminal liabilities and may be held liable to pay financial compensation, which may materially and adversely affect its business, financial position and results from operations.

m. Risks related to accidents and disasters including diseases outbreak

In order to minimize the potential risks of shutdown of production facilities or accidents involving the production facilities which may adversely affect the company, the local Group's Companies conduct periodic inspections for manufacturing facilities.

However, there is no guarantee that such accidents arising out of production facilities or negative effects caused by natural disasters are completely prevented or reduced. For example, there have been outbreaks of bird flu, foot-and-mouth disease, mad cow disease and swine flu in recent years. Such outbreaks of diseases that adversely affect poultry or livestock may adversely affect the poultry and livestock populations, consumers' perceptions about certain protein products and as a consequence, the demand for the products used as nutritional ingredients for animal feed. Frequent outbreaks of poultry or livestock diseases around the world may materially and adversely affect the business, financial position and results of operations of the Group.

In the event of an accident that causes environmental damaging releases, property damage and/or human injury during transportation, near the plant, or a system network failure, such circumstances may, in addition to undermining Adisseo's business activities, involve major costs and have a significant impact on market perceptions of the Group, which, in turn, may adversely affect the operational results and financial condition of the Group.

(6) Other operational risks

n. Risks related to improper lay-out of production plan

Adisseo's performance may be restrained by its production capacity. Adisseo has made progressive investments over the last years to increase its production capacities and proactively manage its inventories. However, customers' orders may not be fulfilled in a timely manner as a result of inappropriate production planning, malfunction of the production facilities, repairs of the production facilities or failure to convert the new production capacity into actual production. Failure to meet customers' needs may damage Adisseo's reputation and image as well as its relationship with its main customers, which may result in decreasing purchases of Adisseo products. This may adversely affect future sales of the Group.

Furthermore, if Adisseo over-estimates the future demand of its products and increases its production capacity based on such estimates but if such future demand fails to materialize, Adisseo's business, financial condition and results of operations could be materially and adversely affected. Certain loss events – such as fire or machinery breakdown – may result in a temporary incapacity to operate productions facilities.

o. Risks related to break-down of information system

Adisseo is continually exposed to new cyber threats due to the use of new technologies, the multiplication of connected objects, the evolution of industrial control systems, the spread of mobility tools, cloud computing, and the development of new uses, including social networks and the in-depth analysis of data.

Adisseo continually adjust its prevention, detection and protection measures for all its information systems and critical data.

In addition, the business activities of the Group's Companies are becoming increasingly dependent on computer network systems, and although the Group's Companies are working to protect their systems or data by means of sophisticated security systems, there is still the possibility that system network failures may occur owing to electric power interruptions, natural disasters, or criminal attacks on the system, including computer viruses and hackers.

Information technology system and/or network disruptions, whether caused by acts of sabotage, employee error, malfeasance or other actions, could have an adverse impact on the Group's operations as well as the operations of the Group's customers and suppliers. Other business disruptions may also be caused by security breaches, which could include, for example, attacks on information technology and infrastructure by hackers, viruses, breaches due to employee error, malfeasance or other actions or other disruptions.

Adisseo and/or the Group's suppliers may fail to effectively prevent, detect and recover from these or other security breaches and, therefore, such breaches could result in misuse of the Company's assets, loss of property including trade secrets and confidential or personal information, some of which is subject to privacy and security laws, and other business disruptions. As a result, Adisseo may be subject to legal claims or proceedings, reporting errors, processing inefficiencies, negative media attention, loss of sales, interference with regulatory compliance which could result in sanctions or penalties, liability or penalties under privacy laws, disruption in the Company's operations, and damage to the Company's reputation, which could adversely affect the Company's business, results of operations, financial condition and cash flows.

Like other companies, Adisseo is the target of industrial espionage, including cyber-attacks, from time to time. Adisseo is experiencing an increase in attempts to breach its information technology systems, including in conjunction with implementation of work-from-home protocols adopted in response to COVID-19. These cyber-security threats include phishing, spam emails, hacking, social engineering, and malicious software. Adisseo has determined that these attacks could result if they occur, in unauthorized parties gaining access to certain confidential business information. Although Adisseo has not experienced any material losses to date related to security breaches, including cybersecurity incidents, there can be no assurance that Adisseo will not suffer such losses in the future. Adisseo seeks to actively manage the risks within the Group's control that could lead to business disruptions and security breaches. As these threats continue to evolve, particularly around cybersecurity, Adisseo may be required to expend significant resources to enhance the Company's control environment, processes, practices and other protective measures. Despite these efforts, such events could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows.

p. Product liability claims and litigation

Through its policies, organization, procedures and governance, Adisseo endeavors to prevent operational risks that could affect its reputation.

During the normal course of its business, Adisseo may be subject to actual or threatened legal proceedings, arbitration or administrative penalties arising from disputes with respect to product liability, patents and other intellectual property rights infringement or any other claim or action brought during the course of its business. Such disputes, legal proceedings or arbitration may adversely affect Adisseo's operations and reputation. If any of the judgments or arbitral awards or decisions of any authorities is made against Adisseo regarding products liability, Adisseo may notably need to recall its products, change the formula of its products or stop selling its products. In addition, even without a court decision, confirmed or suspected defectiveness of a batch of product may prompt customers to launch a recall of products.

q. Risks related to insurance policy coverage

Per industry standards, Adisseo currently has insurance coverage for operations, product quality, inventory, transportation, environment, finance, senior management, employees, industrial accidents, IT system, etc., but Adisseo may be subject to liabilities for which it may not have adequate or any insurance, or that cannot be insured at all, thereby resulting in claims not being honored to the full extent of the losses or damages suffered.

r. Risks related to intellectual property

Adisseo benefits from protection of its intellectual property rights afforded by the laws and regulations of the countries in which it operates. However, there is no assurance that the measures Adisseo has taken will be sufficient to protect its intellectual property rights when such rights are challenged, infringed or abused by a third party. Furthermore, Adisseo operates in many countries, some of which may provide less protection for intellectual property rights against infringement than others. As a result, Adisseo may be disadvantaged in certain markets. In addition, Adisseo may be subject to claims brought by a third party in connection with its infringement of such third party's intellectual property rights.

s. Risks related to acquisitions and equity alliances

Adisseo is engaging in domestic and international acquisitions and equity alliances with the aim of expanding its business and enhancing its competitiveness. Adisseo is committed to generate the synergies or other positive effects it originally expected due to changes in the business environment surrounding the Group or its acquisition.

t. Risks related to material lawsuits, arbitration and administrative penalties

In its day-to-day operations, Adisseo may be involved in material lawsuits, arbitration, administrative penalties or other disputes due to products, labor, taxes and other related matters, which may damage Adisseo's operations and reputation. Adisseo is improving its processes in accordance with the requirement of a listed company's corporate governance and process with the professional assistance of external advisors.

u. Risks related to inappropriate communication on social media

Adisseo and its employees are active on numerous social media channels. The use of these media is important in terms of increasing awareness of Adisseo brand and products. Adisseo takes precautions and implements processes to ensure awareness of the proper handling of social media, controlling publication, and actively managing communication.

Nevertheless, unauthorized communications on social media, purported to be issued by Adisseo, may contain information that is false or damaging and could have an adverse impact on Adisseo 's image and reputation.

(7) Social and societal risks

Adisseo is also exposed to risks with direct financial impact, which is difficult to assess and, with non-financial impact which may be considered as significant.

Adisseo is committed to eradicating serious accidents and continuing to reduce occupational accidents among its employees, to improving well-being at work and to preventing psychosocial risks.

v. Risks related to Human Resources

Talents with industry expertise are a key competitive advantage of Adisseo and essential to Adisseo's market position and business operations. If Adisseo fails to retain or attract excellent talents with industry expertise in the future or to reduce its key employees' dependencies, it may face talent drain and experience a bottleneck in its future business development. Therefore, Adisseo constantly develops and improves its employee incentive, staff retention schemes, training and recruitment programs to effectively control such risks.

w. Risks related to labor disputes

Adisseo operates in many countries around the world. Its centers of operations and production bases are mainly located in France, Spain and China where labor laws are relatively stringent. When making decisions in relation to production, operation or financing, Adisseo must notify, and consult with the union representative or relevant committee or seek consent of the union representative or relevant committee. Strict labor laws and complex consultation processes may limit the flexibility of Adisseo's decision-making process and its ability to react to the changes in market conditions. Employees of Adisseo may disagree with Adisseo on certain matters which may result in disputes and litigation between the employees and the employer, strikes and boycott by employees. This may materially and adversely affect the businesses, financial position and results from operations of Adisseo.

In addition, Adisseo's suppliers may also be subject to strikes or claims brought about by their own employees, which may in turn affect the ordinary operations of Adisseo.

2. Explanation of those non-disclosure parts due to national security or commercial confidentiality reasons

√ Applicable ☐ Not applicable

For confidentiality purpose, Adisseo does not disclose information related to produced volumes by products during the reporting period, nor costs paid for raw materials. The amount of production volumes disclosed relates to production capacity and the cost of raw materials disclosed relates to market prices. Financial information by product is based on segment information (Performance products and Specialty products).

Section 4 Corporate Governance

I. Brief introduction to General Shareholders' Meetings

Meetings	Convening Date	Index Reference for the Resolutions published on the website	Disclosure date of the resolution published
2023 Annual General Meeting	26th June 2024	2024 - 026	27th June 2024

The preferred shareholders whose voting rights are restored request to hold an extraordinary general meeting of shareholders

☐ Applicable √ Not applicable

Description on general meeting of shareholders

√ Applicable ☐ Not applicable

The company held one shareholder meeting during the reporting period: 2023 Annual General Meeting. The meeting reviewed and approved proposals on annual report, board working reports, profit distribution plan, appointment of auditor and internal control auditor, Revision of *Article of Association of Bluestar Adisseo Company, Bluestar Adisseo Company Procedural Rules for the Shareholders' Meeting* and *Bluestar Adisseo Company Rules of Procedure for the Board of Directors,* Foreign Exchange Hedging Business Plan, Long-term Dividend Policy Adjustment, proposals related to Issuance of Private Placement. For the resolution of these meetings, please refer to the relevant announcement above.

II. Change in directors, supervisors and senior management of the Company

√ Applicable ☐ Not applicable

Name	Position	Description of change
Dengjie GU	Deputy General Manager	Resignation

Detailed description on the change of directors, supervisors and senior management

√ Applicable ☐ Not applicable

1. Due to retirement, Mr. GU Dengjie applied to resign as the Company's Deputy General Manager since 5th July 2024. After his resignation, he will not continue to work for the Company (please refer to the announcements 2024-027).

III. Profit distribution of ordinary shares or capitalization of reserves

1. The profit distribution plan and the plan to use the statutory reserve to perform a capital increase in the reporting period

Profit distribution of ordinary shares or capitalization of reserves	No
Share dividend per 10 shares	N/A
Cash dividend per 10 shares	N/A
Capitalization of reserves per 10 shares	N/A
Explanation on Profit distribution of ordinary shares or capitalization of reserves	
	N/a

IV. Implementation of equity incentive plan, employee stock, ownership plan, or other staff incentive measures in the current reporting period

1. **Incentive measures with no subsequent modifications, after announced publicly in the reporting period (interim announcements).**

   ☐ Applicable √ Not applicable

2. **Incentive measures with further subsequent modifications, or not announced publicly in the reporting period (interim announcements).**

   Descriptions of equity incentive measures
   ☐ Applicable √ Not applicable

   Others:
   ☐ Applicable √ Not applicable

   Employee stock
   ☐ Applicable √ Not applicable

   Other incentive measures
   ☐ Applicable √ Not applicable

Section 5 Environment and Social Responsibilities

I. Environmental information

1. Environmental issues of listed companies and their subsidiaries declared as major pollutant discharge units by the competent environmental protection authorities

√ Applicable ☐ Not applicable

Bluestar Adisseo Nanjing Co., Ltd (hereafter as BANC), Adisseo's plant located in Nanjing, China, has implemented strict environment protection policies since its establishment. It has continuously made investment in the area of environment protection and is endeavored to contribute to the green sustainability development. With the release of the FORUS system of Sinochem Holdings Corporation Ltd., Nanjing plant has also upgraded the current environmental protection management system against FORUS system to ensure that the management foundation is continuously consolidated and the environmental protection performance is continuously improved.

(1) Information about discharge

√ Applicable ☐ Not applicable

BANC has been implementing strict environment protection policies since its establishment with our priority of reducing the impact on the environment. In the first half of 2024, the exhaust gas, waste water and noise generated in daily operation have met the requirements of stable and up-to-standard discharge, and the legal disposal rate of hazardous waste and general solid waste has reached 100%. Detailed information of discharge is as follows:

Types of discharge	Locations of discharge outlets	Main pollutant	Discharge method	Number of discharge outlets	Discharge concentration/discharge rate	Allowable discharge limit	Execution standard of pollutant discharge	Total annual discharge (tons)	Excessive discharge
Waste gas	Production facility area	SO_2	Organized discharge	10	1.781mg/m3	200mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	3.24	No
	Production facility area	NO_x		12	64.70mg/m3	200mg/m3 300mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province, Hazardous Waste Incineration Pollution Control Standards	66.65	No
	Production facility area	Dust		13	1.40mg/m3	20mg/m3 1kg/h 30mg/m3	Comprehensive Discharge Standards for Air Pollutants in Jiangsu Province, and Pollution Control Standards for Hazardous Waste Incineration	2.12	No

	Production facility area	NH3		5	1.0kg/h	75kg/h 27kg/h 35kg/h 4.9kg/h	Emission Standards for Odor Pollutants	8.58	No
	Production facility area	HCN		2	ND	1mg/m3 0.05kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0.002	No
	Production facility area	H2S		4	0.007kg/h	6.225kg/h 0.33kg/h	Emission Standards for Odor Pollutants	0.21	No
	Production facility area	CS2		3	0.34kg/h	24kg/h 1.5kg/h	Emission Standards for Odor Pollutants	0.29	No
	Production facility area	H2SO4 mist		2	ND	5mg/m3 1.1kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0	No
	Production facility area	MSH		3	ND	0.69kg/h	Emission Standards for Odor Pollutants	0.03	No
	Production unit area, laboratory, hazardous waste warehouse, logistics center	NMHC		18	1.33mg/m3	80mg/m3 108kg/h 7.2kg/h 54kg/h	Emission Standards for Volatile Organic Compounds in the Chemical Industry	2.710	No
	Production facility area	Acrolein		4	0.93mg/m3	16mg/m3 0.36kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0.09	No
	Production facility area	Acrlic Acid		4	ND	20mg/m3 0.9kg/h 14kg/h	Comprehensive emission standards for air pollutants in Jiangsu Province	0	No
	laboratory	CH4		1	/	/	none	/	No
	Production facility area	Propanol		1	/	/	none	/	No
	Production facility area	CH3COOH		1	ND 0.129kg/h	60mg/m3 54kg/h	none	0	No
	Production facility area	CH3OH		2	0.05mg/m3	1.5mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	NH3	Non-organized discharge	4	ND	1mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	CH3OH		4	ND	0.3mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	H2SO4 mist		4	ND	0.024mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No

	Production facility area	HCN		4	ND	0.007mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	MSH		4	ND	3mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	CS2		4	ND	1mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	TSP		4	ND	0.06mg/m3	Comprehensive Emission Standards of Air Pollutants	/	No
	Production facility area	H2S		4	0.67mg/m3	4mg/m3	Emission Standards for Odor Pollutants	/	No
	Production facility area	NMHC		8	0.00034mg/m3	0.1mg/m3	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	Acrolein		4	10	20 (No unit)	Comprehensive emission standards for air pollutants in Jiangsu Province	/	No
	Production facility area	Odor		8	119.05 mg/L	500mg/L	Emission Standards for Odor Pollutants	23.48	No
Waste water	Production facility area	COD	Continuous discharge	5	6.04mg/L	45mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	1.158	No
	Production facility area	NH3-N		5	8.1（No unit）	6-9(No unit)	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	N.A	No
	Production facility area	pH value		5	68.83mg/L	400mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	13.80	No

	Production facility area	SS		5	42.03mg/L	300mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	8.49	No
	Production facility area	BOD 5		1	0.16mg/L	1mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	0.38	No
	Production facility area	S-		1	0.01mg/L	0.5mg/L	Comprehensive emission standards for air pollutants in Jiangsu Province	0.001	No
	Production facility area	CN		1	0.95mg/L	5.0mg/L	Comprehensive emission standards for air pollutants in Jiangsu Province	0.19	No
	Production facility area	TP		5	11.46mg/L	70mg/L	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	2.31	No
	Production facility area	TN		1	1.781mg/m3	200mg/m3	Nanjing Jiangbei New Material Science and Technology Park Enterprise Sewage Discharge Management Regulations (2020 Edition)	3.24	No
Noise	factory	Equivalent continuous A sound leve	Continuous discharge	/	60.6dB(A)(Day), 52.5dB(A)(Night)	65dB(A)(Day),55dB(A)(Night)	Emission Standards for Environmental Noise at Boundary of Industrial Enterprises	/	No

Solid waste	Actual discharge (tons)	Discharged transferred (tons)	Discharge processed (tons)	Remaining discharge (tons)

Waste sulfuric acid, waste acrolein catalyst, waste resin, fluorescent tubes, incineration furnace pollutants, waste mineral oil, activated carbon, dust collector waste bags, contaminated chemical solid waste, electronic waste, laboratory analysis waste liquid, laboratory reagent bottles , digestion pipe, etc., polymer residue, organic waste liquid, waste ammonium sulfate residue, sulfur filter residue, recovered liquid sulfur, expired chemicals, carbon disulfide cleaning waste liquid, workshop sewage collection tank sludge, biochemical sludge, used catalyst Net, spent WSA catalyst, MMP initial distillation and rectification tower waste liquid, MMP initial distillation tower waste liquid, methyl mercaptan and methyl sulfide separation tower waste liquid, acrylic acid stripping and acrolein rectification waste liquid, lead-acid battery	44577.786	341.186	44236.6	0

(2) Information about anti-pollution facilities' construction and operation

√ Applicable ☐ Not applicable

1) BANC has actively carried out communication and exchange of technical solutions. In May 2024, BANC finished the installation of the online monitoring system for the high flare process and connect it with the platform of the environmental protection authorities.
2) The online monitoring system of the exhaust port of BANC2 project have been installed and commissioned, and networked with the platform of the environmental protection authorities.
3) Renew the existing analyzers of some chimneys such as CS2 furnaces and liquid furnace to ensure the stable operation of the environmental protection online analysis system.

The WWPT facility adopts the world-leading technology of international benchmark water treatment company, which has the advantages of strong resistance to impact load resistance, large operation flexibility, and compact land size. At present, the average concentration of effluent fully meets the 500mg/L takeover standard of NCIP after the sewage discharge standards was raised in NCIP.

Waste liquid incinerator, waste gas incinerator and corresponding environmental protection facilities involving denitration, desulfurization and dust removal are in normal operation. The overhauling and shutdown of them in case are reported in advance according to the requirements of government departments and recorded in the process of pollutant discharge permit management.

Adisseo's steam recycling project in BANC is running starting from 2024 Q1. It will be more efficient to use the excess steam produced by the Nanjing plant, save more energy and create more benefit.

Civil works began on the acrylic wastewater treatment and reclaimed water reuse project.

(3) Environmental impact assessment and other environmental protection administrative permits of construction projects

√ Applicable ☐ Not applicable

In March 2024, BANC finished the renew of Discharge permit approval.

(4) Prepared plan for environmental emergencies

√ Applicable ☐ Not applicable

No environment emergent accident happened in BANC in the first half of 2024. Emergency plans including environmental emergencies have been established. In the first half of 2024, the Company completed two special drill for sudden environmental emergency in the whole plant, which will continue in the second half of the year to continuously improve the ability to deal with environmental emergencies.

(5) Environment related self-monitoring program

√ Applicable ☐ Not applicable

According to the annual meteorological data of NCIP and the general layout of BANC, six unorganized emission online monitoring points were set up at the plant boundary, considering the surrounding sensitive target locations. H2S and other eight malodorous pollutants and malodorous OU values were being monitored. There are 6 monitoring sub-stations in this project. Each monitoring sub-station provides real-time continuous monitoring of unorganized emissions of gas pollutants at the plant boundary through a wireless self-organizing monitoring network. 24 hours of stench supervision and control shown on the screen at the northeast gate of the plant, web-linked with NJCUO's environment surveillance network. This is the first in NCIP, which meets the latest requirements of Jiangsu Province for safety and environmental protection supervision. The Company also planned to build an environmental protection information system with the basis of HSE five-sphere integrated plan, and further integrate, monitor and statistically analyze all current online monitoring data, so as to find deviations and anomalies more quickly, intervene as early as possible, and ensure compliant and up-to-standard discharge all the time.

According to the monitoring frequency requirements of the pollutant discharge permit, the self-monitoring scheme is prepared, and the actual monitoring frequency exceeds the requirements of the pollutant discharge permit.

(6) Administrative penalties for environmental problems during the reporting period

☐ Applicable √ Not applicable

(7) Other environmental information

√ Applicable ☐ Not applicable

Finished the environment information declaration of year 2023 in February 2024. Obtained the environmental protection modeling enterprise of Nan Jing in 2024. Obtained immunity right to avoid decreasing production when pollution weather. Obtained Nanjing city "no waste factory" title.

2. Information about Listed Companies not declared as major pollutant discharge units

√ Applicable ☐ Not applicable

Other subsidiaries except Nanjing Plant are not key pollutant discharge units. During the reporting period, the Company attached great importance to the publicity and implementation of environmental protection laws and regulations and strengthened the awareness of abiding by the law through studying and publicizing the newly revised laws and regulations. During the reporting period, no environmental pollution incidents occurred, and no administrative punishment was received from the environmental protection department for environmental violations.

(1) Administrative penalties for environmental problems during the reporting period

☐ Applicable √ Not applicable

(2) Disclosure of other environmental information with reference to major pollutant discharge units

☐ Applicable √ Not applicable

(3) Reason for not disclosing other environmental information

√ Applicable ☐ Not applicable

Neither the company nor its holding subsidiaries belong to the key pollutant discharge units announced by the environmental protection department. In its daily business activities, the company earnestly implemented environmental protection laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Water Pollution Prevention and Control Law of the People's Republic of China. During the reporting period, there was no environmental pollution incident and no administrative punishment from the environmental protection department due to environmental violations.

3. Explanation of the subsequent progress or changes in the disclosure of environmental information during the reporting period

☐ Applicable √ Not applicable

4. Other information beneficial to protecting ecology, preventing pollution and fulfilling environmental responsibility

√ Applicable ☐ Not applicable

Every year, Adisseo conducts new surveys and initiates new projects to reduce the environmental impact arising from its activities. Adisseo is already working for the future, studying breakthroughs technology to avoid use of natural gas for the incineration of pollutants.

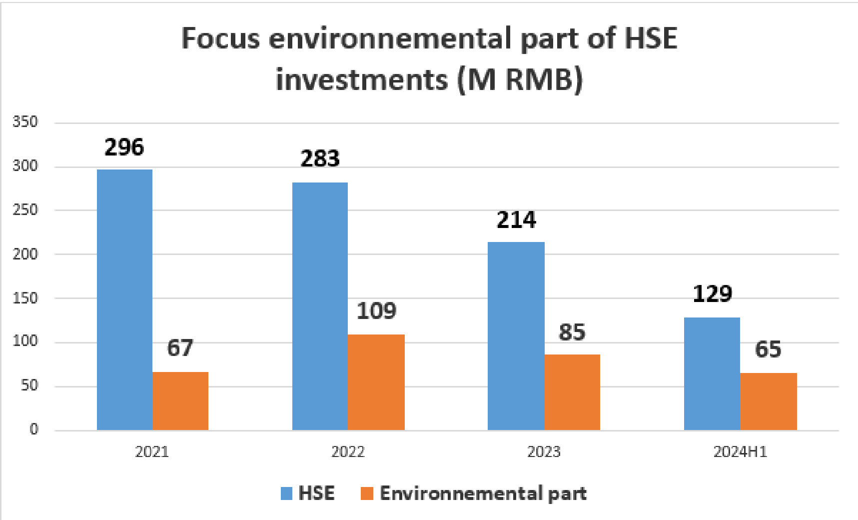
We are also maintaining our level of investments and initiatives:

- Development of renewable power supply of our industrial sites:
- Nanjing plant is with nuclear energy purchase contract since beginning of 2021 and with green energy purchase contract since 2023. In 2024, a energy purchase contract with about 20% green energy and 80% nuclear energy covers all In China, a new wastewater treatment project is

understudy in which it is expected to produce a by-product biogas of about 7 million cubic meters/year, which will be used to partially replace the fuel gas consumption of the existing device, corresponding to carbon emissions reduction by approximately 45 000 tons/year, while nitrogen oxide (NOx) emissions will reduce by approximately 70 tons/year.

- Adisseo is also considering CO_2 capture and reuse for the hard to abate. In this objective, Adisseo is part of working group for CCUS in Rhône Valley and participates in the ZIBAC DECLYC project.
- All the European plants are now certified ISO 50001 and are daily monitoring energy consumption.
- A working group on the reduction of water consumption is operational through the GREEN project, which also aims to reduce aqueous effluents and waste volumes generated by our activities. In addition to seeking direct savings, recycling is the other preferred solution. The GREEN project has already identified various paths avenues for progress in water saving which will require significant investments.
- Adisseo is developing internally skills on sustainable, especially on Life Cycle Assessment (LCA). The Project TRACE aims to realize, by the end of 2024, LCAs of 95% of Adisseo turnover. During H1 2024, we have been dedicated to product specialties, such as Rovabio®, Smartamines®. With products LCA, we can identify the hotspots regarding environmental impacts and propose an action plan improving and reducing them. This tool is also used in industrial projects, such as PICSAR or PEARL II and has identified some ways to improve, that have been integrated during the project studied. Thus, PICSAR project, producing Rhodimet NP99® in China, should be improved at least by 20%.
- Finally, HSE department is receiving from R&I, the CO_2 reduction roadmap (scope 1+2+3), based on an optimizing tool called iSTRAT. The aim is to provide targets in 2030, considering decarbonized technologies available, greener raw materials (availability and cost). The tool can integrate constraints, such as:
  - Amount of CO2 (Scope 1+2+3 and separated ones)
  - Cost of production (Proportional costs & Fixed costs)

Environment related part in the investments in HSE (unit: million RMB)



ADISSEO investment in HSE is 129M in 2024 H1 and environmental related investments represent approximately 50% of the total of HSE investments.
Each industrial project is made good use of investment to improve and strengthen our management of safety and environmental risks and to reduce their impact in a strategy of sustainable growth.

5. Measures taken to reduce carbon emissions during the reporting period and their effects

√ Applicable ☐ Not applicable

In H1 2024, intensity emissions (tCO2e/t product manufactured) is back to a decrease (-5,3%), showing good performances from industrial plants with a stabilized production.

Adisseo is still dedicated to aligning its business growth with the Paris Agreement, aiming to restrict global warming to less than 2°C and ultimately achieving net-zero emissions by 2050. This commitment involves a reduction in greenhouse gas (GHG) emissions (Scope 1+2+3) associated with its operations.

Adisseo is committed reducing its greenhouse gas emissions intensity (scope1+2) by 20% as well as its water and energy consumptions per kilogram of product over a ten-year period since 2015. For H1 2024, on the GHG emissions intensity (scope 1+2), the reduction keeps continuing with -36,4% (vs 2015).

In 2022, Adisseo reinforced its ambition again regarding the GHG emissions in absolute (scope 1+2). The company decided to adopt a reduction of 21% in 2025 compared to 2020, allowing to be fully aligned on the 1,5°C SBTi (Science Based Targets initiative) trajectory while including growth activities.

Adisseo's commitment is long-term. Each year, Adisseo decides on new initiatives and new progress which allows to build and continue to advance on the path of sustainable development for the company and for the entire food production chain. In H1 2024, Adisseo investments and initiatives:

- Nanjing plant has optimized the process to recover energy from excess steam produced. Since February 2024, the plant is operating a steam turbine (30 MW) producing around 800 TJ/y of electricity. It is directly consumed by the plant, leading to a reduction of consumption from the Chinese electricity grid with a strong impact on energy absolute consumption at group level.

- Roches plant has finalized end of H1, the new connection of Hydrogen (H_2) supply by pipeline. This H_2 will be used in the CS_2 synthesis (intermediates of Rhodimet AT88®) and partially replace natural gas (CH_4) used for the heat, that produces CO_2 (scope 1).

- Since 2020, France production plants with R&I support, launched the TOURNESOL project, which aims to reduce energy consumption. After 3 years program, it is more than 10 projects implemented with an energy reduction about 288 TJ/y. Lastly in H1 2024:
  - Variable frequency drivers on cooling water pump, at Roussillon plant, to adapt electricity consumption depending on capacity
  - Capacitor bank at Roches plant, to reduce reactive power with expected reduction of 8000 MWh/y (- 270 tCO_2e/y

II. Description of consolidating the achievements in anti-poverty and rural revitalization

√ Applicable Not applicable

While pursuing the company's high-quality development and business diversification, Adisseo focuses on the "decisive battle against poverty alleviation to realize a well-off society in an all-round way" and actively participates in the poverty alleviation in China. It not only raises funds for special poverty alleviation in Lixian County, Longnan, Gansu Province, but also involves its employees and social forces in fashionable and healthy activities and continues to join China's poverty alleviation cause in various ways.

In response to China's targeted poverty alleviation, Adisseo has explored a mode of combining its advantages with local advantages. Adisseo has been promoting the integrated solution of green growth and pushing ahead the development of agricultural modernization for poverty alleviation through industrial development of poverty-stricken areas. Adisseo has been fulfilling its social responsibility in an in-depth and targeted way to make more contributions to the country in comprehensive, coordinated and sustainable development.

Adisseo focuses on "consolidating and expanding the achievements of poverty alleviation and revitalizing the rural areas", and actively undertakes corporate social responsibility. Adisseo called on its employees to join the initiative of “helping wisdom + helping aspirations” to assist cultural poverty alleviation in Huili County, Sichuan Province in southwestern regions. Moreover, in order to further support, consolidate and expand the achievements in poverty alleviation and continue to promote the products and consumption in poverty-stricken areas, from 2020 to now, Adisseo China has purchased materials from poverty alleviation units in Gulang County, Gansu Province through the forms of "purchasing instead of donating" trade union collective procurement and subsidy vouchers to support employees’ individual procurement, so as to promote the quality and efficiency improvement of local characteristic industries.

In 2021, the China Rural Revitalization Bureau was established and the "Law on the Promotion of Rural Revitalization " was promulgated. The grand strategy of "rural revitalization" that will last for more than 30 years has started to be implemented. While seeking in-depth development in China, Adisseo will continue to support rural education in China, increase surgical funding for children with congenital heart disease. As such, the Company is committed to making contribution to the revitalization of rural areas and the modernization of agriculture and rural areas by actively providing financial, material and intellectual supports in China, and supporting China's rural revitalization and accelerate its entry into the fast lane of agricultural and rural modernization.

Section 6 Significant Matters

I. Fulfilment of Commitments

1. During the reporting period or subsequent to the reporting period, commitment items of the actual controller, the shareholders, the related parties, the acquirer, and the listed company

☐ Applicable √ Not applicable

II. Funds occupied by controlling shareholders and other related parties for non-operating purpose during the reporting period

☐ Applicable √ Not applicable

III. Illegal guarantee

☐ Applicable √ Not applicable

IV. Audit of half-year report

☐ Applicable √ Not applicable

V. Matters related to non-standard audit opinions to previous year annual report

☐ Applicable √ Not applicable

VI. Restructuring matters relating to bankruptcy

☐ Applicable √ Not applicable

VII. Significant lawsuits and arbitrations

☐ Applicable √ Not applicable

VIII. Judgments or fines rendered against the listed Company and its Directors, Supervisors, Senior management, major shareholders or ultimate controller

☐ Applicable √ Not applicable

IX. Credit status of the company, its controlling shareholder and actual controller in the reporting period

☐ Applicable √ Not applicable

X. Significant related-party transactions

1. Related-party transactions in association with daily transactions

(1) Related-party transactions, with no subsequent modifications, announced publicly in the reporting period (interim announcements).

√ Applicable ☐Not applicable

The Company held the seventeenth meeting of the 8th session of Board of Directors on 28th March 2024, and approved the proposal on 2023 and 2024 Day-to-day Connected Transactions. The daily related transactions of the Company in 2023 are all normal business transactions, and the prices of related transactions strictly comply with the principles of openness, fairness, impartiality, and market-oriented pricing. The Company has not formed a significant dependence on related parties. For specific details, please refer to the Announcement on 2023 and 2024 Day-to-day Connected Transactions (Announcement No. 2024-005) disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on 29th March 2024.

(2) Related party transactions, with further subsequent modifications, announced publicly in the reporting period (interim announcements).

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcement

☐ Applicable √ Not applicable

2. Related-party transactions in association with the purchase and sale of assets

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

(4) Please disclose the actual result generated during the reporting period if it involves a performance guarantee

☐ Applicable √ Not applicable

3. Related Party transactions in association with external investments

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

4. Related Party transactions in association with loans and debt

(1) Matters disclosed in interim announcement and with no progress or change upon subsequent implementation

☐ Applicable √ Not applicable

(2) Related- party transactions announced in interim announcements and with further subsequent changes.

☐ Applicable √ Not applicable

(3) Undisclosed items in interim announcements

☐ Applicable √ Not applicable

5. Financial business between the Company and related financial companies or between financial companies held by the Company and other related parties

√ Applicable ☐Not applicable

(1) Deposit

√ Applicable ☐Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Limit amount of daily deposit	Interest rate	Opening balance	Transactions in the period		Closing balance
					Deposit	Withdrawal	
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	2,000,000,000	0.55%-5.3%	172,514,539	4,647,970,554	4,640,208,983	180,276,110

(2) Loan

☐ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Loan amount	Interest rate	Opening balance	Transactions in the period		Closing balance
					Addition	Repayment	
Sinochem Finance Co, Ltd	Controlled by the same ultimate controlling shareholder	1,000,000,000	2.6%-2.8%	470,000,000	80,000,000	220,000,000	330,000,000

(3) Credit and other business

√ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Related party	Relation	Business type	Total amount	Actual amount granted
Sinochem Finance Co., Ltd.	Controlled by the same ultimate controlling shareholder	Comprehensive credit line	2,000,000,000	330,000,000

(4) Other description

☐ Applicable √ Not applicable

6. Other Material Related Party transactions

☐ Applicable √ Not applicable

7. Others

☐ Applicable √ Not applicable

XI. Major Contracts and Implementation

1. Custody, contracting, leasing

☐ Applicable √ Not applicable

2. Guarantees

☐ Applicable √ Not applicable

3. Other major contracts

☐ Applicable √ Not applicable

XII. Description of Other Important Matters

☐ Applicable √ Not applicable

XIII. Explanation of other significant matters

☐ Applicable √ Not applicable

Section 7 Share Change and Shareholders

I. Change in share capital in the reporting period

1. Changes in share capital

(1) Changes in share capital

In the reporting period, there was no change in total amount and structure of share capital.

(2) Description of changes of share capital

☐ Applicable √ Not applicable

(3) Impact of share capital change taking place after the balance sheet day and before the disclosure of H1 report on EPS and net assets per share

☐ Applicable √ Not applicable

(4) Others the Company want to disclose or the regulators request to disclose

☐ Applicable √ Not applicable

2. Changes in shares with trading restrictions

☐ Applicable √ Not applicable

II. Information on Shareholders

1. Total number of shareholders

Total number of shareholders by the end of reporting period	27,002
Total number of preferred shareholders whose voting rights have been restored by the end of the report period	0

2. Shares held by top ten shareholders at the end of the reporting period

Unit: Share

Shares held by top ten shareholders							
Name of shareholder (full name)	Change in the reporting period	Number of shares held by end of the period	Proportion of shares held (%)	Number of shares with trading restrictions	Status of pledged or frozen shares		Type of shareholder
					Share status	Number	
China National Bluestar (Group) Co., Ltd.	0	1,709,387,160	63.74	0	Unknown	0	Stated owned legal entity
Bluestar-GTJA-19 Bluestar EB guarantee and trust property account	0	592,078,113	22.08	0	Unknown	0	Other
Hong Kong Central Clearing Limited	12,084,695	18,912,404	0.71	0	Unknown	0	Overseas legal entity
National Social Security Fund	3,900,321	14,060,698	0.52	0	Unknown	0	Other
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	0	6,607,000	0.25	0	Unknown	0	Other
China Electronic Investment Holding	0	5,185,185	0.19	0	Unknown	0	Stated owned

Shares held by top ten shareholders							
Name of shareholder (full name)	Change in the reporting period	Number of shares held by end of the period	Proportion of shares held (%)	Number of shares with trading restrictions	Status of pledged or frozen shares		Type of shareholder
					Share status	Number	
Company							legal entity
Agricultural Bank of China Limited - Fuguo CSI 500 Index Enhanced Securities Investment Fund (LOF)	1,203,412	5,164,871	0.19	0	Unknown	0	Other
Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	2,220,200	4,395,000	0.16	0	Unknown	0	Other
China Merchants Securities Co., Ltd. - Tianhong CSI 500 Index Enhanced Securities Investment Fund	584,900	4,333,800	0.16	0	Unknown	0	Other
Beijing Research and Design Institute of Rubber Industry	0	3,737,262	0.14	0	Unknown	0	Stated owned legal entity

Shares held by top ten shareholders without trading restrictions			
Name of shareholder	Number of shares without trading restrictions held	Type and number of shares	
		Type	Number
China National Bluestar (Group) Co., Ltd.	1,709,387,160	RMB ordinary shares	1,709,387,160
Bluestar-GTJA-19 Bluestar EB guarantee and trust property account	592,078,113	RMB Common share	592,078,113
Hong Kong Central Clearing Limited	18,912,404	RMB ordinary shares	18,912,404
National Social Security Fund	14,060,698	RMB ordinary shares	14,060,698
Jiangsu Juhe Chuangyi Emerging Industry Investment Fund LLP	6,607,000	RMB Common share	6,607,000
China Electronic Investment Holding Company	5,185,185	RMB ordinary shares	5,185,185
Agricultural Bank of China Limited - Fuguo CSI 500 Index Enhanced Securities Investment Fund (LOF)	5,164,871	RMB ordinary shares	5,164,871
Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	4,395,000	RMB ordinary shares	4,395,000
China Merchants Securities Co., Ltd. - Tianhong CSI 500 Index Enhanced Securities Investment Fund	4,333,800	RMB ordinary shares	4,333,800
Beijing Research and Design Institute of Rubber Industry	3,737,262	RMB ordinary shares	3,737,262
Description of special account for repurchase among top 10 shareholders	Not applicable		
Explanation of the above shareholders' entrusted voting right, entrusting voting right and waiver of voting right	Not applicable		

Shares held by top ten shareholders without trading restrictions			
Name of shareholder	Number of shares without trading restrictions held	Type and number of shares	
		Type	Number
Statement on related relationship or acting in concert among the above shareholders	The State-owned corporation shareholders, China National Bluestar(Group) Co., Ltd. and Beijing Research and Design Institute of RubberIndustry are subsidiaries of Sinochem Holdings Co., Ltd. Bluestar-GTJA-19 Bluestar EB guarantee and trust property account (who owns 680,000,000 shares) is a special account for China National Bluestar (Group) Co., Ltd. to guarantee and trust some of its shares when issuing exchangeable bonds. For more information, please refer to the announcements 2019-008, 2019-014, 2019-029, 2019-034 and 2020-024. Except for the above-mentioned shareholders, the Company does not know whether any related relationship exists among other shareholders, or whether the other shareholders have acted in concert as regulated by the Administrative Measures for Purchasing of Listed Companies.		
Explanation of preferred shareholders with restored voting rights and the number of shares held	Not applicable		

Participation of shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders with unlimited tradable shares in the lending of shares through the refinancing business

√ Applicable ☐ Not applicable

Participation of shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders with unlimited tradable shares in the lending of shares through the refinancing business								
Shareholder name	Initial ordinary account and credit account shareholding		At the beginning of the period, the loan shares were transferred through financing and have not been returned yet		End of term ordinary account and credit account shareholding		End of term refinancing and lending of shares that have not been returned yet	
	Number of shares held	Proportion (%)	Number of shares held	Proportion (%)	Number of shares held	Proportion (%)	Number of shares held	Proportion (%)
Agricultural Bank of China Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund	2,174,800	0.08	655,200	0.02	4,395,000	0.16	162,300	0.01

The top ten shareholders and the top ten shareholders with unlimited tradable shares have changed compared to the previous period due to the reasons of refinancing, lending, and repayment

√ Applicable £ Not applicable

The top ten shareholders and the top ten shareholders with unlimited tradable shares have changed compared to the previous period due to the reasons of refinancing, lending, and repayment					
Shareholder name	New/exit during this reporting period	At the end of the period, the number of shares lent through refinancing has not been returned yet		The number of shares held by shareholders' ordinary accounts, credit accounts, and outstanding shares from refinancing loans at the end of the period	
		Number of shares held	Proportion (%)	Number of shares held	Proportion (%)
Agricultural Bank of China	New	162,300	0.01	4,557,300	0.17

Limited - CSI 500 Exchange Traded Open Ended Index Securities Investment Fund					

Shares held by top ten shareholders with trading restrictions

☐ Applicable √ Not applicable

3. Strategic investor or normal legal entity getting into top 10 shareholders due to new share allocation

☐ Applicable √ Not applicable

III. Change in directors, supervisors and senior management of the Company

1. Changes in shares held by the directors, supervisors and senior management who are currently in duty or who have resigned or been dismissed from their duty in the reporting period

☐ Applicable √ Not applicable

Other information

☐ Applicable √ Not applicable

2. Equity incentives granted to directors, supervisors and senior management during the reporting period

☐ Applicable √ Not applicable

3. Others

☐ Applicable √ Not applicable

IV. Changes in Controlling Shareholder and Ultimate controlling shareholder

☐ Applicable √ Not applicable

Section 8 Information on Preferred Shares

The Company did not have any issue concerning preferred shares in the reporting period.

Section 9 Corporate bonds

I. Corporate bonds, corporate bonds and non-financial corporate debt financing instruments

☐ Applicable √ Not applicable

II. Convertible bonds

☐ Applicable √ Not applicable

Section 10 Financial Report

I. Audit report

Applicable √ Not applicable

II. Financial Statements

Consolidated Balance Sheet

30 June 2024

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB

	Notes	Closing balance	Opening balance
Current Assets:			
Cash at bank and on hand	VII.1	1,024,745,046	1,005,227,559
Financial assets at fair value through profit or loss			
Derivative financial assets	VII.2	5,387,649	16,278,030
Notes receivable		14,827,432	
Accounts receivable	VII.4	1,999,912,401	1,696,411,504
Receivable financing			
Advances to suppliers	VII.5	191,055,728	107,109,970
Other receivables	VII.6	154,181,420	219,694,077
Including: interest receivable			24,731
dividend receivable			
Inventories	VII.7	2,039,026,910	1,921,560,051
Other current assets	VII.8	342,154,596	432,276,726
Total current assets		**5,771,291,182**	**5,398,557,917**
Non-current Assets:			
Available-for-sale financial assets			
Long-term receivables	VII.9	620,794,746	567,652,324
Long-term equity investments	VII.10	183,092,364	207,184,364
Investments in other equity instruments	VII.11	179,837,133	277,802,940
Other non-current financial assets	VII.12	116,856,263	109,023,611
Investment properties			
Fixed assets	VII.13	8,465,594,858	8,976,432,846
Construction in progress	VII.14	862,329,980	672,347,033
Right-of-use assets	VII.15	497,355,369	490,395,275
Intangible assets	VII.16	2,128,939,099	2,182,228,959
Development costs	VII.17	142,231,025	132,529,949
Goodwill	VII.18	2,082,950,250	2,136,643,650
Long-term prepaid expenses		3,945,776	5,617,363
Deferred tax assets	VII.19	306,049,747	293,670,538
Other non-current assets	VII.20	55,630,100	63,280,873
Total non-current assets		**15,645,606,710**	**16,114,809,725**
TOTAL ASSETS		**21,416,897,892**	**21,513,367,642**
Current Liabilities:			
Short-term borrowings	VII.21	509,520,038	913,311,108
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	VII.22	8,397,698	8,818
Notes payable			
Accounts payable	VII.23	1,525,175,512	1,409,744,715
Advances from customers			
Contract liabilities		5,668,047	3,021,746

	Notes	Closing balance	Opening balance
Wages and benefits payable	VII.24	386,436,402	384,195,200
Taxes payable	VII.25	205,096,455	133,406,041
Other payables	VII.26	483,670,128	488,558,013
Including: interest payable		5,103,163	6,843,423
dividends payable		160,914,076	0
Current portion of non-current liabilities	VII.27	326,351,359	238,059,843
Other current liabilities	VII.28	2,487,995	5,022,901
Total current liabilities		**3,452,803,634**	**3,575,328,385**
Non-current Liabilities:			
Long-term borrowings	VII.29	719,155,518	709,030,203
Lease liabilities	VII.30	365,774,901	353,834,739
Long-term payables	VII.31	14,341,936	14,711,857
Long-term employee benefits payable	VII.32	229,336,837	247,543,365
Provisions	VII.33	525,005,608	621,303,990
Deferred income	VII.34	140,903,655	146,913,087
Deferred tax liabilities	VII.19	778,169,029	779,833,519
Other non-current liabilities			
Total non-current liabilities		**2,772,687,484**	**2,873,170,760**
TOTAL LIABILITIES		**6,225,491,118**	**6,448,499,145**
SHAREHOLDERS' EQUITY:			
Paid-in capital	VII.35	2,681,901,273	2,681,901,273
Other equity instruments			
Capital reserve	VII.36	1,004,724,989	1,004,724,989
Other comprehensive income	VII.37	(762,870,072)	(443,642,906)
Special reserve			
Surplus reserve	VII.38	641,498,933	639,920,315
Undistributed profits	VII.39	11,599,131,428	11,154,024,818
Total equity attributable to equity holders of the Company		**15,164,386,551**	**15,036,928,489**
Non-controlling interests		27,020,223	27,940,008
TOTAL OWNERS' EQUITY		**15,191,406,774**	**15,064,868,497**
TOTAL LIABILITIES AND OWNERS' EQUITY		**21,416,897,892**	**21,513,367,642**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Balance Sheet of the Company

30 June 2024

Prepared by: Bluestar Adisseo Company

Unit: Yuan Currency: RMB

Item	Notes	Closing balance	Opening balance
Current Assets:			
Cash at bank and on hand	XIX.1	6,190,362	15,901,315
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivable financing			
Advances to suppliers		121,938	
Other receivables	XIX. 2	174,350,588	7,150,208
Including: interest receivable			
dividend receivable		165,469,080	
Inventories			
Assets held for sale			
Other current assets			
Total Current Assets		**180,662,888**	**23,051,523**
Non-current Assets:			
Available-for-sale financial assets			
Long-term receivables			
Long-term equity investments	XIX. 3	10,500,492,549	10,500,492,549
Investment properties			
Fixed assets		7,389	6,643
Construction in progress			
Assets from right of use			
Intangible assets			
Development costs			
Goodwill			
Long-term prepaid expenses			
Deferred tax assets			
Other non-current assets		312,217	308,340
Total Non-current Assets		**10,500,812,155**	**10,500,807,532**
TOTAL ASSETS		**10,681,475,043**	**10,523,859,055**
Current Liabilities:			
Short-term borrowings			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Wages and benefits payable		531,325	347,226
Taxes payable		401,154	259,642
Other payables	XIX. 4	190,881,378	30,537,104
Including: interest payable			
dividend payable		160,914,076	
Liabilities held for sale			
Current portion of non-current liabilities			
Other current liabilities			
Total Current Liabilities		**191,813,857**	**31,143,972**
Non-current Liabilities:			
Long-term borrowings			
Notes payables			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			

Deferred tax liabilities			
Other non-current liabilities			
Total Non-current Liabilities			
TOTAL LIABILITIES		**191,813,857**	**31,143,972**
Shareholders' Equity:			
Paid-in capital		2,681,901,273	2,681,901,273
Other equity instruments			
Including: Preferred shares			
Capital reserve		6,681,557,628	6,681,557,628
Other comprehensive income			
Special reserve			
Surplus reserve		641,498,933	639,920,315
Undistributed profits		484,703,352	489,335,867
Total Owners' Equity		**10,489,661,186**	**10,492,715,083**
TOTAL LIABILITIES AND OWNERS' EQUITY		**10,681,475,043**	**10,523,859,055**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Income Statement

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
I. Total operating revenue		**7,260,948,548**	**6,328,375,755**
Including: Operating revenue	VII.40	7,260,948,548	6,328,375,755
II. Total operating costs		**6,335,868,887**	**6,249,347,385**
Including: Cost of sales	VII.40	4,984,047,631	4,998,471,707
Taxes and surcharge	VII.41	27,008,372	25,829,983
Selling and distribution expenses	VII.42	638,155,566	614,748,837
General and administrative expenses	VII.43	455,409,188	363,622,547
Research and development expenses	VII.44	207,848,131	202,833,128
Financial expenses –net	VII.45	23,399,999	43,841,183
Including: Interest expenses		38,234,787	35,735,384
Interest income		12,786,206	8,588,639
Add: Other income		12,702,833	6,728,703
Investment income (loss)	VII.46	(38,595,673)	(20,381,324)
Including: Income from investments in associates and joint ventures		(38,595,673)	(20,381,324)
Gains (losses) from disposal of financial assets at amortized cost			
Gains (losses) from changes in fair value	VII.47	(19,076,427)	30,734,025
Credit losses	VII.48	(1,445,788)	(6,926,899)
Asset impairment losses	VII.49	(17,430,209)	(26,378,396)
Gain (loss) from disposal of assets		(620,931)	(579,384)
III. Operating profit (loss)		**860,613,466**	**62,225,095**
Add: Non-operating income	VII.50	3,587,536	9,204,263
Less: Non-operating expenses	VII.51	75,109,201	16,312,990
IV. Total profit (Total loss)		**789,091,801**	**55,116,368**
Less: Income tax expenses	VII.52	181,712,855	22,171,448
V. Net profit (Net loss)		**607,378,946**	**32,944,920**
Net profit classified by continuity			
Net profit (loss) from continuing operations		607,378,946	32,944,920
Net profit (loss) from discontinued operations			
Net profit classified by ownership			
Net profit attributable to shareholders of the Company		607,599,304	33,400,286
Net profit attributable to non-controlling interests		(220,358)	(455,366)
VI. Net other comprehensive income		**(319,926,593)**	**508,770,734**
Other comprehensive income (net of tax) attributable to the owners of the Company	VII.37	**(319,227,166)**	**507,363,179**
1. Other comprehensive income which will not be reclassified subsequently to profit or loss		**(92,598,000)**	16,198,109
1) Actuarial differences on defined benefits plans			
2) Other comprehensive income which will not be reclassified subsequently to profit or loss under equity method			
3) Fair value changes in investments in other		(92,598,000)	16,198,109

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
equity instruments			
2. Other comprehensive income which will be reclassified subsequently to profit or loss		**(226,629,166)**	**491,165,070**
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments		44,245	(841,102)
2) Differences on translation arising on translation of foreign currency financial statements		(226,673,411)	492,006,172
Net other comprehensive income attributable to non-controlling interests after tax		**(699,427)**	**1,407,555**
VII. Total comprehensive income		**287,452,353**	**541,715,654**
Total amount of comprehensive income attributable to equity holders of the Company		288,372,138	540,763,465
Total amount of comprehensive income attributable to non-controlling interests		(919,785)	952,189
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/ share)	VII.53	0.23	0.01
(II) Diluted earnings per share (Yuan/ share)	VII.53	0.23	0.01

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Income Statement of the Company

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
I. Operating revenues		6,933,972	5,151,327
Less: Cost of sales		4,991,948	4,768,391
Business taxes and surcharge		64	
Selling and distribution expenses			
General and Administrative expenses		9,766,556	1,838,029
Research and development expenses			
Financial expenses - net		(164,232)	954,231
Including: Interest expenses		0	94,667
Interest income		59,239	16,059
Add: Other income			
Investment income (loss)	XVIII.4	165,469,080	0
Including: Income from investments in associates and joint ventures			
Gains (losses) from disposal of financial assets at amortized cost			
Gains from changes in fair values (losses)			
Credit losses			
Asset impairment losses			
Gain (loss) from disposal of assets			
II. Operating profit (loss)		157,808,716	(2,409,324)
Add: Non-operating income		51,463	75,309
Less: Non-operating expenses			
III. Total profit (Total Loss)		157,860,179	(2,334,015)
Less: Income tax expenses			0
IV. Net profit (Net Loss)		157,860,179	(2,334,015)
Net profit classified by continuity			
Net profit (loss) from continuing operations		157,860,179	(2,334,015)
Net profit (loss) from discontinued operations			
V. Net amount of other comprehensive income			
1.Other comprehensive income which will not be reclassified subsequently to profit or loss			
1) Actuarial differences on net defined benefit plan			
2.Other comprehensive income which will be reclassified subsequently to profit or loss			
1) Effective hedging portion of gains or losses arising from cash flow hedging instruments			
2) Difference on translation arising on translation of foreign currency financial statements			
VI. Total comprehensive income		157,860,179	(2,334,015)
VII. Earnings per share:			
(I) Basic earnings per share		Not applicable	Not applicable
(II) Diluted earnings per share		Not applicable	Not applicable

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Cash Flow Statement

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		7,283,812,453	7,020,029,170
Refunds of taxes and surcharges		210,604	95,534
Cash received relating to other operating activities	VII.55(1)	64,604,300	16,640,520
Subtotal of cash inflows from operating activities		**7,348,627,357**	**7,036,765,224**
Cash paid for goods and services		5,014,244,649	4,735,147,383
Cash paid to and on behalf of employees		923,104,726	965,557,575
Payments of taxes and surcharges		69,008,961	61,058,368
Cash paid relating to other operating activities	VII.55(2)	111,600,626	99,668,579
Subtotal of cash outflows for operating activities		**6,117,958,962**	**5,861,431,905**
Net cash flow generated from operating activities		**1,230,668,395**	**1,175,333,319**
II. Cash flows from investing activities:			
Cash received from disposals of investment			0
Cash received from investment income		13,116,957	8,124,025
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,720,871	103,228
Net cash received from disposals of subsidiaries and other business units			0
Cash received relating to other investing activities		20,371,310	18,965,536
Subtotal cash inflows from investing activities		**35,209,138**	**27,192,789**
Cash paid to purchase fixed assets, intangible assets and other long-term assets		654,450,726	590,998,123
Cash paid to acquire investments		11,610,061	1,311,593
Net cash paid for acquisitions of subsidiaries			136,813,015
Cash paid relating to other investing activities		66,928,529	131,736,787
Subtotal of cash outflows for investing activities		**732,989,316**	**860,859,518**
Net amount of cash flow from investing activities		**(697,780,178)**	**(833,666,729)**
III. Cash flow from financing activities:			
Cash received from capital contributions			0
Including: cash received from capital contributions by non-controlling interests of subsidiaries			0
Payment for acquisition of non-controlling interests			0
Cash received from borrowings		242,048,499	120,333,864
Cash received from issuance of debentures			0
Cash received relating to other financing activities			0
Subtotal of cash inflows from financing activities		**242,048,499**	**120,333,864**
Cash repayments of borrowings		610,843,900	348,772,798
Cash payments for interest expenses and distribution of dividends or profits		67,916,043	53,808,541
Including: dividends and profits paid to non-controlling shareholders of subsidiaries			0
Cash paid relating to other financing activities	VII.55(6)	52,147,954	45,378,067
Subtotal of cash outflows for financing activities		**730,907,897**	**447,959,406**
Net cash flow from financing activities		**(488,859,398)**	**(327,625,542)**
IV. Effect of Foreign exchange rate changes on Cash and Cash Equivalents		**(24,511,332)**	**59,146,445**

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
V. Net increase in cash and cash equivalents		**19,517,487**	**73,187,493**
Add: Opening balance of cash and cash equivalents		1,005,227,559	796,360,472
VI. Closing balance of cash and cash equivalents	**VII.56(4)**	**1,024,745,046**	**869,547,965**

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Cash Flow Statement of the Company

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services			
Refunds of taxes and surcharges			
Cash received relating to other operating activities		6,519,962	5,525,463
Subtotal of cash inflows from operating activities		6,519,962	5,525,463
Cash paid for goods and services			
Cash paid to and on behalf of employees		9,467,307	5,735,680
Payments of taxes and surcharges		1,765,596	1,269,079
Cash paid relating to other operating activities		4,998,004	7,273,020
Subtotal cash outflows from operating activities		16,230,907	14,277,779
Net cash flow generated from operating activities		(9,710,945)	(8,752,316)
II. Cash flow from investing activities:			
Cash received from disposals of investments			
Cash received from investment income and interest income		0	16,059
Net cash received from disposals of fixed assets, intangible assets and other long-term assets			
Net cash received from disposals of subsidiaries and other business units			
Cash received relating to other investing activities			
Subtotal of cash inflows from investing activities		0	16,059
Cash paid to purchase fixed assets, intangible assets and other long-term assets			
Cash paid to acquire investments			
Net cash paid for acquisitions of subsidiaries and other business units			
Net cash decrease due to disposal of subsidiaries			
Cash paid relating to other investing activities			
Subtotal of cash outflows from investing activities			
Net amount of cash flow from investing activities		0	16,059
III. Cash flows from financing activities:			
Cash received from capital contributions			
Cash received from borrowings		0	8,000,000
Cash received from issuance of shares			
Cash received from other financing activities			
Subtotal of cash inflows from financing activities		0	8,000,000
Cash repayments of borrowings		0	0
Cash payments for interest expenses and distribution of dividends or profits			
Cash payments relating to other financing activities			
Subtotal of cash outflows from financing activities		0	0

Items	Notes	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Net cash flow from financing activities		0	8,000,000
IV. Effect of Foreign Exchange rate changes on cash and cash equivalents		(8)	20
V. Net increment of cash and cash equivalents		(9,710,953)	(736,237)
Add: Opening balance of cash and cash equivalents		15,901,315	1,644,457
VI. Closing balance of cash and cash equivalents		6,190,362	908,220

Responsible person of the Company: Zhigang Hao

Person in Charge of the Accounting Body: Virginie Cayatte

Chief Accountant: Virginie Cayatte

Consolidated Statement of Changes in Owners' Equity

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Current period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
1.Ending balance of last year	**2,681,901,273**		**1,004,724,989**	**(443,642,906)**		**639,920,315**	**11,154,024,818**	**15,036,928,489**	**27,940,008**	**15,064,868,497**
Add: increase/(decrease) due to changes in accounting policies										
Increase/(decrease) due to corrections of errors in prior period										
Business combination under common control										
2.Opening balance of current year	**2,681,901,273**		**1,004,724,989**	**(443,642,906)**		**639,920,315**	**11,154,024,818**	**15,036,928,489**	**27,940,008**	**15,064,868,497**
3.Increase/(decrease) for current period										
(1)Total comprehensive income				(319,227,166)			607,599,304	288,372,138	(919,785)	287,452,353
(2)Owner's contributions and withdrawals of capital										
(a)Common stock contributed by owners										
(b)Capital contributed by other equity instruments holders										
(c)Share-based payment recorded in owner's equity										
(d) Others										

Items	Current period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
(3)Profits distribution										
(a)Appropriation of surplus reserve						1,578,618	(1,578,618)			
(b)Distribution to owner/shareholder							(160,914,076)	(160,914,076)		(160,914,076)
(c)Others										
(4)Transfer within owner's equity										
(a)Capitalization of capital reserve										
(b)Capitalization of surplus reserve										
(c)Loss offset by surplus reserve										
(d)Other comprehensive income transferred to retained earnings										
(e)Others										
(5) Special reserve										
(a)Transfer to special reserve in the period					6,042,397			6,042,397		6,042,397
(b) Amount used in the period					(6,042,397)			(6,042,397)		(6,042,397)
(6) Other										
4.Ending balance of current period	2,681,901,273		1,004,724,989	(762,870,072)		641,498,933	11,599,131,428	15,164,386,551	27,020,223	15,191,406,774

Responsible person of the Company: Zhigang Hao Person in Charge of the Accounting Body: Virginie Cayatte Chief Accountant: Virginie Cayatte

Items	Last period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
1.Ending balance of last year	**2,681,901,273**		**1,004,724,989**	**(899,784,514)**		**597,195,660**	**11,549,551,047**	**14,933,588,455**	**19,245,905**	**14,952,834,360**
Add: increase/(decrease) due to changes in accounting policies										
Increase/(decrease) due to corrections of errors in prior period										
Business combination under common control										
2.Opening balance of current year	**2,681,901,273**		**1,004,724,989**	**(899,784,514)**		**597,195,660**	**11,549,551,047**	**14,933,588,455**	**19,245,905**	**14,952,834,360**
3.Increase/(decrease) for current period				**507,363,179**			**(384,627,412)**	**122,735,767**	**5,711,096**	**128,446,863**
(1)Total comprehensive income				507,363,179			33,400,286	540,763,465	952,189	**541,715,654**
(2)Owner's contributions and withdrawals of capital										
(a)Common stock contributed by owners										
(b)Capital contributed by other equity instruments holders										
(c)Share-based payment recorded in owner's equity										
(d) Others										
(3)Profits distribution							**(404,967,092)**	**(404,967,092)**	**-**	**(404,967,092)**
(a)Appropriation of surplus reserve							-	-	-	**-**
(b)Distribution to owner/shareholder							(404,967,092)	(404,967,092)	-	**(404,967,092)**

Items	Last period									
	Equity attributable to shareholders of the company								Non-controlling interests	Total
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Subtotal		
(c)Others										
(4)Transfer within owner's equity										
(a)Capitalization of capital reserve										
(b)Capitalization of surplus reserve										
(c)Loss offset by surplus reserve										
(d)Other comprehensive income transferred to retained earnings										
(e)Others										
(5) Special reserve										
(a)Transfer to special reserve in the period										
(b) Amount used in the period										
(6) Other							(13,060,606)	(13,060,606)	4,758,907	**(8,301,699)**
4.Ending balance of current period	**2,681,901,273**		**1,004,724,989**	**(392,421,335)**		**597,195,660**	**11,164,923,635**	**15,056,324,222**	**24,957,001**	**15,081,281,223**

Responsible person of the Company:Zhigang Hao Person in Charge of the Accounting Body: Virginie Cayatte Chief Accountant: Virginie Cayatte

Statement of Changes in Owners' Equity of the Company

For the six months ended 30 June 2024

Unit: Yuan Currency: RMB

Items	Current period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
		Preferred shares	Perpetual debt	Others							
I. Closing balance of last year	2,681,901,273				6,681,557,628				639,920,315	489,335,867	10,492,715,083
II. Opening balance of current year	2,681,901,273				6,681,557,628				639,920,315	489,335,867	10,492,715,083
III. Amount increased or decreased of current period (decrease filled out with "-")											
(I) Total amount of comprehensive income										157,860,179	157,860,179
(II) Capital input and decreased by owners											
1. Common shares input by shareholders											
2. Capital input by other equity instrument holders											
3. Amount paid with shares and recorded in the owner's equity											
4. Others											
5. Disposal of subsidiaries and businesses											
(III) Profit distribution											
1. Withdrawal of surplus reserve									1,578,618	(1,578,618)	-
2. Distribution to owners (or shareholders)										(160,914,076)	(160,914,076)
3. Others											

(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted to increase capital (or capital stock)											
2. Surplus reserve converted to increase capital (or capital stock)											
3. Losses covered with surplus reserve											
4. Others											
(V) Special reserves											
1. Withdrawn in current period											
2. Used in current period											
(VI) Others											
IV. Closing balance of current period	2,681,901,273				6,681,557,628				641,498,933	484,703,352	10,489,661,186

Responsible person of the Company:Zhigang Hao Person in Charge of the Accounting Body: Virginie Cayatte Chief Accountant: Virginie Cayatte

Items	Last period										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other Comprehensive income	Special reserves	Surplus reserve	Undistributed profit	Total owners' equity
		Preferred shares	Perpetual debt	Others							
I. Closing balance of last year	**2,681,901,273**				**6,681,557,628**				**597,195,660**	**509,781,066**	**10,470,435,627**
II. Opening balance of current year	**2,681,901,273**				**6,681,557,628**				**597,195,660**	**509,781,066**	**10,470,435,627**
III. Amount increased or decreased of current period (decrease filled out with "-")										(407,301,107)	(407,301,107)
(I) Total amount of comprehensive income										(2,334,015)	(2,334,015)
(II) Capital input and decreased by owners											
1. Common shares input by shareholders											
2. Capital input by other equity instrument holders											
3. Amount paid with shares and recorded in the owner's equity											
4. Others											
5. Disposal of subsidiaries and businesses											
(III) Profit distribution										(404,967,092)	(404,967,092)
1. Withdrawal of surplus reserve											
2. Distribution to owners (or shareholders)										(404,967,092)	(404,967,092)
3. Others											
(IV) Internal carry-forward of owners' equity											
1. Capital reserve converted to increase capital (or capital stock)											
2. Surplus reserve											

converted to increase capital (or capital stock)											
3. Losses covered with surplus reserve											
4. Others											
(V) Special reserves											
1. Withdrawn in current period											
2. Used in current period											
(VI) Others											
IV. Closing balance of current period	2,681,901,273				6,681,557,628				597,195,660	102,479,959	10,063,134,520

Responsible person of the Company: Zhigang Hao   Person in Charge of the Accounting Body: Virginie Cayatte   Chief Accountant: Virginie Cayatte

III. Basic Information on the Company

1. Basic information on the Company

Prior to the Major Assets Restructuring, Bluestar New Chemical Material Co., Ltd was incorporated on May 31, 1999. China National Bluestar (Group) Co, Ltd. (the “Bluestar Group”) was the initiative founder, and Ministry of Chemical Beijing Rubber Industry Research Institute, Ministry of Chemical Lianyungang Design Research Institute, Ministry of Chemical Synthetic Material Research Institute and National Changfeng Machinery are the co-founders. The city of registration is Beijing, People’s Republic of China.

In 2015, the Company completed an exchange of assets. The asset replacement and purchase have been paid through cash payment and the issuance of new shares (issuance of 2,159,193,713 ordinary shares). After the transaction, the total share capital increased to RMB 2,681,901,273.

The Company’s principal business was significantly changed to research, development, production and sale of feed additives for animal nutrition from chemical material business prior to Major Assets Restructuring. After the Major Assets Restructuring, the Company’s name has been changed from Bluestar New Chemical Material Co., Ltd (“BNCM”) to Bluestar Adisseo Company (the “Company”).

After the completion of the restructuring, the Company and its subsidiaries (collectively the “Group”)’s principal place of business included the plants in France, China and Spain, as well as distribution companies worldwide.

Bluestar Group is the parent company of Company, Sinochem Holdings is the Company’s ultimate controlling shareholder.

IV. Basis for Preparation of Financial Statements

1. Basis for preparation

The Group determines the production and management features based on specific accounting policies and accounting estimates, mainly in receivables that are subject to provision for bad debts (Note V (11)), inventory valuation method (Note V (16)), amortization/depreciation for fixed/intangible assets (Note V (21) (26)), condition for capitalized development expenditure (Note V (26)), revenue recognition (Note V (37)), etc.

See Note V (45) for the key judgments in applying the significant accounting policies adopted by Group.

2. Going concern

The financial statements have been prepared on the going concern basis.

V. Important Accounting Policies and Accounting Estimates

√ Applicable Not applicable

The accounting policies related to the recognition and measurement of the Group's bad debt provisions for receivables, method of inventory costing, depreciation of fixed assets, amortization of intangible assets, capitalization terms for research and development expenses, and the recognition and measurement of revenue are determined in accordance with the Group's business. Refer to the notes for details.

1. Statement of compliance

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises issued by MOF truly and completely present the consolidated and company financial position of the Company as at 30 June 2024, and the consolidated and company financial performance and cash flows of the Company for the period of 6 months ended June 30 2024.

In addition, the Company's financial statements also comply with the No.15 Rules for Information Disclosure of Companies Offering Publicly Issued Securities - General Provisions for Financial Reporting revised by the CSRC in 2023.

2. Fiscal period

The Company’s fiscal year is from 1 January to 31 December in the Gregorian calendar.

3. Business cycle

Applicable √ Not applicable

4. Functional currency

The Company’s financial statements are presented in Renminbi.

5. Determination method and selection basis of materiality threshold

√ Applicable Not applicable

Items	Materiality Threshold
Material construction in progress	Amount ⩾ RMB 50 million

6. Method for accounting treatment of business combination under and not under common control

√ Applicable Not applicable

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets or net assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

(1) Business combination under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognized in profit or loss when incurred. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

(2) Business combination not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill (Note V (27)). If (1) is less than (2), the difference is recognized in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. Other acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognized in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognized by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

In a business combination achieved in stages and control obtained in the reporting period, the previously held equity interest is remeasured at the fair value as of the acquisition date by the Group, and the difference between the fair value and book value is recognized in investment income or other comprehensive income of the current period. Other comprehensive income and other changes in shareholders' equity under equity method that will be reclassified to profit or loss (Note V,19 (2)(b)) arising from the previously held equity interest are recognized as investment income as of the acquisition date. If the previously held equity interest is classified as an investment in equity instruments measured at fair value and fair value changes charged into other comprehensive income, the other comprehensive income previously recognized is reclassified to retained earnings.

7. The judgement of control and method for preparation of consolidated financial statements

√ Applicable Not applicable

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within owners' equity. Net profit or loss attributable to non-controlling owners is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling owners is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealized profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, unless they represent impairment losses that are recognized in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts in the financial statements of the ultimate controlling party are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognized as investment income for the current period.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

8. Joint venture arrangement and accounting treatment

√ Applicable Not applicable

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

9. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdraw on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

10. Foreign currency businesses and conversion of foreign-currency statements

√ Applicable Not applicable

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of receipt. Other transactions in foreign currencies are translated to Renminbi at the spot exchange rate at the occurrence date for initial recognition.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognized in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets (Note V (23)). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

Assets and liabilities of foreign operation are translated to Renminbi reporting currency at the spot exchange rate at the balance sheet date. Equity items, excluding "Undistributed profit", are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognized in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

11. Financial instruments

√ Applicable   Not applicable

Financial instruments include cash at bank and on hand, equity securities other than those classified as long-term equity investments (see Note V (19)), receivables, payables, loans and borrowings, and share capital.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Trade receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note V.(37).

(2) Classification and subsequent measurement of financial assets

a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortized cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows

and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. At initial recognition, the Group can irrevocably designate financial assets that should have been measured at amortized cost or FVOCI as financial assets measured at FVTPL if the accounting mismatch can be eliminated or significantly reduced.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

b) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging relationship shall be recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize impairment gains or losses.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL or amortized cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial liabilities at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

(4) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are generally presented separately in the balance sheet and are not offset. However, a financial asset and a financial liability are offset, and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognized amounts; and
- the Group intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognized when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income for the part derecognized.

The Group derecognizes a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment of financial assets

The Group recognizes loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortized cost; and

Financial assets measured at fair value, including debt investments or equity securities at FVPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for trade receivables arising from sales of goods or rendering of services are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for trade receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

- If the financial instrument is determined to have low credit risk at the balance sheet date.
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Bad debt provision for accounts receivable

(a) Categories and determination basis for bad debt provision of accounts receivable grouped by credit risk characteristics

Accounts receivable	According to the historical experience of the Group, there is no significant difference in the losses arising from different customer segments. Therefore, the Group collectively assess all accounts receivable, and does not further distinguish different customer groups when calculating the bad debt provision for accounts receivable.
Other receivables	According to the nature of other receivables and their credit risk characteristics, the Group divides other receivables into 3 groups, specifically: Interests receivable, dividends receivable and other receivables.
Long-term receivables	According to the nature of long-term receivables and their credit risk characteristics, the Group divides long-term receivables into 2 groups, specifically: Guarantees and cautions, and others.

(b) Criteria of individual assessment of provision for bad debt

For accounts receivable, other receivables and long-term receivables, the Group usually assesses the expected credit loss for a group with the same credit risk characteristics collectively. If the credit risk characteristics of an account are significantly different from those of other accounts in the group, or the credit risk characteristics of the account change significantly, the provision for expected credit losses shall be assessed individually. For example, when an account is in serious financial distress, and the expected credit loss rate of the receivables from the counterparty has been significantly higher than the expected credit loss rate of its overdue ageing range, the provision for losses shall be assessed individually.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortized cost and debt investments at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;

- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(7) Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognized in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

12. Notes receivables

Applicable √ Not applicable

13. Accounts receivables

√ Applicable Not applicable

Methods of determining expected credit loss of accounts receivable and accounting treatment

√ Applicable Not applicable

Please refer to V.11

Categories and determination basis for bad debt provision of accounts receivable grouped by credit risk characteristics

√ Applicable Not applicable

Please refer to V.11

Criteria of individual assessment of provision for bad debt

√ Applicable Not applicable

Please refer to V.11

14. Accounts receivable financing

Applicable √ Not applicable

15. Other receivables

√ Applicable Not applicable

Methods of determining expected credit loss of other receivables and accounting treatment

√ Applicable Not applicable

Please refer to V.11

Categories and determination basis for bad debt provision of other receivables grouped by credit risk characteristics

√ Applicable Not applicable

Please refer to V.11

The calculation of ageing for other receivables grouped by risk characteristics of ageing

√ Applicable Not applicable

Please refer to V.11

Criteria of individual assessment of provision for bad debt

√ Applicable Not applicable

Please refer to V.11

16. Inventory

√ Applicable Not applicable

Inventory types, inventory costing method, inventory system, and the amortization method of low-value consumables and packaging

√ Applicable Not applicable

(1) Inventory types

Inventories comprise raw materials, work in progress and finished goods and turnover materials and are measured at the lower of cost and net realizable value. Inventories having a similar nature are measured using the same cost formula.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition. In addition to the purchasing cost of raw materials, work in progress and finished goods include direct labor costs and an appropriate allocation of production overheads.

(2) Inventory costing method

Cost of inventories recognized is calculated using the first-in-first-out or weighted average methods.

(3) Inventory system

The Group maintains a perpetual inventory system.

(4) Amortization method of low-value consumables and packaging

Consumables, including low-value consumables and packaging materials, are charged to profit or loss upon receipt. The amortization charge is included in the cost of the related assets or recognized in profit or loss for the current period.

Basis for determining the net realizable value and provisioning methods for impairment losses of inventories

√ Applicable Not applicable

At the balance sheet date, inventories are carried at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realizable value of materials held for use in the production is measured based on the net realizable value of the finished goods in which they will be incorporated. The net realizable value of the inventory held to satisfy sales or service contracts is measured based on the contract price, to the extent of the quantities specified in sales contracts, and the excess portion of inventories is measured based on general selling prices.

Any excess of the cost over the net realizable value of each class of inventories is recognized as a provision for the impairment and is recognized in profit or loss.

17. Contract assets

Applicable √ Not applicable

18. Non-current assets or disposal groups held for sale

Applicable √ Not applicable

19. Long-term equity investments

√ Applicable Not applicable

(1) Investment cost of long-term equity investments

a. Long-term equity investments acquired through a business combination

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted against retained earnings.

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

b. Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

a. Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognizes its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note V (28).

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note V(6).

b. Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence.

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.

- After the acquisition of the investment, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognized directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.

- The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

For the impairment of the investments in joint ventures and associates, refer to Note V (28).

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally.

- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

20. Investment properties

Applicable √ Not applicable

21. Fixed assets

(1) Recognition of fixed assets

√ Applicable Not applicable

Fixed assets represent the tangible assets held by the Group for use in production of goods or for administrative purposes with useful lives over one year.

The cost of a purchased fixed asset comprises the purchase price, related taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labor, capitalized borrowing costs, and any other costs (Note V (23)) directly attributable to bringing the asset to working condition for its intended use.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognized as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognized as assets if the criteria to recognize fixed assets are satisfied, and the carrying amount of the replaced part if derecognized. The costs of the day-to-day servicing of fixed assets are recognized in profit or loss ass incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation method

√ Applicable Not applicable

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Type	Depreciation method	Depreciation life (year)	Average residual value (%)	Annual depreciation rate (%)
Buildings and constructions	Straight-line method	5-40 years	0%	2.5%~20%
Machinery equipment	Straight-line method	2-15 years	0%	7%~ 50%

Note: According to the CAS, permanent land ownership is classified as fixed assets and no depreciation is provided.

Useful lives estimated residual value and depreciation methods are reviewed at least at each year-end.

(3) When the recoverable amount of fixed assets is lower than their book value, the book value may be written down to recoverable amount

(4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognized:

- when the fixed asset is on disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

22. Construction in progress

√ Applicable Not applicable

The construction in progress is measured as per the cost incurred actually. The actual cost includes building cost, installation cost, borrowing costs meeting capitalization conditions, and any other costs directly attributable to bringing the asset to working condition for its intended use.

The construction in progress, when reaching the predicted usable state, will be transferred into fixed assets, and have depreciation withdrawn from the next month. The standards and timing for transferring different types of construction in progress into fixed assets are:

Types	Standards and timing
Buildings and constructions	When the construction completion and acceptance standards are met
Machinery equipment	When the relevant requirements or contract standards after installation or commissioning are met

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (Note V (28)).

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively and recognized in profit or loss for the current period.

23. Borrowing costs

√ Applicable Not applicable

Borrowing costs incurred directly attributable to the acquisition and construction of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as financial expenses when incurred.

During the capitalization period, the amount of interest (including amortization of any discount or premium on borrowing) to be capitalized in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition and construction of a qualifying asset, the amount of interest to be capitalized is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition and construction of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognized amount of the borrowings.

During the capitalization period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalized as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognized as a financial expense when incurred.

The capitalization period is the period from the date of commencement of capitalization of borrowing costs to the date of cessation of capitalization, excluding any period over which capitalization is suspended. Capitalization of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition and construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalization of borrowing costs is suspended when the acquisition and construction activities are interrupted abnormally for a period of more than three months.

24. Biological assets

Applicable √ Not applicable

25. Oil and gas assets

Applicable √ Not applicable

26. Intangible assets

(1) Useful life and its determination basis, estimates, amortization or review procedures

√ Applicable Not applicable

Intangible assets are stated in the balance sheet at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (Note V (28). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortized using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

The respective amortization periods, determination basis and amortization method for such intangible assets are as follows:

Items	Amortization period	Determination basis	Amortization method
Land use right	50 years	Useful life	Straight-line
Trademark	20-40 years	Useful life	Straight-line
Software and others	3-15 years	Useful life	Straight-line
Patents	The legal protection (10-15years) or the useful life if shorter	Useful life	Straight-line
Technology	Expected benefit life (15-25 years)	Useful life	Straight-line
Customer relationships	Expected benefit life (8-20 years)	Useful life	Straight-line

The Group reviews the useful life and amortization method of intangible assets with finite useful lives at least at the end of each year.

An intangible asset is regarded as having an indefinite useful life and is not amortized when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

(2) Scope of research and development expenses and related accounting treatments

√ Applicable Not applicable

Expenditure on an internal research and development project is classified into expenditure during the research phase and expenditure during the development phase.

Expenditure during the research phase is expensed when incurred. Expenditure during the development phase is capitalized if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development. Capitalized development costs are stated in the balance sheet at cost less impairment losses (Note V (20). Other development expenditure is recognized as an expense in the period in which it is incurred.

When an enterprise sells products or by-products produced in the course of research and development, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively and recognized in profit or loss for the current period.

27. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving enterprises under common control.

Goodwill is not amortized and is stated in the balance sheet at cost less accumulated impairment losses (Note V (28). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

28. Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- intangible assets
- right of use assets
- development costs
- Long-term prepaid expenses
- long-term equity investments
- goodwill etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

An asset group is composed of assets directly related to cash-generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (Note V (29) less costs to sell and its present value of expected future cash flows.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognized accordingly. Impairment losses related to an asset group, or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

29. Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

30. Long-term prepaid expenses

Applicable √ Not applicable

31. Contract liabilities

Applicable √ Not applicable

32. Employee benefits

(1) Short-term employee benefits

√ Applicable Not applicable

Short-term employee benefits include employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates. The employee benefits are recognized as a liability in the accounting period in which the service has been rendered by the employees, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Profit sharing plan

Profit sharing plans gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company’s earnings. The Group is eligible for the employee benefits when meets the following conditions:

- The Group has legal obligation or constructive obligation to pay such employees benefits resulting of past events;
- Accrued payroll obligations due to profit sharing can be estimated reliably.

(3) Post-employment benefits

√ Applicable Not applicable

- Defined contribution plans

The Group's employees participate in the defined basic pension insurance plan set up and administered by local labor and social protection authorities. Basic pensions are provided for monthly according to stipulated bases and proportions to local labor and social security institutions. When employees retire, local labor and social security institutions have a duty to pay the basic pension insurance to them.

The amounts of payables are recognized as liabilities based on the above provisions in the accounting period in which the service has been rendered by the employees, and as costs of assets or expenses to whichever the employee service is attributable.

- Defined benefit plans

The actuarial estimate of defined benefit plans is calculated using the projected unit credit method. The net liabilities (the present value of the defined benefit plan less fair value of the plan assets) are disclosed under employee benefits in balance sheet. The related services costs (including current service costs, past services costs and settlement gains or losses) and net interests calculated based on net liabilities of the defined benefit plan and appropriate discount rate are recognized through profit and loss for the period in which they occur. Actuarial gains and losses on pensions and other post-employment benefits arising from experience adjustments and changes in actuarial assumptions are recognized directly in other comprehensive income for the period in which they occur in consideration of the increase or decrease in the obligation.

The Group offers pension plans and other post-employment benefit plans to some employees and retirees of the Group. The specific features of these plans vary depending on the applicable laws and regulations in each country where the employee work.

(4) Termination benefits

√ Applicable Not applicable

When the Group terminates an employee's employment before the employment contract expires, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognized with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits provided in an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(5) Long-term bonus payment

√ Applicable Not applicable

In order to retain and engage Executives Committee Members, the Group has set up a a three years period plan, based on presence and performance business plan achievement on the period (Matrix ROCE/EBITDA reviewed annually), also based on the Company's phantom stocks and a personal co-investment.

This incentive plan entitles the executives to a cash payment after three years, with business plan performance conditions. The fair values of the incentive plan payment are based on the Company's stock price at the date of the evaluation for the incentive plan.

For incentive plan do not vest until the completion of services for a period, and/or until the achievement of a specified performance condition, the Group recognizes costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the enterprise shall remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognized in profit or loss for the current period.

33. Lease liabilities

√ Applicable   Not applicable

Refer to paragraph 41 hereafter related to "leases".

34. Provisions and contingent liabilities

√ Applicable   Not applicable

A provision is recognized for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

35. Share-based payment

Applicable   √ Not applicable

36. Preferred shares, perpetual bonds, and other financial instruments

Applicable   √ Not applicable

37. Revenue recognition

Disclosure of revenue recognition and accounting policies applied by business types

Applicable   √ Not applicable

Revenue is the gross inflow of economic benefits arising in the course of the Group’s ordinary activities when the inflows result in increase in shareholders’ equity, other than increase relating to contributions from shareholders.

(a) Sales revenue

Revenue is recognized when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices.

For the contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognizes for the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of CAS No.13 – Contingencies.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognizes the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognizes the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortized using an effective interest method over the contract term.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the customer can control the asset created or enhanced during the Group’s performance; or
- the Group’s performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

A performance obligation is satisfied when « controlling right » of the promised good or service is transferred to the customer. In order to determine the point in time at which control transfers (i.e., and the point at which revenue recognition will occur), entities shall consider the transfer of the significant risks and rewards of ownership as one of the indicators in this assessment.

According to the characteristics of production and management of the group and the terms of relevant sales contracts with customers, revenue for domestic sales is generally recognized when the goods are delivered to the designated places and accepted by the customers, revenue for export sales is generally recognized when the goods are received by the shipping companies.

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognizes loss allowances for expected credit loss on contract assets. Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is presented net of discounts and returns.

According to the characteristics of production and management of the group and the terms of relevant sales contracts with customers, revenue for domestic sales is generally recognized when the goods are delivered to the designated places and accepted by the customers, revenue for export sales is generally recognized when the goods are received by the shipping companies.

(b) Interest revenue

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

Different revenue recognition and accounting treatment applied to the same type of business under different business models

Applicable √ Not applicable

38. Contract costs

√ Applicable Not applicable

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained, e.g. an incremental sales commission. The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

- the costs are expected to be recovered.

Assets recognized for the incremental costs of obtaining a contract and assets recognized for the costs to fulfil a contract (the “assets related to contract costs”) are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognized in profit or loss for the current period. The Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

The Group recognizes an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognized as expenses.

39. Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contribution from the government in the capacity as an investor in the Group.

A government grant is recognized when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognized as deferred income and amortized over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognized initially as deferred income and offset against related expenses in the periods in which the expenses or losses are recognized. Otherwise, the grant is included in other income or non-operating income directly.

40. Deferred tax assets/deferred tax liabilities

Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to net them off and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible tax losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is not recognized for the temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination and that affects neither accounting profit and loss nor taxable profit (or deductible loss), and the assets and liabilities initially recognized does not generate equivalent taxable profit and deductible loss. Deferred tax is not recognized for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that the related tax benefits will be utilized. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- The taxable entity has a legally enforceable right to offset current tax liabilities and assets, and
- They relate to income taxes levied by the same tax authority on either the same taxable entity; or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

41. Leases

√ Applicable Not applicable

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly speicied in a contrat and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the ecomonic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;

- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease componets, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(1) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the duration of contract. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note V.28.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Judgement basis for applying simplified treatment to short-term leases and low-value leases and the accounting treatments

√ Applicable　Not applicable

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognizes the finance lease receivable and derecognizes the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognizes finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. Variable lease payments not included in the measurement of net investment in the lease are recognized as income as they are earned.

Lease receipts from operating leases is recognized as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortized in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognized as income as they are earned.

42. Hedge accounting

Hedge accounting is a method which recognizes in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are the items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group’s hedged items include a firm commitment that is settled with a fixed amount of foreign currency and exposes the Group to foreign currency risk and other items.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument,

- The effect of credit risk does not dominate the value changes that result from the economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining the hedge ration that complies with the hedge effectiveness requirements.

The Group discountinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedge instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from the economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

(1) Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows. The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income as a cash flow hedge reserve. The amount of the cash flow hedge reserve is adjusted to the lower of the following (in absolute amounts):

- The cumulative gain or loss on the hedging instrument from inception of the hedge;
- The cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

The change in the amount of the cash flow hedge reserve is recognized in other comprehensive income in each period.

The portion of the gain or loss on the hedging instrument that is determined to be ineffective is recognized in profit or loss.

If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it in the initial costs or other carrying amount of the asset or liability.

For cash flow hedges other than those covered above, that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

When the Group discontinues hedge accounting for a cash flow hedge, the amount of the accumulated cash flow hedge reserve recognized in other comprehensive income is accounted for as follows:

- If the hedged future cash flows are still expected to occur, that amount will remain in the cash flow hedge reserve, and be accounted for in accordance with the above policy.
- If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(2) Fair value hedges

A fair value hedge is a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or a portion of such an asset, liability or firm commitment.

The gain or loss from re-measuring the hedging instrument is recognized in profit or loss. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the recognized hedged item not measured at fair value and is recognized in profit or loss.

Any adjustment to the carrying amount of a hedged item is amortized to profit or loss if the hedged item is a financial instrument (or a component thereof) measured at amortized cost. The amortization is based on a recalculated effective interest rate at the date that amortized begins.

43. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

44. Segment information

The Group identifies reportable segments based on operating segments determined based on internal organization structure of the Group, management requirements, and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

45. Important accounting estimates and their key assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Except for accounting estimates relating to depreciation and amortization of assets such as fixed assets and intangible assets (see Notes VII (13), (15) and (16) and provision for impairment of various types of assets (see Notes VII (4), (7), (14), (15) , (16) and (18)). Other significant accounting estimates are as follows:

Note VII (32) – Post-employment benefits – defined benefit plans

Note XII – Disclosure relating to Fair value.

46. Changes of important accounting policies and accounting estimates

(1) Changes of important accounting policies

☐ Applicable √ Not applicable

(2) Changes of important accounting estimates

☐ Applicable √ Not applicable

(3) Adjustments on the financial statements as of beginning of the year due to adoption of new accounting standards or explanations since 2023

☐ Applicable √ Not applicable

47. Other information

Applicable √ Not applicable

VI. Taxes

1. Main tax type and tax rate

Main tax type and tax rate
√ Applicable Not applicable

Category	Tax base	Tax rate
(1) Enterprise income tax	Taxable income	15% to 34%
(2) Value added tax ("VAT")	Taxable value added amount (Tax payable is calculated using the taxable sales amount multiplied by the effective tax rate less deductible VAT input of current period)	5% to 21%
(3) Business tax	Taxable turnover (for French affiliates)	1.5%
(4) Stamp tax	Taxable sales amount, transactions between shareholders, Property	0.02% to 2%
(5) Property tax	Rental value (France) or cost of the property (China)	0 to 1.2%

Business income tax rates of major tax payer enterprises subject to different tax rates:
√ Applicable Not applicable

Name of the company	Enterprise income tax rate (%)
Bluestar Adisseo Company	25
Adisseo France S.A.S	25.83
Adisseo Espana S.A.	25
Bluestar Adisseo Nanjing Co., Ltd	15
Adisseo Life Science (Shanghai) Co., Ltd	25
Adisseo USA Inc.	21
Adisseo Brasil Nutriçao Animal Ltd	34

Name of the company	Enterprise income tax rate (%)
Nutriad International N.V	25

2. Tax preferences

√ Applicable Not applicable

The Group has a tax preference for one of its subsidiaries, BANC, and uses the tax rate of 15% for 2024 In October 2022, BANC received official certificate from JiangSu science and technology committee for second batch name list of high new technology enterprises and BANC have the qualification on the HNTE.

3. Other

Applicable √ Not applicable

VII. Notes to the Items in Consolidated Financial Statements

1. Cash at bank and on hand

Applicable √ Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand		
Cash at bank	844,468,936	832,713,020
Other monetary funds		
Cash deposited in finance companies	180,276,110	172,514,539
Total	**1,024,745,046**	**1,005,227,559**
Including: cash deposited abroad	820,825,915	796,888,668

As at June 30, 2024 and December 31, 2023, no restricted funds within the Group.

2. Derivative financial assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash flow hedge instruments	1,427,176	
Fair value hedge instrument	3,960,473	16,278,030
Total	**5,387,649**	**16,278,030**

The Group manages the foreign exchange risk arising from the expected sales in foreign currency through forward foreign exchange contracts with banks. The Group does not apply hedge accounting but measures forward foreign exchange contracts at fair value and recognizes their changes in profit or loss for the period. For the relevant disclosure of hedging business, please refer to Notes VII, 58.
s

3. Notes receivable

Applicable √ Not applicable

4. Accounts receivable

(1) Disclosure by ageing analysis

√ Applicable Not applicable

The ageing is counted starting from the date when accounts receivable are recognized	Closing balance	Opening balance
Within 1 year	2,040,453,074	1,735,787,538
1 to 2 years	23,516,113	30,469,238
Over 2 years	18,047,368	14,108,806
Less: provision for bad debts	82,104,154	83,954,078
Total	**1,999,912,401**	**1,696,411,504**

(2) Disclosure by method of bad debt provisions

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Category	Closing balance					Opening balance				
	Book Value		Bad debts provision		Carrying amount	Book Value		Bad debts provision		Carrying amount
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
Individual Assessment										
Collective Assessment										

Including:										
Provisions based on ageing analysis	2,082,016,555	100%	82,104,154	3.94%	1,999,912,401	1,780,365,582	100%	83,954,078	4.72%	1,696,411,504
Total	2,082,016,555	/	82,104,154	/	1,999,912,401	1,780,365,582	/	83,954,078	/	1,696,411,504

Individual assessement
Applicable √ Not applicable

Collective assessment √ Applicable Not applicable

	Closing balance		
	Accounts receivable	Bad debts provision	Provision rate
Not due	1,853,307,810	0	0%
Past due within 60 days	136,669,463	0	0%
61-180 days past due	10,249,271	4,157,008	40.56%
Over 180 days past due	81,790,011	77,947,146	95.30%
Total	2,082,016,555	82,104,154	3.94%

Explanation for collective assessment:
√ Applicable Not applicable
At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of overdue days and the loss given default. According to the historical experience of the Group, there are no significant differences in the losses of different customer groups. Therefore, different customer groups are no further distinguished when calculating impairment loss based on the overdue information.

ECL model used for bad debts provision
Applicable √ Not applicable

Basis for determining stages and provision rate of the ECL model
Not applicable

Explanations on significant changes in the balance of accounts receivable with changes in provision for bad debts
Applicable √ Not applicable

(3) Addition, recovery or reversal of provision for bad and doubtful debts during the period

Type	Opening balance	Movements During the period				Ending balance
		Additions	Recovery/Reverse	Write-offs	Other changes	
Individual Assessment						
Collective Assessment	83,954,078	24,699,117	(23,253,329)	(12,512)	(3,283,200)	**82,104,154**
Total	**83,954,078**	**24,699,117**	**(23,253,329)**	**(12,512)**	**(3,283,200)**	**82,104,154**

Significant recovery/reverse of bad debts provision during the period
Applicable √ Not applicable

Other explanations:
Applicable √ Not applicable

(4) Write-offs during the period
√ Applicable Not applicable

Unit: Yuan Currency: RMB

Item	Write-off amount
Write-offs of bad debts	12,512

Significant write-offs of bad debts provision during the period
Applicable √ Not applicable

Explanations on write-offs of accounts receivable
Applicable √ Not applicable

(5) Top 5 accounts receivable or contract liabilities by ending balance
Applicable √ Not applicable
As of 30 June 2024, the top five accounts receivable balance totals to RMB 464,623,552, accounting for 22.32% of the accounts receivable balance.

Other explanations
Applicable √ Not applicable

5. Advances to suppliers
(1) The ageing analysis of advances to suppliers is as follows
√ Applicable Not applicable

Unit: Yuan Currency: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	184,190,677	96.41%	100,166,190	93.52%
1-2 years	1,633,197	0.86%	1,845,878	1.72%
2-3 years	637,520	0.33%	841,664	0.79%
More than 3 years	4,594,334	2.40%	4,256,238	3.97%
Total	**191,055,728**	**100%**	**107,109,970**	**100%**

Explanations on unsettled advances to suppliers with ageing over 1 year：
As at 30 June 2024, the advances to suppliers with an account age of more than 1 year were RMB 6,865,051 (31 December 2023: RMB 6,943,780), which were mainly prepaid expenses, advance payment for purchasing of materials and services. The goods have not been received or service not delivered yet, so the accounts were not settled.

(2) Top 5 advances to suppliers by ending balance

The total balance of top 5 advances to suppliers by ending balance is RMB 36,722,511, accounting for 19.28% of total advances to suppliers.

Other explanations

Applicable √ Not applicable

6. Other receivables

Items of other receivables

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interests receivable		24,731
Dividends receivable		
Other receivables	154,181,420	219,669,346
Total	**154,181,420**	**219,694,077**

Other explanations

Applicable √ Not applicable

Interest receivable

Applicable √ Not applicable

Dividends receivable

Applicable √ Not applicable

Other receivables

(1). Other receivables by ageing

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Ageing	Closing balance	Opening balance
Within 1 year	38,370,920	219,669,346
1 to 2 years	115,810,500	
2 to 3 years		
Above 3 years		
Total	**154,181,420**	**219,669,346**

(2). Other receivables by nature

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Nature of other receivables	Closing balance	Opening balance
Related-party receivables	127,008,306	121,411,017
Others	27,173,114	98,258,329
Total	**154,181,420**	**219,669,346**

(3) Bad debt provisions made during the period

Applicable √ Not applicable

Basis for determining stages and provision rate of the ECL model

Not applicable

Explanations on significant changes in the balance of other receivables with changes in provision for bad debts
Applicable √ Not applicable

Basis for provisions made during the period and determination whether credit risks have significantly increased
Applicable √ Not applicable

(4). Bad debts provisions
Applicable √ Not applicable

Significant recovery or reversals of bad debts provision during the period:
Applicable √ Not applicable

Other explanations
Applicable √ Not applicable

(5). Write-offs
Applicable √ Not applicable

Significant write-offs of bad debts provision during the period:
Applicable √ Not applicable

Explanations on write-offs
Applicable √ Not applicable

(6). Top 5 other receivables by ending balance
√ Applicable Not applicable
As at 30 Jun 2024, the top 5 accounts of Other receivables by ending balance amounted to RMB 142,278,365, 92.31% of the total amount of other receivables.

(7). Funds classified as other receivables due to funds concentration
Applicable √ Not applicable

Other explanations
Applicable √ Not applicable

7. Inventories
(1) Inventories by category
√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book value	Provision for decline in value of inventories	Carrying amount	Book value	Provision for decline in value of inventories	Carrying amount
Raw materials	628,477,004	43,057,469	585,419,535	566,763,436	45,283,265	521,480,171
Work in progress	134,114,264		134,114,264	165,978,793	0	165,978,793
Finished goods	1,346,748,253	27,255,142	1,319,493,111	1,262,534,116	28,433,029	1,234,101,087
Total	**2,109,339,521**	**70,312,611**	**2,039,026,910**	**1,995,276,345**	**73,716,294**	**1,921,560,051**

As at 30 June 2024, the inventories pledged as security by the Group amounted to RMB 0 (31 December 2023: RMB 0).

(2) Digital data recognized as inventories

Applicable √ Not applicable

(3) Provision for impairment of inventories

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in the current period		Decreased in the current period		Currency translation difference	Closing balance
		Provision	Others	Reversal or write-off	Others		
Raw materials	45,283,265	4,423,964		(21,391,183)		14,741,423	43,057,469
Work in progress	0	0		0		0	0
Finished goods	28,433,029	0		(462,990)		(714,897)	27,255,142
Total	**73,716,294**	**4,423,964**		**(21,854,173)**		**14,026,526**	**70,312,611**

Items	Basis for determining net realizable value	Reason for reversal
Raw materials	Estimated selling price less estimated costs incurred at completion of construction, estimated selling expenses	Increase in net realizable value/used
Products in process	Estimated selling price less estimated costs incurred at completion of construction, estimated selling expenses	Increase in net realizable value/finished and sold
Finished goods	Estimated selling less estimated selling expenses	Increase in net realizable value/sold.

Reasons for reversal or write-offs of provision for inventory impairment

√ Applicable Not applicable

The reversal of provisions for inventory impairment is due to increase in net realizable value.

Collective assessment for inventory impairment

Applicable √ Not applicable

Criteria of collective assessment for inventory impairment

Applicable √ Not applicable

(4) Capitalized interest expenses in the ending balance of inventory and its calculation

Applicable √ Not applicable

(5) Amortization of contract performance cost during the period

Applicable √ Not applicable

Other explanations

Applicable √ Not applicable

8. Other current assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value added tax deductible	288,334,673	274,855,071
Income tax receivable	53,819,923	157,421,655

Total	342,154,596	432,276,726

9. Long-term receivables

√ Applicable Not applicable

(1) Long-term receivables

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance			Range of discount rate
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount	
Guarantees and cautions	620,791,630	0	620,791,630	567,649,437	0	567,649,437	
Others	3,116	0	3,116	2,887	0	2,887	
Total	**620,794,746**	**0**	**620,794,746**	**567,652,324**	**0**	**567,652,324**	

As at June 30, 2024, the part due within one year was RMB 1,212,134 (as at December 31, 2023: RMB 1,240,790).

(2) An analysis of the movements of provision is as follows

☐ Applicable √ Not applicable

10. Long-term equity investments

(1) Movements during the period of Long-term equity investments

√ Applicable Not applicable

Investee	Opening balance	Movements during the reporting period					Closing balance
		Additions of investment	P&L recognized under equity method	OCI recognized under equity method	Dividends distribution announced	FX impact	
I. Joint ventures							
Calysseo Limited	207,184,364		(38,595,673)			14,503,673	183,092,364
Subtotal of joint ventures	**207,184,364**		**(38,595,673)**			**14,503,673**	**183,092,364**

(2) Impairment test on long-term equity investments

Applicable √ Not applicable

11. Investment in other equity instruments

√ Applicable Not applicable

(1) Details of investments in other equity instruments

Unit: Yuan Currency: RMB

Items	Closing balance	
Calysta Inc (Note1)	144,668,197	242,707,792
PigChamp	13,791,060	14,146,560
AG Venture	7,633,169	6,850,865
Entobel	3,304,451	3,389,632
Bits x Bites Growth Fund I, L.P.	7,612,596	7,808,830
Osiris G.I.E	1,924,948	1,974,569
Others	902,712	924,692

Total	**179,837,133**	**277,802,940**

Note 1: In June 2024, Calysta issued convertible notes to its existing preferred shareholders according to the Convertible Note Financing Agreement approved by preferred shareholders' meeting s of Calysta Inc. ("Calysta"), which allowed Calysta preferred shareholders to subscribe to convertible notes in proportion to their existing preferred shareholdings. Preferred shareholders who subscribe to these convertible notes have the right to exchange their pre-closing preferred shares for new preferred shares on a 1:1 basis, with each new preferred share convertible into 2.5 common shares. Since the Group did not subscribe, the Group will not be able to obtain the aforementioned new preferred shares in the future, nor will the Group be able to convert these new preferred shares into common shares at a 1:2.5 ratio, which will result in the passive dilution of the Group's equity stake in Calysta. Therefore, out of prudence, the Group has recognized the fair value of its equity investment in Calysta based on the diluted shareholding percentage.

(2) Explanations on de-recognition during the period

Applicable √ Not applicable

Other explanations

Applicable √ Not applicable

12. Other non-current financial assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Animal feed & health Venture Fund (AFV FCPI)	116,856,263	109,023,611
Total	**116,856,263**	**109,023,611**

Other explanations

Applicable √ Not applicable

13. Fixed assets

Items of fixed assets

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Fixed assets	8,465,594,858	8,976,432,846
Disposal of fixed assets	0	0
Total	**8,465,594,858**	**8,976,432,846**

Fixed assets

(1) Movements of fixed assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Houses and buildings	Freehold land and other attachments	Machinery equipment and Others	Total
I. Original book value				
1. Opening balance	**5,261,974,784**	**106,664,779**	**13,604,309,960**	**18,972,949,523**
2. Increase in current period				
1) Purchasing	117,389		8,986,787	9,104,176
2) Transfer from construction in process	12,313,219	324,093	142,585,699	155,223,011
3) Acquisition of subsidiary companies and businesses				
4) Others increase				
3. Decrease in current period				
1) Disposal or retirement	(3,082,776)		(15,499,676)	(18,582,452)
2) Disposal of subsidiary				

Items	Houses and buildings	Freehold land and other attachments	Machinery equipment and Others	Total
companies and businesses				
3) Other decrease				
4. Currency translation	(46,533,183)	(2,683,331)	(231,387,180)	(280,603,694)
5. Closing balance	**5,224,789,433**	**104,305,541**	**13,508,995,590**	**18,838,090,564**
II. Accumulated depreciation				
1. Opening balance	**(1,628,770,353)**		**(8,078,660,858)**	**(9,707,431,211)**
2. Increase in current period				
1) Current period depreciation	(107,348,924)		(460,473,423)	(567,822,347)
2) Other				
3) Acquisition of subsidiary companies and businesses				
3. Decrease in current period				
1) Disposal or retirement	2,891,579		13,648,266	16,539,845
2) Disposal of subsidiary companies and businesses				
3) Other decrease				
4. Currency translation	23,152,998		144,885,821	168,038,819
5. Closing balance	**(1,710,074,700)**		**(8,380,600,194)**	**(10,090,674,894)**
III. Impairment reserve				
1. Opening balance			**(289,085,466)**	**(289,085,466)**
2. Increase in current period				
1) Current period depreciation				
3. Decrease in current period				
1) Disposal or retirement				
2) Disposal of subsidiary companies and businesses				
4. Currency translation			7,264,654	7,264,654
5. Closing balance			**(281,820,812)**	**(281,820,812)**
IV. Carrying amount				
1. Closing carrying amount	**3,514,714,733**	**104,305,541**	**4,846,574,584**	**8,465,594,858**
2. Opening carrying amount	3,633,204,431	106,664,779	5,236,563,636	8,976,432,846

(2) Temporarily idle fixed assets

There are no significant temporarily idle fixed assets.

(3) Fixed assets held under operating lease

☐ Applicable √ Not applicable

(4) Fixed assets held with unattained certificate

☐ Applicable √ Not applicable

(5) **Impairment test of fixed assets**

☐ Applicable √ Not applicable

14. Construction in progress

Items of construction in progress

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items		Closing balance	Opening balance
Construction in progress	(1)	862,329,980	672,347,033
Construction materials	(2)		
Total		**862,329,980**	**672,347,033**

Other explanations

Applicable √ Not applicable

Fixed assets

(1) Breakdown of construction in progress

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Project Q				85,043,766		85,043,766
Project R	9,726,629		9,726,629	5,498,019		5,498,019
Project S	43,579,750		43,579,750	35,610,035		35,610,035
Project T	62,777,671		62,777,671			
Project U	54,951,135		54,951,135			
Project V	36,913,000		36,913,000			
Others	654,381,795		654,381,795	546,195,213		546,195,213
Total	**862,329,980**		**862,329,980**	**672,347,033**		**672,347,033**

(2) Movements of major construction projects in progress during the period

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase in current period	Transfer to fixed assets and intangible assets	Currency translation differences	Closing balance	Proportion of expenditures incurred to budgeted amount (%)	Progress of construction	Accumulated capitalized borrowing costs	Including: capitalized in current period	Capitalization rate (%)	Source of funds
Project Q	100,000,000	85,043,766		(85,043,766)			85%	100%				Equity
Project R	127,556,320	5,498,019	4,228,610			9,726,629	3%	3%				Equity
Project S	162,741,800	35,610,035	8,927,991		(958,276)	43,579,750	97%	97%				Equity
Project T	15,250,000		63,226,686		(449,015)	62,777,671	54%	54%				Equity
Project U	4,932,311,200		54,951,135			54,951,135	1%	1%				Equity, borrowings
Project V	184,900,000		36,913,000			36,913,000	20%	20%				Equity, borrowings
Others		546,195,213	237,620,456	(115,514,784)	(13,919,090)	654,381,795						Equity, borrowings
Total	**5,522,759,320**	**672,347,033**	**405,867,878**	**(200,558,550)**	**(15,326,381)**	**862,329,980**						

(3) Provision for impairment of construction in progress

Applicable √ Not applicable

Construction materials

(1) Breakdown of construction materials

Applicable √ Not applicable

15. Right-of-use assets

(1) Movements of right-of-use assets

Unit: Yuan Currency: RMB

Items	Rolling stock - vehicles- Wagon & other transport equipment	Buildings	Technical Equipment & Machinery	Other tangible assets	Total
I. Original book value					

1. Opening balance	**176,752,601**	**418,791,116**	**174,463,196**	**12,379,535**	**782,386,448**
2. Increase in current period					
1) Purchasing	2,118,382	53,347,304	20,736,163	1,222,232	**77,424,081**
2) Other increase	(454,006)	(6,306,172)	(277,762)	(385,825)	**(7,423,765)**
3) Acquisition of subsidiary companies and businesses					
4) Others increase					
3. Decrease in current period					
1) Disposal or retirement	(28,914,542)	(2,008,012)	0	(2,422,825)	**(33,345,379)**
2) Disposal of subsidiary companies and businesses					
3) Other decrease					
4. Currency translation	2,144,761	(6,910,733)	(237,789)	(1,234,678)	**(6,238,439)**
5. Closing balance	**151,647,196**	**456,913,503**	**194,683,808**	**9,558,439**	**812,802,946**
II. Accumulated depreciation					
1. Opening balance	**(103,448,119)**	**(84,779,647)**	**(96,603,236)**	**(7,160,171)**	**(291,991,173)**
2. Increase in current period					
1) Current year depreciation	(22,454,162)	(27,202,202)	(14,400,448)	(2,018,167)	**(66,074,979)**
2) Other increase					
3) Acquisition of subsidiary companies and businesses					
3. Decrease in current period					
1) Disposal or retirement	28,890,581	1,511,664	0	2,422,825	**32,825,070**
2) Disposal of subsidiary companies and businesses					
3) Other decrease					
4. Currency translation	(369,754)	7,264,859	369,207	2,529,193	9,793,505
5. Closing balance	**(97,381,454)**	**(103,205,326)**	**(110,634,477)**	**(4,226,320)**	**(315,447,577)**
III. Impairment reserve					
1. Opening balance					
2. Increase in current period					
1) Current year depreciation					
3. Decrease in current period					
1) Disposal or retirement					
2) Disposal of subsidiary companies and businesses					
4. Currency translation					
5. Closing balance					
IV. Carrying amount					
1. Closing carrying amount	**54,265,742**	**353,708,177**	**84,049,331**	**5,332,119**	**497,355,369**
2. Opening carrying amount	**73,304,482**	**334,011,469**	**77,859,960**	**5,219,364**	**490,395,275**

(2) Impairment test on right-of-use assets

Applicable √ Not applicable

16. Intangible assets

(1) Movements of intangible assets

Unit: Yuan Currency: RMB

Items	Land use rights	Trademark	Patents	Technology	Customer relationships	Software and others	Total
I. Original book value							
1. Opening balance	**331,133,996**	**743,444,015**	**452,252,624**	**1,118,656,271**	**1,657,226,446**	**925,034,664**	**5,227,748,016**

2. Increase in current period							
1) Purchasing	562,715		185,196			22,187,420	**22,935,331**
2) Transferred from construction in process		88,886	4,337,807			40,908,846	**45,335,539**
3) Acquisition of subsidiary companies and businesses							
4) Other increase							
3. Decrease in current period							
1) Disposal			(1,558,733)			(18,739,415)	**(20,298,148)**
2) Disposal of subsidiary companies and businesses							
4. Currency translation		(467,777)	(10,118,122)	(1,534,733)	2,386,884	(14,732,141)	**(24,465,889)**
5. Closing balance	**331,696,711**	**743,065,124**	**445,098,772**	**1,117,121,538**	**1,659,613,330**	**954,659,374**	**5,251,254,849**
II. Accumulated amortization							
1. Opening balance	**(34,169,410)**	**(278,080,764)**	**(446,844,189)**	**(674,595,014)**	**(1,143,259,745)**	**(468,569,935)**	**(3,045,519,057)**
2. Increase in current period							
1) Current period depreciation	(1,523,120)	(10,202,489)	(2,023,081)	(22,928,710)	(27,282,871)	(51,217,715)	**(115,177,986)**
2) Others increase	(2,359,066)	(88,886)	(1,996,367)				**(4,444,319)**
3) Acquisition of subsidiary companies and businesses							
3. Decrease in current period							
1) Disposal			1,558,733			18,439,801	**19,998,534**
2) Disposal of subsidiary companies and businesses							
3) Other decrease							
4. Currency translation		133,747	9,982,105	753,226	(1,262,548)	13,220,548	**22,827,078**
5. Closing balance	**(38,051,596)**	**(288,238,392)**	**(439,322,799)**	**(696,770,498)**	**(1,171,805,164)**	**(488,127,301)**	**(3,122,315,750)**
III. Impairment reserve							
1. Opening balance							
2. Increase in current period							
1) Current period depreciation							
3. Decrease in current period							
1) Disposal of subsidiary companies and businesses							
4. Currency translation							
5. Closing balance							
IV. Carrying amount							
1. Closing carrying amount	**293,645,115**	**454,826,732**	**5,775,973**	**420,351,040**	**487,808,166**	**466,532,073**	**2,128,939,099**

2. Opening carrying amount	**296,964,586**	**465,363,251**	**5,408,435**	**444,061,257**	**513,966,701**	**456,464,729**	**2,182,228,959**

(2) Land use rights held with unattained certificate

Applicable √ Not applicable

(3) Impairment test on intangible assets

Applicable √ Not applicable

17. Development costs

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increase during the current period		Decrease during the current period			Currency translation	Closing balance
		Internal development	Others	Recognized as intangible assets	Recognized in profit or loss	Others		
Development costs	132,529,949	22,593,912		2,531,012	(11,997,105)		(3,426,743)	142,231,025
Total	**132,529,949**	**22,593,912**		**2,531,012**	**(11,997,105)**		**(3,426,743)**	**142,231,025**

18. Goodwill

√ Applicable Not applicable

(1) Changes in goodwill

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Name of investee or events from which goodwill arising	Opening balance	Increase during the current period	Decrease during the current period	Currency translation	Closing balance
Drakkar Group S.A. ("DGSA")	734,773,500			(18,464,706)	716,308,794
Specialties	1,401,870,150			(35,228,694)	1,366,641,456
Total	**2,136,643,650**			**(53,693,400)**	**2,082,950,250**

The Goodwill on Drakkar Group S.A. concerns Performance Products. The Goodwill on specialties is related to the acquisition of Innov'ia in 2011, the acquisition of Nutriad during the year 2018, Framelco during the year 2020 and Nor-Feed during the year 2023.

(2) Impairment provision for goodwill

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Name of investee or events from which goodwill arising	Opening balance	Increase in current period		Decrease in current period		Currency translation	Closing balance
		Withdrawal	Other	Disposal	Other		
Drakkar Group S.A. ("DGSA")							
Specialties							
Total	**0**						**0**

(3) Information about assets group or assets group combination that contains goodwill

Applicable √ Not applicable

(4) Method used to determine recoverable amount

Applicable √ Not applicable

(5) Performance commitment and related goodwill impairment

Applicable √ Not applicable

Explanations of Impairment test, criteria and method of Impairment provision for goodwill:

The recoverable amount of asset groups and groups of asset groups is calculated using the estimated cash flows determined according to the five-year budget approved by management. The cash flows beyond the five-year period are calculated based on the following assumptions:

	DGSA	Specialties
Long-term growth rate of sales	3.5%	2.5%
Operating margin	32.7%	43.6%
Discount rate	9.2%	9.2%

The weighted average growth rates applied by management are consistent with those estimated in the industry reports, and do not exceed the long-term average growth rates of each product. Management determines budgeted gross margin based on experience and forecast on future market development. The discount rates used by management are the pre-tax interest rates that can reflect the risks specific to the related asset groups and groups of asset groups. The above assumptions are used to assess the recoverable amount of each asset group and group of asset groups within the corresponding operating segment.

However, as key assumptions on which management has made in respect of future cash projections are subject to change, management believes that any adverse change in the assumptions would cause the carrying amount to exceed its recoverable amount.

19. Deferred income tax assets/ deferred income tax liabilities

(1) Deferred tax assets without taking into consideration the offsetting of balances

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Deductible losses	267,124,153	68,998,169	159,078,513	41,089,980
Accrued expenses	257,680,901	66,558,977	453,888,659	117,239,441
Leasing assets and liabilities	24,802,646	6,406,524	432,952,652	86,590,530
Fair value change of derivative financial instruments	51,440,502	13,287,082	25,787,803	6,660,990
Property plant equipment and intangible assets	435,454,981	87,090,996	55,985,680	14,461,101
Unrealized profits of internal transactions	258,045,138	66,653,059	168,780,231	43,595,934
Payroll	205,386,197	53,051,255	206,854,196	53,430,439
Others	113,380,058	29,286,068	70,007,269	18,082,878
Total before offsetting	**1,613,314,576**	**391,332,130**	**1,573,335,003**	**381,151,293**

(2) Deferred tax liabilities without taking into consideration the offsetting of balances

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance		Opening balance	
	Taxable temporary	Deferred tax	Taxable temporary	Deferred tax

	difference	liabilities	difference	liabilities
Property plant equipment and intangible assets	2,859,820,213	738,691,561	2,953,337,251	762,847,012
Leasing assets and liabilities	497,355,369	99,471,074	490,395,275	98,079,055
Balance in fair value of derivative financial instruments	30,970,719	7,999,737	8,442,963	2,180,817
Others	66,933,957	17,289,040	16,288,777	4,207,390
Total before offsetting	**3,455,080,258**	**863,451,412**	**3,468,464,266**	**867,314,274**

(3) Net amounts of deferred assets and liabilities taking into consideration the offsetting of balances

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance of mutual offset amount of deferred tax assets and deferred tax liabilities	Closing balance of net amount of deferred tax assets and deferred tax liabilities after offset	Opening balance of mutual offset amount of deferred tax assets and deferred tax liabilities	Opening balance of net amount of deferred tax assets and deferred tax liabilities after offset
Deferred tax assets	(85,447,122)	327,020,801	(87,480,755)	293,670,538
Deferred tax liabilities	(85,447,122)	825,090,079	(87,480,755)	779,833,519

(4) Details of non-recognized deferred income tax assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Deductible temporary differences		
Deductible losses	250,912,439	296,311,370
Total	**250,912,439**	**296,311,370**

(5) Expiration of deductible tax losses for unrecognized deferred tax assets

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance
Within expiration date	139,083,491	28,540,000
No expiration date	111,828,948	95,085,936
Total	**250,912,439**	**123,625,936**

20. Other non-current assets

√ Applicable Not applicable

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Advance payments to CAPEX suppliers	14,005,064		14,005,064	22,188,727		22,188,727
Others	41,625,036		41,625,036	41,092,146		41,092,146
Total	**55,630,100**		**55,630,100**	**63,280,873**		**63,280,873**

21. Short-term borrowings

(1) Categories of short-term borrowings

√ Applicable Not applicable

Items	Closing balance	Opening balance
Pledged loan		
Guarantee loan		
Mortgage loan		
Unsecured loan	509,520,038	913,311,108

TOTAL	**509,520,038**	**913,311,108**

(2) Defaulted borrowings

Applicable √ Not applicable

22. Derivative financial liabilities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Derivative financial instruments held at fair value through profit or loss	7,915	7,796
Cash flow hedge instruments	1,238,207	1,022
Fair value hedge instruments	7,151,576	
Total	**8,397,698**	**8,818**

23. Accounts payable

a. Details of accounts payable are as follows

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Payable for suppliers	1,525,175,512	1,409,744,715
Total	**1,525,175,512**	**1,409,744,715**

b. Accounts payable with account age of more than 1 year

√ Applicable Not applicable

As at June 30, 2024, the accounts payable with account ageing of more than one year were RMB 5,078,670 (as at December 31, 2023: RMB 1,888,075).

24. Wages and benefits payable

(1) Wages and benefits payable

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decreased in current period	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
Short-term employee benefits	330,287,415	825,787,723	(832,056,857)		(4,870,266)	319,148,015
Post-employment benefits	11,665,860	50,760,869	(52,659,807)		(277,657)	9,489,265
Termination benefits						
French profit-sharing plans – short term	17,026,580	50,262,739	(13,887,250)		(622,681)	52,779,388
Long-term bonus payments – short term	25,215,345		(19,908,216)		(287,395)	5,019,734
Total	**384,195,200**	**926,811,331**	**(918,512,130)**		**(6,057,999)**	**386,436,402**

(2) Short-term employee benefits

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
I. Salary, bonus, allowance and subsidy	278,927,938	646,785,895	(652,095,808)		(3,681,683)	269,936,342
II. Employee welfare benefit						
III. Social insurance premium	37,147,236	146,420,616	(149,373,836)		(903,737)	33,290,279
Wherein: Medical insurance premium	36,907,068	144,941,036	(147,822,760)		(900,672)	33,124,672
Injury from work insurance premium	239,232	1,112,806	(1,184,619)		(3,065)	164,354
Maternity insurance premium	936	366,774	(366,457)			1,253
IV. Housing fund	127,124	5,968,818	(5,925,749)			170,193
V. Labor union outlay and employee education outlay	1,108,678	609,036	(413,665)			1,304,049
VI. Others	12,976,439	26,003,358	(24,247,799)		(284,846)	14,447,152
Total	**330,287,415**	**825,787,723**	**(832,056,857)**		**(4,870,266)**	**319,148,015**

(3) Post-employment benefits

√ Applicable Not applicable

Items	Opening balance	Amount increased of current period	Amount decreased of current period	Reclassification	Acquisition of subsidiary companies and businesses	Currency translation difference	Closing balance
Adisseo post-employment benefits	11,665,860	50,760,869	(52,659,807)	0	0	(277,657)	9,489,265

25. Taxes payable

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Value-added-tax	86,194,839	53,715,258
Business tax	18,241,824	10,199,555
Enterprise income tax	65,901,110	34,157,863
Individual income tax	1,522,157	8,033,315
Others	33,236,525	27,300,050
Total	**205,096,455**	**133,406,041**

26. Other payables

(1) Items of Other payables

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest payable	5,103,163	6,843,423
Dividends payable	160,914,076	
Other payables	317,652,889	481,714,590
Total	**483,670,128**	**488,558,013**

(2) Interest payable

Applicable √ Not applicable

(3) Dividends payable

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Dividends for ordinary shares	160,914,076	0
Total	**160,914,076**	**0**

(4) Other payables

Other payables by nature

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Loans due to related parties	8,809,566	13,435,700
Payables for acquisition of property, plant and equipment	213,063,592	396,507,046
Cautions and guaranties received	22,550,606	25,457,998
Others	73,229,125	46,313,846
Total	**317,652,889**	**481,714,590**

Significant payables with ageing or overdue past 1 year

√ Applicable Not applicable

As at June 30, 2024, other payables with an account age of more than one year were RMB 4,316,741 (as at December 31, 2023: RMB 7,957,851), which were mainly the payables for acquisition of property, plant and equipment.

27. Current portion of non-current liabilities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Current portion of long-term borrowings	2,827,167	2,970,778
Current portion of long-term payables	797,874	818,441
Current portion of provisions*	253,046,237	155,152,711
Current portion of lease liabilities	69,680,081	79,117,913
Total	**326,351,359**	**238,059,843**

* The current portion of provisions mainly represents liabilities related to an antidumping petition filed by Novus in 2020 against imports of methionine from France, Japan and Spain into the United States. The Company made relevant provisions according to its best estimate based on the current available information. Any increase or decrease in such provisions will be charged to profits or losses.

28. Other current liabilities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Government subsidy		
Others	2,487,995	5,022,901
Total	**2,487,995**	**5,022,901**

29. Long-term borrowings

(1) Classification of long-term borrowings

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Pledged loan		
Guarantee loan		
Mortgage loan		
Unsecured	721,982,685	712,000,981
Less: the part due within one year	2,827,167	2,970,778
Total	**719,155,518**	**709,030,203**

Other explanation:
As at June 30, 2024, the range of interest rate for long-term loans was 1.34%-5.115% (as at December 31, 2023: 0% to 4.48%).

30. Leases liabilities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Leases liabilities	435,454,982	432,952,652
Less: the part due within one year	69,680,081	79,117,913
Total	**365,774,901**	**353,834,739**

Items	Amount incurred during the current period
Short-term lease expenses charged into P&L under the simplified accounting method	2,048,115
Payment related to leases during the period	52,155,010

31. Long-term payables

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Acquisition of financial assets		
Other long-term payable	15,139,810	15,530,298
Less : the part to be paid in one year	797,874	818,441
Total	**14,341,936**	**14,711,857**

Long-term payables by nature

Applicable √ Not applicable

Special payables by nature

Applicable √ Not applicable

32. Long-term employee benefits payable

√ Applicable Not applicable

(1) Long-term employee benefits payable

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Defined benefit plans	184,629,745	187,197,837
French profit-sharing plans	52,779,388	33,846,368
Long-term bonus payments	49,728,812	68,741,085
Less: The part to be paid in one year	57,801,108	42,241,925
Total	**229,336,837**	**247,543,365**

The part due within one year includes the short-term part of French profit-sharing plan RMB 52,779,388, and the short-term part of long-term bonus payments RMB 5,021,720.

(2) Change of defined benefit plan

√ Applicable Not applicable

Present value of defined benefit plan obligation

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period				Amount incurred during the last period			
	IFC	GA	Others	Total	IFC	GA	Others	Total
I. Opening balance	**100,565,058**	**58,692,474**	**27,940,305**	**187,197,837**	**99,534,980**	**47,319,199**	**26,370,040**	**173,224,219**
II. Defined benefit plan recognized through profit and loss for the period in which they occur	4,953,994	3,171,482	1,702,005	9,827,481	8,644,500	13,441,050	4,611,854	26,697,404
1. Service cost of current period	2,970,853	2,098,888	1,702,005	6,771,746	4,918,950	11,750,400	4,305,854	20,975,204
2. Previous service cost								
3. Settlement losses (gains)								
4. Net amount of interest	1,983,141	1,072,594	-	3,055,735	3,725,550	1,690,650	306,000	5,722,200
III. Re-measurement of the net liabilities of defined benefit plans					(5,798,700)	(550,800)	1,415,250	(4,934,250)
1. Actuary losses (profit)					(5,798,700)	(550,800)	1,415,250	(4,934,250)
IV. Other movements	(6,827,645)	(3,614,932)	(1,952,996)	(12,395,573)	(1,815,722)	(1,516,975)	(4,456,839)	(7,789,536)
1. Price paid during settlement	(4,282,658)	(2,129,754)	(665,181)	(7,077,593)	(7,535,250)	(4,528,800)	(5,277,465)	(17,341,515)
2. Currency translation differences	(2,544,987)	(1,485,178)	(400,486)	(4,430,651)	5,719,528	3,011,825	1,194,800	9,926,153
3. Other movements			(887,329)	(887,329)			(374,174)	(374,174)
V. Closing balance	**98,691,407**	**58,249,024**	**27,689,314**	**184,629,745**	**100,565,058**	**58,692,474**	**27,940,305**	**187,197,837**

Plan assets

☐ Applicable √ Not applicable

Net liabilities (net assets) of defined benefit plan

☐ Applicable √ Not applicable

Description about the contents of defined benefit plan, related risks, and influences on the Company's future cash flow, time and uncertainty

√ Applicable Not applicable

- Defined benefit plans of the Group include end of Career Benefits (IFC); Bonuses of Seniority (GA) and other benefit plans.
- End of Career Benefits (IFC): All employees working for Adisseo France are entitled on retirement to a lump-sum as a result of legislation applicable in France. The amount of End of Career Benefits depends on employee's length of service in the Group and on the rights guaranteed by contractual agreements. The employee's final salary is taken into account when calculating the amount of these retirement benefits.
- Bonuses of Seniority (GA): All employees working for Adisseo in France are entitled on Bonuses of Seniority as well, the amount of which depends on their seniority in the Group.

Explanations on significant actuarial assumptions in defined benefit plan and on the results of sensitivity analysis

√ Applicable Not applicable

Main actuarial assumptions used in defined benefit plan are as follows:

Items	Closing balance	Opening balance
End of Career Benefits (IFC)		
Discount rate	4,09%	4,09%
Inflation rate	2,20%	2,20%

Wages increase rate *(including inflation rate)*	2,20%	2,20%
Mortality Table (1)	INSEE 2014-2016	INSEE 2014-2016
Retirement age	62 years - 64 years	62 years - 64 years
Bonuses of Seniority (GA)		
Discount rate	4,00%	4,00%
Inflation rate	2,20%	2,20%
Wages increase rate *(including inflation rate)*	2,20%	2,20%
Mortality Table (1)	INSEE 2014-2016	INSEE 2014-2016
Retirement age	62 years - 64 years	62 62 years - 64 years

1.Mortality tables TH/TF 00-02 have been approved by decree of the Ministry of the Economy in 2015. They are based on data collected by INSEE (French national bureau of statistics). Table TH 00-02 is for males and table TF 00-02 for females.

Sensitivity analysis is as follows:

Discount rate	Assumption volatility	Impact on the present value of the defined benefit obligation	
		assumption increase	assumption decrease
End of career benefits (IFC)			
Current period	+/- 0.50 %	(5,327,434)	5,794,685
Bonuses of Seniority (GA)			
Current period	+/- 0.50 %	(2,158,003)	2,312,867

1. French profit-sharing plans

Profit sharing plans gives employees a share in the profits of the company. Each employee receives a percentage of those profits based on the company's earnings. All companies employing 50 workers or more are obliged by law to participate employees in the financial success of the company. All such companies must establish a profit-sharing plan (RSP), the level of which is calculated on the basis of a legally binding or otherwise pre-determined profit-sharing formula.

2. Long-term bonus payments

a. Yearly Mid-term incentive for executives and critical leaders for business plan

Long-term bonus payments (MIP – Management Incentive Program) are split in both awards which are the Unit Award (number of Phantom shares) and the Cash Award (based on Adisseo's performance results).
The detail of this program is described below:

(1) 2021 Plan for Executive Committee Members and high qualified Executives

The Company has, in accordance with Board of BAC, set out terms and conditions under which a right to receive a) discretionary variable cash settled compensations based on variable number of phantom shares and b) another discretionary variable cash settled compensation based on presence and certain performance conditions of the Group would be awarded. These terms and conditions are described below, in the Management Incentive Plan 2021-2023 (« the Plan »).

Eligibility to the Executive Committee and non-Executive Committee, the Management Incentive Plan 2021-2023 does not predetermine eligibility to a later Plan and is not predetermined by the eligibility to a previous Plan. Neither eligibility nor the benefit of the Plan can be interpreted as an employment contract giving rise to obligation on the Company or its subsidiaries.

In these both plans, two types of Awards will be granted:

- **Unit Award**: a discretionary variable deferred number of phantom shares defined on share price and currency as of March 30th, 2021, and that will be definitively acquired subject to Presence Conditions. The Unit Award is not subject to Performance Conditions (One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on March 30th, 2021 converted in Euros (€) on March 30th, 2021, i.e. € 1.8098("one euro and eight thousand and ninety-eight").

- **Cash Award**: a discretionary variable cash settled compensation that will be definitely acquired subject to both Presence and Performance Conditions.

Total grant of unit Award is 671,880 (at the grant date on March 30th 2021). This management incentive plan entitles relevant senior management to a cash payment after completing a 3-year service period from 2021 to 2023 with certain performance conditions (ROCE/EBITDA matrix) to be achieved by the Group during the service period. The amount of the cash payments is to be determined based on the share price of the Company at the time when the relevant senior management exercise the phantom stocks. These phantom stocks of the Company can be exercised from January 1, 2024 to January 31, 2024.

The amount accounted for the plan are:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	0
Expenses accrued/(reversed) during the period	31,217,418

(2) 2022 Plan for Executive Committee Members and high qualified Executives

In order to continue to build up Adisseo, the Group has decided to offer Executive Committee Members and high qualified Executives an international recognition and implemented two plans.
The purpose of these Plans is to retain and motivate Executive Committee Members and high qualified Executives, key players to tackle our 3-years business plan.

The 2022 mid-term incentive plan has been approved by March 30th, 2022, Board of Directors of the Company on the proposal of Remuneration Committee.

In these both plans, two types of Awards will be granted:

- **Unit Award[1]:** a discretionary variable deferred number of phantom shares defined on share price and currency as of March 30th, 2022[1], and that will be definitively acquired subject to Presence Conditions. The Unit Award is subject to share price performance.
  One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on March 30, 2022, converted in Euros (EUR) on March 30, 2022, i.e., EUR 1.4018 (“one Euro and four thousand eighteen cents”).

- **Cash Award:** a discretionary variable cash settled compensation that will be definitively acquired subject to both Presence and Performance Conditions. The right to receive the effective benefit of the Cash Awards is based on achieving the combined objectives in strict respect of Adisseo Ethic Code of:
  - Sales: measure the Amount of Gross Sales of the Group;
  - EBITDA: measure the Operational Profitability of the Group;
  - FCFTAT: measure the Free Cash Flow After Tax of the Group.

	Unit Award	**Cash Award**
Grant Date	July 20, 2022	July 20, 2022
Settlement as from	January 2025	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2025, to December 31st, 2026	At latest May 2025

In these both plans, two types of Awards will be granted:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	19,589,873
Expenses accrued/(reversed) during the period	2,719,984

(3) **2023 Plan In order to continue to build up Adisseo, the Group has decided to offer Executive Committee Members** and high qualified Executives an international recognition and implemented two plans:

- ExCom Management Incentive Plan 2023-2025,
- Management Incentive Plan 2023-2025.

The purpose of these Plans is to implement discretionary variable cash settled compensations, in order to retain and motivate Executive Committee Members and high qualified Executives, key players to tackle our 3-years business plan.

The 2023 mid-term incentive plan has been approved by July 24th, 2023, Board of Directors of the Company on the proposal of Remuneration Committee.

Two types of Awards will be granted within the framework of these Plans:

- **Unit Award**: a discretionary variable deferred number of phantom shares defined on share price and currency as of July 24th, 2023, and that will be definitively acquired subject to Presence Conditions. The Unit Award is not subject to Performance Conditions.
  One Unit Award value = the fair market value of BLUESTAR ADISSEO COMPANY (BAC) at closing on July 24th, 2023, converted in Euros (EUR) on July 24th, 2023, i.e., EUR 1.0167 ("one Euro and one hundred sixty-seven cents").

- **Cash Award**: a discretionary variable cash settled compensation that will be definitively acquired subject to both Presence and Performance Conditions. The right to receive the effective benefit of the Cash Awards is based on achieving the combined objectives in strict respect of Adisseo Ethic Code:
  - Revenues: measure the Amount of Gross Sales of the Group;
  - EBITDA: measure the Operational Profitability of the Group;
  - Operating Working Capital / Revenues: measure the % of the revenue not converted into cash.

  Other conditions:
  - Financial KPIs excluding restructuring cost and/or impairment impact.
  - If fatal accident => TRIR at 0 achievement rate.
  - GHG results to be audited by independent third party.

The Unit Award and Cash Award are conditional and subject to Presence Conditions.
Payment of the Vested Awards requires that the Beneficiaries remain Employees within the Group from the Grant Date and until the Payment Date, and not under termination notice.

	Unit Award	**Cash Award**
Grant Date	July 20,2023	July 20, 2023
Settlement as from	January 2026	N/A
Payment Period	Depending on unbuckling date: from January 1st, 2026, to December 31st, 2027	At latest May 2026

The Cash Awards are also subject to Performance Conditions as mentioned. Please refer to the below performance targets table:

Unit: Yuan Currency: RMB

Items	Current period
Accumulated amounts of the liabilities	16,324,894
Expenses accrued/(reversed) during the period	1,915,499

3. Undiscounted maturity analysis of defined benefit plans

Current period

Unit: Yuan Currency: RMB

	Within one year	One to two years	Two to five years	More than five years	Total
IFC	5,357,681	5,654,335	11,461,903	142,170,505	164,644,424
GA	8,374,820	4,918,811	15,032,255	53,049,611	81,375,497
Others	1,757,060	10,665,372	6,112,906	11,008,539	29,543,877

33. Provisions

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance	Reasons for provisions
Other provisions	621,303,990	525,005,608	Other provisions
Total	**621,303,990**	**525,005,608**	

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On July 29th, 2020, Novus International filed a 3-year antidumping petition against imports of methionine from France, Japan and Spain into the United States. In April 2024, the final decision in this proceeding led to a tax of 9.24% for liquid methionine produced in Spain and exported to the USA during Phase I (from March 2021 to August 2022). The Company reversed the provisions accrued in H1 2024.

34. Deferred income

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Acquisition of subsidiary companies and businesses	Currency translation differences	Closing balance
Government subsidies	146,913,087	3,433,843	(5,866,350)		(3,576,925)	140,903,655
Total	**146,913,087**	**3,433,843**	**(5,866,350)**		**(3,576,925)**	**140,903,655**

35. Paid-in Capital

Unit: Yuan Currency: RMB

	Opening balance	Changes during the period (+ / -)					Closing balance
		New shares issued	Shares distributed	Conversion from reserves to shares	Others	Subtotal	
Total shares	2,681,901,273						2,681,901,273

36. Capital reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increased in current period	Decreased in current period	Ending balance
Capital premium (capital stock premium)				
Other capital reserve	1,004,724,989			1,004,724,989
Total	**1,004,724,989**			**1,004,724,989**

37. Other comprehensive income

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Opening Balance	Amount incurred during the current period							Closing Balance
		Before tax amount	Less: reclassification of OCI into retained earning	Less: transfer to profit or loss that previously recognized	Less: income tax expense	Other	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not be reclassified to profit or loss	**35,529,518**	**(92,598,000)**					**(92,598,000)**		**(57,068,482)**
Including: remeasurement of changes in liabilities under defined benefit plans	19,959,851								19,959,851
Profit/Loss from changes in fair value Investments in other equity instruments	15,569,667	(92,598,000)					(92,598,000)		(77,028,333)
Items that may be reclassified to profit or loss	**(479,172,424)**	**(227,284,348)**		**(1,916,611)**	**1,960,856**		**(226,629,166)**	**(699,427)**	**(705,801,590)**
Including: effective portion of gain or loss of cash flow hedge	(2,180,778)	88,490		(1,916,611)	1,960,856		44,245		(2,136,533)
Translation difference of foreign financial statements	(476,991,646)	(227,372,838)					(226,673,411)	(699,427)	(703,665,057)
Total	**(443,642,906)**	**(319,882,348)**		**(1,916,611)**	**1,960,856**		**(319,227,166)**	**(699,427)**	**(762,870,072)**

38. Surplus reserve

Unit: Yuan Currency: RMB

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserve	639,920,315	1,578,618		641,498,933
Total	**639,920,315**	**1,578,618**		**641,498,933**

In accordance with the Company Law of the People's Republic of China and the Articles of Association, prior to the distribution of the Company's net profit, the Company should provide 10% as statutory reserve for the net profit available for distribution, after covering the accumulated losses from prior years. When the statutory surplus reserve accumulatively reaches more than 50% of registered capital, it may not be withdrawn any more. If approved, statutory surplus reserve may be used to cover losses or increase capital stock.

39. Undistributed profit

Unit: Yuan Currency: RMB

Items	Note	Current period	Last period
Undistributed profit of last period before adjustment		11,154,024,818	11,549,551,047
Total adjustments (increased +/ decreased -)			
Undistributed profit at the beginning of period after adjustment		11,154,024,818	11,549,551,047
Add: Net profit attributable to the Company's owners in current period		607,599,304	52,165,518
Appropriation of special reserves			
Others			
Less: Withdrawal of statutory surplus reserve		1,578,618	42,724,655
Dividend distribution	(1)	160,914,076	404,967,092
Other comprehensive income transferred to retained earnings			
Others			
Undistributed profit at the end of period		**11,599,131,428**	**11,154,024,818**

(1). Distribution of dividends of ordinary shares declared during the previous year:
The dividend distribution, amounting to RMB 160,914,076 which has been approved by the General Shareholders' Meeting on June 26, 2024 and the dividend payment was made on August 13, 2024.

40. Operating revenue and operating cost

(1) Operating income and operating costs

Applicable √ Not applicable

Items	Amount incurred during current period		Amount incurred during last period	
	Income	Cost	Income	Cost
Principal activities	7,260,948,548	4,984,047,631	6,328,375,755	4,998,471,707
Other operating activities				
Total	**7,260,948,548**	**4,984,047,631**	**6,328,375,755**	**4,998,471,707**
Including: revenue from contracts with customers				
Other income			0	0

(2) Breakdown of operating revenue and operating cost

Applicable √ Not applicable

Contract Classifications	Segment Health and nutrition	Total

By product	Revenue	Cost	Revenue	Cost
- Performance products	5,394,321,432	3,889,932,106	5,394,321,432	3,889,932,106
- Specialties products	1,866,627,116	1,094,115,525	1,866,627,116	1,094,115,525
By territory				
- EUROPA / AFRICA / MO	2,814,765,971		2,814,765,971	
- NORTH AMERICA	1,108,522,186		1,108,522,186	
- ASIA / PACIFIC	815,461,910		815,461,910	
- SOUTH AMERICA	1,420,796,410		1,420,796,410	
- CHINA	1,021,599,956		1,021,599,956	
- Others	79,802,115		79,802,115	
Total	**7,260,948,548**	**4,984,047,631**	**7,260,948,548**	**4,984,047,631**

(3) Explanations on contractual obligations

Applicable √ Not applicable

(4) Explanations on the allocation of transaction price to contractual obligations

Applicable √ Not applicable

(5) Significant changes in contracts or transaction prices

Applicable √ Not applicable

41. Taxes and surcharge

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Business taxes	4,232,328	4,829,679
Property tax	9,381,464	5,967,403
City maintenance and construction tax	4,129,922	3,757,180
Education surcharge and local education surcharges	3,505,532	3,215,427
Others	5,759,126	8,060,294
Total	**27,008,372**	**25,829,983**

42. Selling and distribution costs

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	14,117,920	12,664,418
Replenishment and storage expenses	246,140,010	274,450,683
Personnel expenses	243,432,115	215,202,317
Commission expenses for delegating agent	36,744,369	28,633,222
Travel expenses	25,587,534	20,243,252
Others	72,133,618	63,554,945
Total	**638,155,566**	**614,748,837**

43. General and administrative expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	33,115,819	31,572,000
Amortization of intangible assets	51,846,000	70,691,790
Employee benefit expenses	247,919,628	160,790,964

Items	Amount incurred during the current period	Amount incurred during the last period
Consulting and other expert services	57,547,304	52,279,139
Travel expenses	9,933,672	6,774,663
Rent expenses	2,320,681	4,441,123
Insurance expenses	11,333,704	12,099,551
Others	41,392,380	24,973,317
Total	**455,409,188**	**363,622,547**

44. Research and development expenses

Unit: Yuan
Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Depreciation expense	23,765,254	16,244,182
Amortization of intangible assets	1,183,031	724,387
Employee benefit expenses	104,081,042	100,735,882
Consulting and other expert services	22,790,131	20,187,601
Travel expenses	4,300,263	2,828,461
Rent expenses	61,664	3,016,271
Insurance expenses	180,788	325,265
Research and exploitation expenses (without Payroll & External Expenses)	24,716,521	30,529,088
Others	26,769,437	28,241,991
Total	**207,848,131**	**202,833,128**

45. Financial expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Interest expenditure	38,234,787	35,735,384
Less: Interest expense capitalized		
Interest expense related to lease liabilities	8,774,663	5,106,566
Interest income	(12,786,206)	(8,588,639)
Net exchange losses / (gains)	(34,821,077)	(3,751,619)
Other financial expenses	23,997,832	15,339,491
Total	**23,399,999**	**43,841,183**

In H1 2024, the interest rate used to determine interest expenses capitalized was 0% (H1 2023: 0%).

46. Investment income (loss)

Items	Amount incurred during the current period	Amount incurred during the last period
Gain (loss) from long-term equity investment measured by equity method	(38,595,673)	(20,381,324)
Other		
Total	**(38,595,673)**	**(20,381,324)**

47. Gain (losses) from changes in fair value

√ Applicable   Not applicable

Unit: Yuan Currency: RMB

Source generating the gain (loss) of change on fair value	Amount incurred during the current period	Amount incurred during the last period
Change in fair value of phantom shares		
Change in fair value of derivative financial instruments	(19,076,427)	595,625

Change in fair value of other non-current financial instruments		30,138,400
Total	**(19,076,427)**	**30,734,025**

48. Credit Losses

√ Applicable Not applicable

Credit losses	Amount incurred of current period	Amount incurred of comparative period
Accounts receivable	(1,445,788)	(6,926,899)
Total	**(1,445,788)**	**(6,926,899)**

49. Asset impairment losses

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
I. Provision for bad debt		
II. Provision for decline in value of inventories	(17,430,209)	(26,378,396)
III. Impairment loss for available-for-sale financial assets		
IV.Impairment for restructuring		
Total	**(17,430,209)**	**(26,378,396)**

50. Non-operating income

(1) Non-operating income by item is as follows

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period	Amount recorded in non-recurring gain or loss of current period
Payables written-off			
Government grant			
Others	3,587,536	9,204,263	3,587,536
Total	**3,587,536**	**9,204,263**	**3,587,536**

51. Non-operating expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period	Amount recorded in non-recurring gain or loss of current period
Losses on disposal of non-current assets	620,931	579,384	620,931
Including:			
Losses on disposal of fixed assets	314,183	114,484	314,183
Losses on disposal of intangible assets	306,748	464,900	306,748
Losses on disposal of other assets			
Compensation for termination of contracts	59,755,465		59,755,465
Donations			
Others	14,732,805	15,733,606	14,732,805
Total	**75,109,201**	**16,312,990**	**75,109,201**

52. Income tax expenses

(1) Income tax expenses

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Current income tax	180,066,850	76,551,803

Deferred income tax	1,646,005	(54,380,355)
Total	**181,712,855**	**22,171,448**

(2) Accounting profit and expense of income tax adjustment process

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period
Total profit before tax	**789,091,801,**
Income tax expenses calculated at applicable tax rates (1)	**203,822,412,**
Credit Tax	(6,952,993)
Difference of tax rates applicable to subsidiary companies (2)	14,939,763
Income not subject to tax	
Costs, expenses and losses not deductible for tax purposes	425,504
Tax losses for which no deferred income tax asset was recognized	8,747,253
Utilization of previously unrecognized temporary differences	
Others	(39,269,084)
Income tax expenses	**181,712,855**

Income tax expenses calculated at applicable tax rates (1) is calculated at the statutory income tax rate of France, which is the main operation jurisdiction of the Group. The impacts of different tax rates between local tax rate of subsidiaries in different jurisdictions and French tax rate are presented in Difference of tax rates applicable to subsidiary companies (2); and other reconciliation items are calculated by local tax rate as applicable.

53. Basic earnings per share

(1) Basic earnings per share

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Total amount of composite benefits attributable to the Company's owners	607,599,304	33,400,286
Common stock	2,681,901,273	2,681,901,273
Basic earnings per share	0.23	0.01
Basic earnings per share from continue operation (i)	0.23	0.01
Basic losses per share from discontinue operation	0.00	0.00

(i) The weighted average number of shares used for the calculation of the EPS of March 2024 and 2023 is 2,681,901,273.

Weighted average number of ordinary shares is calculated as follows:

Number of shares	Amount incurred during the current period	Amount incurred during the last period
Issued ordinary shares at January 1	2,681,901,273	2,681,901,273
Effect of new shares		
Weighted average number of ordinary shares at the end of the period	**2,681,901,273**	**2,681,901,273**

(2) Diluted earnings per share

The Company does not have dilutive potential ordinary share in the periods from January 1, 2024 to June 30, 2024 and January 1, 2023 to June 31, 2023. The diluted earnings per share/ (loss) is equal to basic earnings per share/ (loss).

54. Supplement to income statement

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Operating revenue	7,260,948,548	6,328,375,755
Less: Changes in inventories of raw materials, finished goods and work-in-progress	(158,315,111)	393,479,804

Items	Amount incurred of current period	Amount incurred of last period
Raw materials, purchased equipment and consumables purchased	3,621,482,416	3,256,199,616
Employee benefit expenses	985,617,160	911,002,371
Depreciation/amortization expenses	694,997,437	707,011,655
Depreciation/amortization expenses right of use	66,074,980	47,412,848
Logistics	581,076,578	545,400,017
Consulting and other expert services	110,930,888	88,355,741
Travel expenses	40,425,895	30,180,442
Rent expenses	2,048,115	11,287,441
Insurance expenses	12,991,703	12,991,703
Commission expenses for delegating agent	28,633,222	28,633,222
Research and exploitation expenses	24,716,521	30,529,088
Taxes and surcharges	27,008,372	25,829,983
Credit losses (reverse)	1,445,788	6,926,899
Asset impairment losses (reverse)	17,430,209	26,378,396
Gain arising from changes in fair value	19,076,427	(30,734,025)
Investment loss / (income)	38,595,673	20,381,324
Losses (gains) from asset disposals	620,931	579,384
Other income	(12,702,833)	(6,728,703)
Others	298,180,711	161,033,454
Total Operating profit	**860,613,466**	**62,225,095**

55. Items in cash flow statement

(1) Cashflows relating to operating activities

Cash received relating to other operating activities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Others	64,604,300	16,640,520
Total	**64,604,300**	**16,640,520**

Cash paid relating to other operating activities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Travel expenses	40,425,895	30,180,442
Rent	2,048,115	11,287,441
Insurances	11,878,407	12,991,703
Others	57,248,209	45,208,993
Total	**111,600,626**	**99,668,579**

(2) Cashflows relating to investing activities

Cash received relating to other investing activities

Applicable √ Not applicable

Cash paid relating to other investing activities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred during the current period	Amount incurred during the last period
Others	66,928,529	131,736,787
Total	**66,928,529**	**131,736,787**

(3) Cashflows relating to financing activities

Cash received relating to other financing activities

Applicable √ Not applicable

Cash paid relating to other financing activities

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Leases payment	52,147,954	45,378,067
Total	**52,147,954**	**45,378,067**

56. Supplementary data of cash flow statement

(1) Supplement to cash flow statement

Unit: Yuan
Currency: RMB

Items	Amount of current period	Amount of last period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	**607,378,946**	**32,944,920**
Add: Impairment provisions for assets	17,430,209	26,378,396
Credit losses	1,445,788	6,926,899
Depreciation/impairment of fixed assets	567,822,347	565,271,079
Amortization of assets from right of use	66,074,979	47,412,847
Amortization of intangible assets	115,177,986	135,209,458
Amortization of expenditures on research and development	11,997,105	6,531,119
Amortization of long-term prepaid expenses	1,539,442	2,651,124
Losses on disposal of fixed assets, intangible assets and other long-term assets	620,931	579,384
Losses (gains) on scrapping of fixed assets	-	-
Gains on changes in fair value	19,076,427	(30,734,025)
(Increase) decrease of deferred tax assets	28,541,971	(23,278,773)
Increase (decrease) of deferred tax liabilities	(26,895,966)	(31,122,866)
Financial expenses (income)	32,740,064	(5,983,201)
Losses (gains) arising from investment	38,595,673	20,381,324
Amortization of deferred income	(5,866,350)	(6,378,703)
Decrease (increase) in gross inventories	(114,063,176)	393,479,804
Decrease (increase) in receivable from operating activities	(349,220,499)	378,694,185
Increase (decrease) in payable from operating activities	218,272,518	(343,629,652)
Others		
Net cash flow from operating activities	**1,230,668,395**	**1,175,333,319**
2. Investing and financing activities not requiring the use of cash or cash equivalents		
Debts converted into capital		
Convertible corporate bonds due within one year		
Fixed assets acquired under finance leases		
3. Change in cash and cash equivalents		
Closing balance of cash	1,024,745,046	869,547,965
Less: Opening balance of cash	1,005,227,559	796,360,472
Add: Closing balance of cash equivalent		
Less: Opening balance of cash equivalent		
Net increase of cash and cash equivalent	**19,517,487**	**73,187,493**

(2) Net amount of cash paid in current period for obtaining subsidiary companies

Applicable √ Not applicable

(3) Net amount of cash received from disposal of subsidiary companies in current period

Applicable √ Not applicable

(4) Composition of cash and cash equivalent

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
I. Cash at bank and on hand	1,024,745,046	1,005,227,559
Including: Cash on hand		
Bank deposit available for payment anytime	1,024,745,046	1,005,227,559
Other monetary resources available on demand		
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	1,024,745,046	1,005,227,559
Including: Use-restricted cash and cash equivalent of the Company or its subsidiaries	NA	NA

57. Foreign-currency monetary items

√ Applicable Not applicable

The Group’s exposure to currency risk arising from recognized assets and liabilities denominated in foreign currencies at each affiliate level as at June 30, 2024 is as follows. For consideration of disclosure, the amount of exposure to the risk is shown in Renminbi to be converted at the spot exchange rate on the balance sheet date. Currency translation difference is not included.

(1) Foreign-currency monetary balances

Current period

Unit: Yuan

Items	Closing balance at foreign currency	Exchange rate for conversion	Closing balance at RMB equivalent
Cash and cash equivalents			
Wherein: EUR	923,185	7.6617	7,073,167
RMB	17,558,318	1.0000	17,558,318
USD	16,533,822	7.1631	118,433,420
GBP	669,949	9.0575	6,068,063
THB	17,270,830	0.1927	3,328,089
BRL	2,822,723	1.2866	3,631,715
CAD	4,394	5.2309	22,985
MXN	18,817,499	0.3898	7,335,061
SGD	2,133,876	5.2770	11,260,464
OTHER			12,157,684
Total			186,868,966
Accounts receivable			
Wherein: EUR	2,285,641	7.6617	17,511,896
RMB	10,757,027	1.0000	10,757,027
USD	67,547,123	7.1631	483,846,797
GBP	319,749	9.0575	2,896,127
THB	26,920,519	0.1927	5,187,584
BRL	110,993,674	1.2866	142,804,461
CAD			
MXN			
SGD			
OTHER			108,238,580
Total			771,242,472
Accounts payable			
Wherein: EUR	-511,415	7.6617	-3,918,308
CNY	-191,543	1.0000	-191,543

USD	-44,271,443	7.1631	-317,120,773
GBP	-213,166	9.0575	-1,930,751
THB	-2,397,748	0.1927	-462,046
BRL	-4,376,687	1.2866	-5,631,045
CAD	-111,317	5.2309	-582,288
MXN	-15,197,335	0.3898	-5,923,921
SGD	-692,288	5.2770	-3,653,204
OTHER			-12,262,232
Total			-351,676,111
Other payables			
Wherein: EUR	-144,493	7.6617	-1,107,062
RMB	-14,381,011	1.0000	-14,381,011
USD	-2,896,220	7.1631	-20,745,913
GBP			
THB	-668,760	0.1927	-128,870
BRL	-133,620	1.2866	-171,915
CAD			
MXN			
SGD	-555,188	5.2770	-2,929,727
OTHER			-958,017
Total			-40,422,515
Long-term receivables			
Wherein: EUR			
RMB			
USD	23,531	7.1631	168,555
GBP			
THB			
BRL	13,189,407	1.2866	16,969,491
CAD			
MXN	91,883	0.3898	35,816
SGD	173,751	5.2770	916,884
OTHER			1,026,072
Total			19,116,818
Gross balance sheet exposure			
Wherein: EUR	2,552,917	7.6617	19,559,684
RMB	13,742,791	1.0000	13,742,791
USD	36,936,812	7.1631	264,582,078
GBP	776,532	9.0575	7,033,439
THB	41,124,842	0.1927	7,924,757
BRL	122,495,497	1.2866	157,602,706
CAD	-106,923	5.2309	-559,304
MXN	3,712,047	0.3898	1,446,956
SGD	1,060,151	5.2770	5,594,417
OTHER			108,202,088
Total			585,129,612

(2) Description about foreign business entities, including important foreign business entities, foreign main business place, recording currency and selection basis, and reasons for change of recording currency.

√ Applicable Not applicable

Name of the subsidiary	Principal place of business	Functional Currency	Basis for determining the functional currency
Adisseo France S.A.S	France	EUR	Local currency of principal place of business
Bluestar Adisseo Nanjing Co., Ltd	China	RMB	Local currency of principal place of business
Adisseo Life Science (Shanghai) Co., Ltd	China	RMB	Local currency of principal place of business
Adisseo Espana S.A.	Spain	EUR	Local currency of principal place of business
Adisseo USA Inc.	USA	USD	Local currency of principal place of business
Adisseo Brasil Nutriçao Animal Ltd	Brazil	USD	Currency of principal flows of business
Adisseo Yem Katkilari Ltd	Turkey	EUR	Currency of principal flows of business

58. Hedging

√ Applicable Not applicable

Operations of the Group are exposed to global market risks, including the effect of changes on currency exchange rates, on interest rates and commodity prices. Derivative financial instruments are used to manage these financial exposures as an integral part of the Group’s overall risk management program. Derivatives are not used for speculative purposes. For most of those transactions, the Group applies cash flow hedge accounting and documents, at the inception of the hedge, the type of hedging relationship, the hedging instruments, the nature and the term of the hedged item.

Cash flow hedge accounting means that the Group hedges exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The fair value of derivatives is based on the market price at the balance sheet date. In the balance sheet, they are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Applying cash flow hedge accounting has the following consequences:

- The portion of the gain or loss on the hedging instrument that is determined to be effective is recognized directly in equity, while the change in the fair value of the hedged item is not yet recognized in the balance sheet. The amounts directly recognized in equity are reclassified to profit or loss when the hedged transactions occur and are recorded;
- The change in fair value of the ineffective portion recognized directly in the income statement, in net foreign exchange gains/(losses).

From January to June 2024, the change in fair value on these derivatives has a positive impact of RMB 700,345 (January to June 2023: losses of RMB 881,883) recorded in other comprehensive income as cash flow hedge accounting, including RMB 2,053,973 of change in fair value and RMB -1,353,628 of reclassification into P&L.

From January to June 2024, the change in fair value on these derivatives has a negative impact of RMB -19,076,427 (From January to June 2023: Gains of RMB 595,625) charged to the income statement as fair value hedge accounting, cash flow hedge ineffectiveness or non-hedge.

VIII. Change of Consolidation Scope

1. Business combination not under common control
Applicable √ Not applicable

2. Business combination under common control
Applicable √ Not applicable

3. Reverse acquisitions
Applicable √ Not applicable

4. Disposal of subsidiary companies
Whether the circumstance exists that single disposal of subsidiary company induces the loss of control right
Applicable √ Not applicable

Whether the circumstance exists that the Company disposes the investments in subsidiary companies by steps through multiple transactions and loses control right in the current period
Applicable √ Not applicable

5. Change of consolidation scope for other reasons
Applicable √ Not applicable

6. Others
None

IX. Rights and Interests in Other Subjects

1. Rights and interests in subsidiaries
√ Applicable Not applicable

(1) Composition of enterprise group

Name of the Subsidiary	Principal place of business	Registration place	Business nature	Shareholding (%)		Acquisition method
				Direct	Indirect	
Bluestar Adisseo Nutrition Group, Ltd	Hong Kong	Hong Kong	Investment holding	100%		Business combination under common control
Drakkar Group S.A.	Belgium	Belgium	Investment holding		100%	Business combination under common control
G4 S.A.S	France	France	Investment holding		100%	Business combination under common control
Fondoir de Bayonne Blancpignon S.A.S	France	France	Production and sales of chemical products		100%	Business combination under common control
Adisseo France S.A.S	France	France	Production and sales of chemical products		100%	Business combination under common control
Casper G.I.E	France	France	Production and sales of chemical products		80%	Business combination under common control

Adisseo Eurasie S.A.R.L	Russia	Russia	Production and sales of chemical products		100%	Business combination under common control
Adisseo Life Science (Shanghai) Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination under common control
Adisseo Canada Inc.	Canada	Canada	Production and sales of chemical products		100%	Business combination under common control
Adisseo Ireland Limited	Ireland	Ireland	Production and sales of chemical products		100%	Business combination under common control
Adisseo de Mexico S.A. de C.V.	Mexico	Mexico	Production and sales of chemical products		100%	Business combination under common control
Adisseo USA Inc.	USA	USA	Production and sales of chemical products		100%	Business combination under common control
Adisseo Asia Pacific Pte. Ltd	Singapore	Singapore	Production and sales of chemical products		100%	Business combination under common control
Adisseo Trading (Thailand) Co., Ltd	Thailand	Thailand	Production and sales of chemical products		100%	Business combination under common control
Adisseo GMBH	Germany	Germany	Production and sales of chemical products		100%	Business combination under common control
Adisseo Espana S.A.	Spain	Spain	Production and sales of chemical products		100%	Business combination under common control
Adisseo Brasil Nutriçao Animal Ltda	Brazil	Brazil	Production and sales of chemical products		100%	Business combination under common control
Innov'ia S.A.	France	France	Powder designer for chemical industry		99.95%	Business combination under common control
INNOCAPS S.A.R.L	France	France	Powder designer for chemical industry		99.95%	Business combination under common control

Innov'ia 3I S.A.	France	France	Powder designer for chemical industry		99.95%	Business combination under common control
Innov'ia USA Inc.	USA	USA	Powder designer for chemical industry		99.95%	Business combination under common control
Capsulae S.A.S	France	France	Powder designer for chemical industry		99.95%	Business combination not under common control
LC Immo	France	France	Powder designer for chemical industry		99.95%	Business combination not under common control
LC Inodry	France	France	Powder designer for chemical industry		99.95%	Business combination not under common control
Bluestar Adisseo Nanjing Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination under common control
Adisseo Philippines Inc.	Philippines	Philippines	Production and sales of chemical products		100%	Business combination under common control
Adisseo Animal Nutrition Pte Ltd	India	India	Production and sales of chemical products		100%	Business combination under common control
Adisseo Malaysia SDN. BHD	Malaysia	Malaysia	Production and sales of chemical products		100%	Established
Adisseo Nutrition Health Products (Nanjing) Co.	China	China	Production and sales of chemical products		100%	Established
Adipex S.A.S	France	France	Production and sales of chemical products		85.00%	Established
Nutriad Holding B.V.	Netherlands	Netherlands	Investment holding		100%	Business combination not under common control
Nutriad International N.V.	Belgium	Belgium	Production and sales of chemical products		100%	Business combination not under common control
Nutriad Ltd	UK	UK	Production and sales of		100%	Business combination not

			chemical products			under common control
Nutriad Asia Ltd	Hong Kong	Hong Kong	Production and sales of chemical products		100%	Business combination not under common control
Feed Flavor Internationals (Jiangsu) Co., Ltd	China	China	Production and sales of chemical products		100%	Business combination not under common control
Nutriad Nutrição Animal Ltda	Brazil	Brazil	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Polska Sp. Z o.o. Ul.	Poland	Poland	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Italia Srl	Italy	Italy	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Animal Nutrition DMCC	UAE	UAE	Production and sales of chemical products		100%	Established
Adisseo Yem Katkilari Ltd	Turkey	Turkey	Production and sales of chemical products		100%	Established
Adisseo Venture	Belgium	Belgium	Investment holding		100%	Established
Franklin Group B..V.	Netherlands	Netherlands	Investment holding		100%	Business combination not under common control
Adisseo NL B.V.	Netherlands	Netherlands	Production and sales of chemical products		100%	Business combination not under common control
Functional Lipids B.V	Netherlands	Netherlands	Production and sales of chemical products		100%	Business combination not under common control
Adisseo Nutricion Animal S.L.U	Spain	Spain	Production and sales of chemical products		100%	Business combination not under common control
Franklin Asia Ltd.	Thailand	Thailand	Production and sales of chemical products		100%	Business combination not under common control
Société Civile Immobilière de l'Avenue Marx Dormoy - Commentry	France	France	Real estate holding		100%	Established

Nor-Feed Holding	France	France	Investment holding		93.28%	Business combination not under common control
Nor-Feed SAS	France	France	Production and sales of chemical products		93.28%	Business combination not under common control
Nor-Feed Vietnam Co., Ltd	Vietnam	Vietnam	Production and sales of chemical products		93.28%	Business combination not under common control
SCI VERTE	France	France	Real estate holding		93.28%	Business combination not under common control
Bluestar Adisseo Health and Nutrition (Nanjing) Co., Ltd.	China	China	Production and sales of chemical products		100%	Established
Sinochem Bluestar Adisseo Animal Nutrition Technology (Quanzhou) Co., Ltd.	China	China	Production and sales of chemical products		100%	Established

2. Rights and interests in Associates and joint ventures

√ Applicable Not applicable

Financial information of unimportant joint ventures and associates

Items	Current period	Last period
Joint venture		
Book value of investment	183,092,364	207,184,364
Calculated based on shares on the joint venture		
- Net profit	(38,595,673)	(20,380,654)
- Other comprehensive income	14,503,673	(27,212,590)
- Total comprehensive income	(24,092,000)	(47,593,244)

On 2 March 2020, a subsidiary of the Company established a 50/50 joint venture, Calysseo Limited, with Calysta in HongKong, China to develop Feedkind® on an exclusive basis in the Asian market. Both parties invested a total of USD 80 million. Calysseo Limited established its Chinese legal entity, the first commercial FeedKind® plant in Chongqing, Calysseo Chongqing. Being the first demonstration unit to apply FeedKind® technology, the trial production period is longer than expected. Important technical progress has been made in H1 2024 with ambition to achieve design-level production in Q1 2025 but continuous financing is needed.

3. Important joint operation

Applicable √ Not applicable

4. Rights and interests in the structuralized subjects not taken into the scope of consolidated financial statements

Applicable √ Not applicable

5. Others

None

X. Government subsidies

1. Government subsidies recognized as receivables as at the end of reporting period

Applicable √ Not applicable

Reasons for not receiving the subsidies as scheduled

Applicable √ Not applicable

2. Liabilities involving government subsidies

√ Applicable Not applicable

Liability projects	Opening balance	Acquisition of subsidiary companies and businesses	Amount of newly increased subsidy in current period	Amount recognized in non-operating income	Amount recognized in other income	Currency translation differences	Closing balance	Related to assets / Income
Project D	35,759,061		1,705,347			(3,105,048)	34,359,360	Assets
Project B	1,072,781					(26,958)	1,045,823	Assets
Project C	98,440,300				(5,866,350)		92,573,950	Assets
Others	11,640,945		1,728,496			(444,919)	12,924,522	Assets
Total	**146,913,087**		**3,433,843**		**(5,866,350)**	**(3,576,925)**	**140,903,655**	

3. Government subsidies recognized in the profit and loss of the current period

√ Applicable Not applicable

Items	Amount incurred during the current period	Amount incurred during the last period
Government grants related to assets	5,866,350	6,378,703
Government grants related to income	6,836,483	350,000
Total	**12,702,833**	**6,728,703**

XI. Risks Related to Financial Instruments

1. Risks Related to Financial Instruments

√ Applicable Not applicable

The Group's activities expose it to a variety of financial risks as follows:
- foreign exchange risk
- interest rate risk
- credit risk
- liquidity risk

The Group's risk management objectives are to achieve proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance. Based on these risk management objectives, the Group's basic risk management strategy is to identify and to analyze the industry's exposure to various risks and seeks to minimize potential adverse effects on the Group's financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in France, Spain, United States, mainland China and a majority of the transactions are denominated in EURO, US Dollars and RMB. The Group's finance department at its headquarters continuously monitors foreign exchange risk of the Group and combine with the use of derivative financial instruments.

Assets and liabilities denominated in foreign currencies are summarized in Note VII.57.

The table below summarizes the sensitivity of the Group's profit before income tax ("P&L") and Other Comprehensive Income ("OCI") to a change of plus or minus 10% in foreign exchange rates against the euro, calculated on the net exposure presented above and on derivatives hedging future cash flows. The impacts of the derivative financial instruments only take into account the changes in their efficient portions / intrinsic values:

Current period

Hedged currencies	Increase of the euro by 10%		Decrease of the euro by 10%	
	Impact P&L	Impact OCI	Impact P&L	Impact OCI
USD	15,511,871	7,054,327	-39,279,365	-8,377,209
Other currencies	-14,037,925	-57,837	22,787,934	-126,391

Non-hedged currencies	Increase of the euro by 10%		Decrease of the euro by 10%	
	Impact P&L	Impact OCI	Impact P&L	Impact OCI
All currencies	-1,502,094	-24,872,205	1,502,094	24,872,205

(b) Interest rate risk

The Group's exposure to the interest rate risk is primarily arising from net indebtedness including long-term interest-bearing debt and cash position.

The Group’s finance department at its headquarters continuously monitors the interest rate position of the Group.

As at 30 June 2024, the Group's outstanding floating rate borrowings was at RMB 651,244,500 from a bank pool. As at 30 June 2024, if interest rates on the floating rate borrowings had risen/fallen by 50 basis points while all other variables had been held constant the Group’s net profit would have decreased/increased by approximately RMB 3,256,223. (As at 31 December 2023, RMB 3,340,160.)

(2) Credit risk

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities (including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments).

Bank deposits of the Group are mainly put in large or medium-sized listed banks with high credit standard. Therefore, the Group believes they suffer no significant credit risks or cause any significant losses as a result of contract breach of the counterparts.

The Group has a credit policy, approved by the Group Chief Finance Officer (CFO), which is designed to ensure that consistent processes are in place throughout the Group to measure and control credit risk. Such risk is considered as part of the risk-reward balance of doing business. Key requirements of the policy are formal delegated authorities to the sales and marketing teams to incur credit risk and to a specialized credit function to set counterparty limits. Before trading with a new counterparty can start, its creditworthiness is assessed, and credit exposure limit is determined. Such exposure limit also depends on the limits of the credit insurer of the Group which is used for clients located in high-risk countries according to the Group. The assessment process takes into account all available qualitative and quantitative information about the counterparty and the group, if any, to which the counterparty belongs. Creditworthiness continues to be evaluated after transactions have been initiated with follow up on payment performances.

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group’s finance department in its headquarters. The Group’s finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The undiscounted contractual cash flows (including interests calculated based on contractual interest rates (or the current interest rates on balance sheet date if floating rate)) of financial liabilities of the Group as at the balance sheet date are analyzed by their maturity date below:

Unit: Yuan Currency: RMB

Items	Closing balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities -					
Short-term borrowings	509,520,038				509,520,038
Accounts payable	1,525,175,512				1,525,175,512
Derivative financial instruments-liabilities	8,397,698				8,397,698
Other payables	488,047,664	2,680,972	283,731	1,352,038	492,364,405
Long-term borrowings		37,895,542	666,978,567	14,281,409	719,155,518
Long-term payables		834,359	796,817	12,710,760	14,341,936
Long-term lease liabilities		154,845,327	78,693,288	132,236,286	365,774,901
Current portion of long-term payables	797,874				797,874
Current portion of long-term borrowings	2,827,167				2,827,167
Current portion of lease liabilities	69,680,081				69,680,081
Total	2,604,446,034	196,256,200	746,752,403	160,580,493	3,708,035,130

Unit: Yuan Currency: RMB

Items	Opening balance				
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Financial liabilities -					
Short-term borrowings	913,311,108				913,311,108
Accounts payable	1,409,744,715				1,409,744,715
Derivative financial instruments-liabilities	8,818				8,818
Other payables	480,600,162	3,230,496	2,220,200	2,507,155	488,558,013
Long-term borrowings		11,179,612	681,424,863	16,425,728	709,030,203
Long-term payables		818,442	818,441	13,074,974	14,711,857
Long-term lease liabilities		138,292,792	83,440,047	132,101,900	353,834,739
Current portion of long-term payables	818,441				818,441
Current portion of long-term borrowings	2,970,778				2,970,778
Current portion of lease liabilities	79,117,913				79,117,913
Total	**2,886,571,935**	**153,521,342**	**767,903,551**	**164,109,757**	**3,972,106,585**

2. Hedging

(1) The Company uses hedging to manage risks

√ Applicable Not applicable

Please refer to Note VII 58 for details.

(2) The Company uses hedging and applies hedging accounting

Applicable √ Not applicable

(3) The Company uses hedging to manage risks and expects to achieve goals of risk management but does NOT apply hedging accounting

Applicable √ Not applicable

3. Transfers of financial assets

(1) Types of financial assets transfer

√ Applicable Not applicable

Types of transfer	Items	Amount transferred	Derecognition status	Basis for derecognition judgement
Factoring	Accounts receivable	541,342,688	Completely derecognized	Major risks, such as credit risk, and contractual rights to receive the cash flows have been

				transferred to the factoring company
Total		**541,342,688**		

(2) Financial assets derecognized due to transfer
√ Applicable Not applicable

Items	Types of transfer	Amount derecognized	Profit or loss related to derecognition
Accounts receivable	Factoring	541,342,688	10,121,482
Total	**/**	**541,342,688**	**10,121,482**

(3) Transferred financial assets with continued involvement
Applicable √ Not applicable

XII. Disclosure of Fair Value

√ Applicable Not applicable

Based on the lowest level input that is significant to the fair value measurement in its entirety, the fair value hierarchy has the following levels:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

1. Closing fair value of the assets and liabilities measured with fair value

As at June 30, 2024, the assets measured at fair value on a recurring basis by the above three levels are analyzed below:

Unit: Yuan Currency: RMB

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(1) Trading financial assets		**5,387,649**	**116,856,263**	**122,243,912**
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period			116,856,263	116,856,263
i) Investments in debt instruments				
ii) Investment in equity			116,856,263	116,856,263
iii) Derivative financial assets		5,387,649		5,387,649
b) Financial assets specified to measure with fair value and have the change of fair value recorded in the gain or loss of current period				
i) Investments in debt instruments				
ii) Investment in other equity instruments				
(2) Investments in other bonds				
(3) Investment in other equity instruments			179,837,133	179,837,133
Total amount of assets with continuous fair value measurement		**5,387,649**	**296,693,396**	**302,081,045**
(4) Trading financial liabilities		8,397,698		8,397,698
a) Financial assets measured with fair value and having the change of fair value recorded in the gain or loss of current period				
Including: Trading bonds issued				
Derivative financial liabilities		8,397,698		8,397,698
Others				
b) Financial liabilities specified to measure with fair value and have the change of fair value recorded in the gain or loss of current period				
Total amount of liabilities with continuous fair value measurement		**8,397,698**		**8,397,698**

2. Market value definition for recurring and non-recurring fair value measurements categorized within Level 1

Applicable √ Not applicable

3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorized within Level 2

√ Applicable Not applicable

The fair value of financial instruments traded in an active market is determined at the quoted price in the active market; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, EBITDA multiplier and restricted discount.

4. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorized within Level 3

√ Applicable Not applicable

The financial assets measured within level 3 mainly includes the Group's investment in equity instruments of non-listed companies. The Group has determined the fair value of relevant equity instruments with reference to the initial investment cost of the companies and considering the development stage of the invested companies, also relevant indicators of comparable companies

5. Sensitivity analysis of adjustment information and unobservable parameters between opening and closing book value for recurring and non-recurring fair value measurements categorized within Level 3

Applicable √ Not applicable

6. The reasons for transfer of different levels, and the policy about the timing of those transfers for recurring fair value measurements

Applicable √ Not applicable

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognizing the transfers. There is no transfer between Level 1 and Level 2 for current period.

7. The change of appraisal technology in the current period and the reasons for change

Applicable √ Not applicable

During current period, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

8. The fair value of the financial assets and financial liabilities not measured with fair value

Applicable √ Not applicable

Financial assets and liabilities not measured at fair value mainly represent receivables, short-term borrowings, payables, current portion of long-term borrowing, current portion of long-term payables, long-term borrowings and long-term payables.
The carrying amount of the other financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

9. Other

Applicable √ Not applicable

XIII. Related party relationships and transactions

1. Parent(s) of the Company

Unit: Yuan Currency: RMB

Name of parent company	Registered place	Business nature	Registered capital	Proportion of shares held by the parent company in the enterprise (%)	Proportion of voting right held by the parent company in the enterprise (%)
China National Bluestar (Group) Co, Ltd	Beijing	Research, development of new chemical materials, chemical cleaning, antisepsis, water treatment technology and fine chemical products	15,365,589,192	85.82%	85.82%

The enterprise's ultimate controller is SinoChem Holdings Corporation Ltd.

2. Subsidiaries of the Company

For details about the enterprise's subsidiary companies, please refer to the Note IX (1).

3. Joint venture of the Company

√ Applicable Not applicable

Calysseo Limited	Joint venture of the Group
Calysseo (Chongqing) Company Limited	Subsidiary of joint venture of the Group

4. Other related parties of the Company

√ Applicable Not applicable

Bluestar Silicon Investment Co., Ltd	Controlled by the same parent company
Lanzhou Bluestar Cleaning Co., Ltd	Controlled by the same parent company
Elkem Silicones France SAS	Controlled by the same parent company
Hangzhou Water Treatment Technology Development Center Co., Ltd	Controlled by the same parent company
China Bluestar Lehigh Engineering Corp Co. Ltd	Controlled by the same parent company
Beijing Bluestar Cleaning Co, Ltd.	Controlled by the same parent company
Haohua Zhongyi Hebei New Materials Co. LTD	Controlled by the same parent company
Huaxia Hanhua Chemical Equipment Co., Ltd	Controlled by the same parent company
Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	Controlled by the same parent company
Sinochem Fertilizer Co. Ltd	Controlled by the same parent company
HaoHua Chemical Technology Group Co. Ltd	Controlled by the same parent company
China National Chemical Information Center Co.,Ltd. (CNCIC)	Controlled by the same parent company
Bluestar Engineering Co., Ltd	Controlled by the same parent company
Lianyungang Lianyu Construction Supervision Co., Ltd	Controlled by the same parent company
Changsha Huaxing Construction Supervision Co., Ltd	Controlled by the same ultimate controlling shareholder
Syngenta Crop Protection AG	Controlled by the same ultimate controlling shareholder
Southwest Chemical Research and Design Institute Co. LTD	Controlled by the same ultimate controlling shareholder
Sinochem Finance Co., Ltd	Controlled by the same ultimate controlling shareholder
SinoChem Environmental Technology Engineering Co., LTD	Controlled by the same ultimate controlling shareholder
Sinochem Information Technology Co., LTD	Controlled by the same ultimate controlling shareholder
Nanjing Sanfang Chemical Equipment Supervision Co., Ltd.	Controlled by the same ultimate controlling shareholder
Etexe Technologies Limited	Controlled by the same ultimate controlling shareholder

Sinochem Zhoushan Hazardous Chemicals Emergency Rescue Base Co., Ltd.	Controlled by the same ultimate controlling shareholder
GDEM Conseil	Other: Company owned by the Director of the Board
JMD International SAS	Other: Company owned by the Director of the Board

5. Related party transactions

√ Applicable   Not applicable

(1) Related party transactions of purchasing and sale of goods, rendering and receiving of labor services

Purchasing of goods/ receiving of labor services

Unit: Yuan Currency: RMB

Related party	Contents of Related party transactions	Amount incurred of current period	Amount incurred of last period
Huaxia Hanhua Chemical Equipment Co., Ltd	Purchase of goods and services	760,445	510,625
Elkem Silicones France SAS	Purchase of goods and services	200,629	123,004
Hangzhou Water Treatment Technology Development Center Co., Ltd	Purchase of goods and services	124,954	28,850
Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	Purchase of goods and services	529,664	371,814
Lianyungang Lianyu Construction Supervision Co., Ltd	Purchase of services	14,222	428,103
China Bluestar Lehigh Engineering Corp Co. Ltd	Purchase of services	93,962	405,189
Bluestar Beijing Cleaning Technology Co. LTD	Purchase of services	2,764,245	1,586,604
GDEM Conseil	Purchase of services		125,955
JMD International SAS	Purchase of services	462,990	
Southwest Chemical Research and Design Institute Co. LTD	Purchase of goods	369,292	
Sinochem Information Technology Co., LTD	Purchase of services	204,076	57,317
Nanjing SanFang Chemical Equipment Supervision Co. LTD	Purchase of goods and services		411,365
Sinochem Zhoushan Hazardous Chemicals Emergency Rescue Base Co., Ltd	Purchase of goods and services	115,660	
Sinochem Juyuan Enterprise Management (Beijing) Co., Ltd. Quanzhou Branch	Purchase of services	51,650	
Shenyang Research Institute of Chemical Industry	Purchase of services	498,113	
Calysseo (Chongqing) Co., Ltd	Purchase of goods	9,823,796	

Sale of commodities/ rendering of labor services

Unit: Yuan Currency: RMB

Related party	Contents of related party transactions	Amount incurred of current period	Amount incurred of last period
Elkem Silicones France SAS	Sales of goods	5,727,873	7,881,184
Syngenta Crop Protection AG	Sales of goods	316,377	287,347
Calysseo Limited	Providing services	106,572	144,156
Calysseo (Chongqing) Co., Ltd	Providing services	707,836	
Etexe Technologies Limited	Sales of goods	14,437,330	13,163,018

(2) Trust / contracting with related parties

Applicable √ Not applicable

(3) Leases with related parties

As lesser:

Applicable √ Not applicable

As lessee:

√ Applicable   Not applicable

Unit: Yuan Currency: RMB

Name of Leasers	Categories of leased assets	Lease expenses incurred on short-term leases and low value asset leases under simplified treatment (if applicable)		Lease paid	
		Current period	Last period	Current period	Last period
China National Bluestar (Group) Co, Ltd	Office building	252,000	238,272	-	238,272

-

(4) Guarantee with related parties

Applicable √ Not applicable

(5) Lending and borrowing with related parties

Applicable √ Not applicable

(6) Transfer of assets or debts restructuring with related parties

Applicable √ Not applicable

(7) Compensation paid for key management personnel

√ Applicable Not applicable

Unit: Ten Thousand Yuan Currency: RMB

Items	Current period	Last period
Remuneration of key management	2,219	2,137

(8) Other related party transactions

√ Applicable Not applicable

Refer to Section 6 XII. Significant related-party transactions for other related party transactions.

6. Accounts receivable from and payable to related parties

(1) Accounts receivable

Unit: Yuan Currency: RMB

Items	Related parties	Closing balance		Opening balance	
		Book value	Provision for bad debts	Book value	Provision for bad debts
Accounts receivable	China National Bluestar (Group) Co. Ltd			8,629,402	
Accounts receivable	Elkem Silicones France SAS	2,298,510		1,972,659	
Accounts receivable	Etexe Technologies Limited			1,054	
Other receivables	Calysseo Limited	121,028,466		116,180,883	
Other receivables	Calysseo (Chongqing) Company Limited	5,979,840		5,229,534	
Other receivables	Changsha Huaxing Construction Supervision Co., Ltd			600	
Advances to suppliers	Huaxia Hanhua Chemical Equipment Co., Ltd	939,225			
Advances to suppliers	SinoChem Environmental Technology Engineering Co., LTD	44,885,334			

(2) Accounts payable

Unit: Yuan Currency: RMB

Items	Related party	Closing book balance	Opening book balance
Other payables	Bluestar Silicon Investment Co., Ltd	3,054,324	11,675,901
Other payables	China National BlueStar (Group) Co. Ltd	252,000	
Other payables	Lianyungang Lianyu Construction Supervision Co., Ltd	586,675	572,453
Other payables	China Bluestar Lehigh Engineering Corp Co. Ltd	93,962	
Other payables	Bluestar Beijing Cleaning Technology Co. LTD	2,530,900	
Other payables	Haohua Zhongyi Hebei New Materials Co. LTD		46,903
Other payables	Huaxia Hanhua Chemical Equipment Co., Ltd	852,709	218,370
Other payables	Southwest Chemical Research and Design Institute Co. LTD	417,300	

Other payables	Nanjing SanFang Chemical Equipment Supervision Co. LTD	371,318	371,318
Other payables	Tianhua Chemical Machinery and Automation Research and Design Institute Co. Ltd	210,000	180,708
Other payables	Sinochem Information Technology Co., LTD	91,389	253,135
Other payables	ZhongHao ChenGuang Chemical Research Institute Co. LTD	126,589	
Other payables	Lanzhou Bluestar Cleaning Co., Ltd		1,100
Other payables	Sinochem Zhoushan Hazardous Chemicals Emergency Rescue Base Co., Ltd	22,400	94,812
Other payables	Shenyang Research Institute of Chemical Industry	200,000	
Other payables	GDEM Conseil		21,000
Contract liabilities	Etexe Technologies Limited	592,257	

7. Commitment to related parties

Applicable √ Not applicable

8. Other

Applicable √ Not applicable

XIV. Share-based payments

Applicable √ Not applicable

XV. Capital management

The Group’s capital management policies aim to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts. The Group's total capital is calculated as ‘shareholder’s equity’ as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and manages capital using gearing ratio.

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Total Borrowings	1,666,957,705	2,058,264,741
Less: Cash at bank and on hand	1,024,745,046	1,005,227,559
Net Debt	642,212,659	1,053,037,182
Total owners' equity	15,191,406,774	15,064,868,497
Total Capital	15,833,619,433	16,117,905,679
Gearing ratio	**4.06%**	**6.53%**

XVI. Commitments and Contingencies

1. Important commitments

√ Applicable Not applicable

(1) Capital commitments

Capital expenditures contracted for but not yet necessary to be recognized on the balance sheet:

Unit: Yuan Currency: RMB

Commitment type	Closing balance	Opening balance
Houses, buildings and machinery equipment	592,763,099	467,740,948
Total	**592,763,099**	**467,740,948**

2. Contingencies

Applicable √ Not applicable

3. Other

Applicable √ Not applicable

XVII. Matters after the Date of Balance Sheet

1. Important non-adjustment matters

Applicable √ Not applicable

2. Profit distribution

3. Applicable √ Not applicable

4. Sales return

Applicable √ Not applicable

5. Others

Applicable √ Not applicable

XVIII. Other Important Matters

1. Corrections of prior period errors

Applicable √ Not applicable

2. Debt restructuring

Applicable √ Not applicable

3. Assets restructuring

Applicable √ Not applicable

4. Annuity plan

Applicable √ Not applicable

5. Discontinued operation

Applicable √ Not applicable

6. Segment information

√ Applicable Not applicable

(1) Identifying reportable segments and accounting policy

√ Applicable Not applicable

Reporting segments are determined according to operating segments, which is in accordance with the Group's internal organization structure, management requirements and internal reporting system. The Group only has one reporting segment – Health and nutrition.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(2) Financial information of reportable segments

√ Applicable Not applicable

Current period

Unit: Yuan Currency: RMB

Items	Health & Nutrition	Total
Revenue from external customers	7,260,948,548	7,260,948,548
Revenue from transactions with other segments		
Operating cost	4,984,047,631	4,984,047,631
Asset impairment losses	(17,430,209)	(17,430,209)

Credit losses	(1,445,788)	(1,445,788)
Interest income	12,786,206	12,786,206
Interest expense	38,234,787	38,234,787
Investment income from associates and joint ventures	(38,595,673)	(38,595,673)
Depreciation and amortization	761,072,417	761,072,417
Profit before income tax	789,091,801	789,091,801
Income tax expense or benefit	181,712,855	181,712,855
Net profit	607,378,946	607,378,946
Total assets	21,416,897,892	21,416,897,892
Total liabilities	6,225,491,118	6,225,491,118

(3) Explanation of the Group without reportable segment or cannot disclose the total assets or total liabilities of reportable segment

Applicable √ Not applicable

(4) Other explanation

√ Applicable Not applicable

Operating revenue from external customers by product
Refer to the Note VII.40 - *Detail of main businesses*.

Specified non-current assets by geographical location:

Unit: Yuan Currency: RMB

Country or region	Non-current assets other than financial assets and deferred income tax assets	
	Closing balance	Opening balance
Europe / Africa/MO	8,748,721,059	9,045,011,353
North & Central America	187,123,490	184,171,431
Asia / Pacific(excluded China)	64,639,451	64,461,253
South America	71,259,720	76,384,420
China	5,167,232,737	5,289,447,491
Total	**14,238,976,457**	**14,659,475,948**

7. Other important transactions and matters have impact on decision of investors

Applicable √ Not applicable

8. Others

Applicable √ Not applicable

XIX. Main Items in the Financial Statements of the Company

1. Cash at bank and on hand

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Cash on hand		
Cash at bank	1,232,089	551,859
Other monetary funds		
Cash deposited in finance companies	4,958,273	15,349,456
Total	**6,190,362**	**15,901,315**

As at 30 June 2024 and 31 December 2023, no restricted funds within the company.

2. Other receivables

(1) Other receivables by categories are as follows:

Unit: Yuan Currency: RMB

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	165,469,080	
Other receivables	8,881,508	7,150,208
Total	**174,350,588**	**7,150,208**

(2) Interest receivable by deposit type

Applicable √ Not applicable

(3) Dividends receivable

√ Applicable Not applicable

Items	Closing balance	Opening balance
Bluestar Adisseo Nutrition Group Limited	165,469,080	

(4) Other receivables

Applicable √ Not applicable

Items	Closing balance	Opening balance
Bluestar Adisseo Nutrition Group Limited	165,469,080	

3. Long-term equity investments

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Closing balance			Opening balance		
	Book balance	**Impairment reserve**	**Book value**	**Book balance**	**Impairment reserve**	**Book value**
Investments in subsidiaries	10,500,492,549		10,500,492,549	10,500,492,549		10,500,492,549
Investments in joint ventures and associates						
Total	**10,500,492,549**		**10,500,492,549**	**10,500,492,549**		**10,500,492,549**

(1) Investments in subsidiary companies

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Invested units	Opening balance	Amount increased of current period	Amount decreased of current period	Closing balance	Impairment reserve in current period	Closing balance of impairment reserve
Bluestar Adisseo Nutrition Group Limited	10,500,492,549			10,500,492,549		
Total	**10,500,492,549**			**10,500,492,549**		

4. Other payables

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Loans due to subsidiaries	0	0
Dividends payable	160,914,076	0
Others	29,967,302	30,537,104
Total	**190,881,378**	**30,537,104**

5. Gain on investments

√ Applicable Not applicable

Unit: Yuan Currency: RMB

Items	Amount incurred of current period	Amount incurred of last period
Gain on long-term equity investments subject to accounting with cost method	165,469,080	431,173,470
Gain on dividend from investment in other equity instrument		

Gain from disposal of investment in other equity instrument		
Total	**165,469,080**	**431,173,470**

6. Other

Applicable √ Not applicable

XX. Supplementary Data

1. Schedule of non-recurring gain or loss of current period

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	For the six months ended 30 June 2024	Description (if applicable)
Net profit or loss on disposal of non-current assets	(620,931)	Scrapping of non-conform or defective equipment
Government grants recognized in profit or loss, other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard	12,702,833	Mainly grants related to assets for land use right and industrial structure adjustment in Nanjing plant and related to R&D policy
Profit or loss on changes in fair value		
One-off expenses incurred for discontinued operations of the Company, such as severance payments	(128,865,550)	Restructuring cost
Other non-operating income or expenses other than the above	(11,145,269)	
Less: Impact of income tax	(30,841,915)	
Impact of non-controlling interest (after tax)		
Total	(97,087,002)	

2. Net return on assets and earnings per share

Profit of the reporting period	Weighted average return on net assets (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's common share holders	4.00	0.23	0.23
Net profit attributable to the Company's common shareholders after deduction of non-recurring gain or loss	4.64	0.26	0.26

3. Differences between amounts prepared under foreign accounting standards and China Accounting Standards

Applicable √ Not applicable

4. Other

Applicable √ Not applicable

Section 11 Document for Reference

1	Financial statements signed and sealed by principal, person in charge of financial function, person in charge of the financial department.
2	The original copies of all documents and announcements of the Company publicly disclosed in the newspapers designated by the CSRC during the reporting period.

Legal representative: Zhigang HAO
Approved by the Board for submission on: August 29, 2024