Bluestar Adisseo Company
2022 Annual Report of Independent Directors

In 2022, we, as independent directors of Bluestar Adisseo Company ("the Company"), according to the *Company Law* and the *Articles of Association of Bluestar Adisseo Company*, fulfilled our duties in a diligent and conscientious manner, learned about the Company operation situation, actively attended related meetings, earnestly deliberated all proposals of Board of Directors and Special Committee, and provided independent opinions on related issues, thus fully playing the role of independent directors and protecting the interests of the Company and shareholders, especially the small and medium shareholders. The 2022 annual work report of independent directors is as follows:

1. Basic information on independent directors

The Company held the first interim meeting of shareholders for FY2021 in September 2021, which deliberated and elected the independent directors of the 8th session of the board of directors. They are Mr. Ding Yuan, Ms. Caroline Grégoire Sainte-Marie and Mr. Zang Hengchang.

The profile of each independent director is as follows:

Ding Yuan: Dr. Ding was born in 1969, French. Dr. Ding received his Ph.D. from the Institute of Enterprises Administration at the University Montesquieu Bordeaux IV, France in May 2000. Mr. Ding has over 20 years of experience in teaching and research in financial accounting, financial statement analysis, corporate governance and mergers and acquisitions. From September 1999 to September 2006, Mr. Ding is a tenured professor of accounting and management control at HEC School of Management, Paris, France. Since joined CEIBS in September 2016, Mr. Ding is Vice President and Dean, Cathay Capital Chair Professor in Accounting. He has also served and continues to serve on the Boards of Directors of several listed firms and financial institutions: Man Wah Holdings Limited (2016.12-, stock code: 1999), Zhuolang Smart Technology limited Company(2018.05-,stock code:600545), Gujing Group (2008.07-2011.06, stock code: 000596), Shanghai Lujie Kunchi Group Co., Ltd (2020.12-), JS Global Life Co., Ltd (2022.09-, stock code: 01691(HK)), H&H (2023.01-, stock code:01112(HK)), Anhui Gujing Gongjiu Co., Ltd (2008.06-2011.06, stock code: 000596), TCL (2008.06 - 2014.06, stock code: 000100), Red Star Macalline (2012.03–2018.12, stock code: 1528(HK), 601828(SH)), MagIndustries Corp. (2011.07 – 2015.06, stock code: MAA), Landsea Group (2013.07-2019.05, stock code:106), and serves as a director in Jaccar Holdings. Since 2018, he has been the Independent Director of the Company and the Chairman of Audit, Risk and Compliance Committee.

Caroline Grégoire Sainte-Marie: Ms. Caroline Grégoire Sainte-Marie was born in 1957, French. She graduated from Institut d'Études Politiques Paris and Université Droit Paris Sorbonne in 1979. She has served as Chief Financial Officer and Finance and IT Manger for Volkswagen France (1996-1997), Chief Financial Officer for Lafarge Specialty Products (1997-1999), Senior Vice President Mergers & Acquisitions with Lafarge Cement Division (2000-2004), Chief Executive Officer Germany and Czech Republic Groupe Lafarge (2004-2006), President and Chief Executive Officer Tarmac France/Belgium (2007-2009) and President, Chief Executive Officer Frans Bonhomme (2009-2011), independent director of Elkem (2018-2021.4), independent director of GROUPAMA (2011-2022.6) and investor of Calyos Belgium

(2014-2022.7). Since 2018, she has served as independent director of FNAC DARTY. Since 2019, she has served as independent director of VINCI (Euronext Paris (compartment A), FR0000125486). Since 2021, she has been the Independent Director of the Company and the Chairman of Remuneration Committee.

Zang Hengchang: Mr. Zang was born in 1964, Chinese, graduated from school of pharmacy, Shandong University, majoring in Microbiology and biochemical pharmacy, with a doctor's degree. From July 1985 to September 1987, he served as assistant professor of Department of health chemistry, Shandong Medical University; From July 1990 to April 1991, he served as assistant professor of Laboratory Animal Laboratory of Shandong Medical University; From May 1991 to July 2000, he was the factory director, engineer and senior engineer of experimental pharmaceutical factory of Shandong Medical University; From July 2000 to April 2007, he was the general manager, senior engineer and researcher of Shandong Shanda Kangnuo Pharmaceutical Co., Ltd; Since April 2007, he has been a researcher in school of pharmacy of Shandong University. He is now an independent director of Shandong Luhua Longxin Biotechnology Co., Ltd. and an external director of Shandong Luhua Energy Group Co., Ltd.. Since 2021, he has been the Independent Director of the Company and the Chairman of Nomination Committee.

Description of independence
As independent directors of the Company, we all have the qualifications of independent directors and the independence required by laws and regulations. There is no employment relationship, transaction relationship, kinship and other situations affecting our independence with the company, its main shareholders, and actual controllers, and we can maintain objective and independent professional judgment in performing our duties.

2. Annual performance of independent directors

2.1. Information on attending the meetings of the Board of Directors

The company held 6 meetings of the Board of Directors (6 meetings held through communication voting) this year, 6 meetings of Audit, Risk and Compliance Committee of the Board of Directors, 4 meetings of Remuneration and Appraisal Committee of the Board of Directors, 1 meeting of Strategic Committee of the Board of Directors, 2 meetings of Nominating Committee and two shareholders' meetings.

Name of directos	Attendance at Board Meeting						Attendance at Special Committee Meetings	Attendance at General meetings
	Required attendance at Board meetings in the term of office this year	Attend-ance in Person	Participation by communications	Attend-ance by proxy	Absence	Consecutively Absent from two meetings	Attendance frequency at Special Committee Meetings	Attendance frequency at the general meeting of shareholders
Ding Yuan	6	0	6	0	0	No	12	0

Caroline Grégoire Sainte-Marie	6	0	6	0	0	No	12	0
Zang Hengchang	6	0	6	0	0	No	3	2

2.2. Information on the site inspection and the cooperation between the Company and independent directors

In 2022, during the preparation of periodic reports by the Company, we carefully listened to the management on the introduction to related issues, got in-depth understanding about the corporate operation and development, then offer constructive opinions and suggestions for proposals deliberated at the meetings of the Board of Directors relying on our professional knowledge and experience in business management, thus fully playing a role of guidance and supervision and promoting the operation's compliance of the Company's internal management.

The management of the Company paid high attention to the communication with us and provided us with periodic information on the Company's production and operation, and the progress of major issues, thus laying a solid foundation for the performance of our duties.

3. Key issues in the annual performance of independent directors

3.1. Investment projects

For the investment projects planned by the Company, the independent directors enquire the Company for relevant information of target project, the logistics and expected profit behind the decision, then make professional judgement. For other major projects in progress, i.e., the new platform in Nanjing, we continuously pay attention to their on-going progress. These actions protect the benefit of shareholders, especially the minority shareholders.

3.2. Related transactions

Independent directors provided independent opinions on the day-to-day related transactions in FY2022 of the Company, holding the opinion that the Company in line with regulations, and the day-to-day related transactions of 2022 have been done following the arm-length principle. The transaction prices are based on the market prices, so as to ensure that related transactions are performed in a fair, impartial and open manner. Therefore, the day-to-day related transactions in FY2022 of the Company follow related laws and regulations, bringing no damage to the interests of stockholders of the Company.

3.3. External guarantee and fund occupation

Independent directors provided independent opinions on the external guarantee in FY2022 of the Company, holding the opinion that in 2022, the Company did not have any external guarantees, nor provide any guarantee for controlling shareholders, related party who held less than 50% of the Company's shares, any organizations other than legal entities or individuals. The controlling shareholders and their related parties did not occupy funds for non-operational activities.

3.4. Remuneration of senior management personnel

In 2022, the remuneration of senior management personnel of the Company was defined and paid in line with the approved remuneration policy, and it is accordance with the actual performance of the Company, which facilitated senior management personnel in improving their sense of duty and entrepreneurial spirit.

3.5. Appointment of and change in the accounting firm

Through inspection and evaluation on the auditing work of KPMG Huazhen LLP, we held the opinion that related personnel of this firm have professional quality, strictly abide by related regulations, follow practice rules, and complete auditing work as planned. We hereby agree to continue appointing KPMG Huazhen LLP as the audit authority of 2023 of the Company.

3.6. Cash dividends and other investor returns

Independent directors provided independent opinions on dividend plan for 2022: the Company’s proposal on dividends distribution is based on comprehensive analysis of operation circumstances, capital requirements, financing cost, external financing environment, interests of minority shareholders and regulatory policies, etc., which fully considers the Company’s current and further development, profit scale and demand for investment capital, etc. The proposal achieved a balance between the business prospects and shareholder return.

The company's profit distribution plan for 2021 have been successfully implemented, which has effectively improved investors’ return.

3.7. Fulfillment of commitments of the Company and stockholders

The Company and shareholders fulfill their commitments. There is no breach of commitments notes.

3.8. Implementation of information disclosure

In FY2022, the Company fulfilled the duty of information disclosure according to the “*Securities Law of the People’s Republic of China*”, the “*Administrative Measures on Information Disclosure by Listed Companies*”, the “*Listing Rules issued by Shanghai Stock Exchange*”, and the “*Transaction Management System for Information Disclosure of the Company*”. The information is disclosed in a timely, effective, truthful and accurate manner, to protect shareholders’ interests.

3.9. Implementation of internal control

The Independent Directors receive the reports from management on C-SOX implementation progress and keep close monitor on it. The Company has further improved the internal control system and applied it effectively. There is no violation against the “*Basic Standards of Internal Control in Enterprises*” required by SSE and internal control regulations.

3.10. Quick report

During the reporting period, the company issued the announcement on 2022 quick report (No.: 2023-001). After verification, we believe that the release of the Company's 2022 quick report complies with the relevant regulations of Shanghai Stock Exchange, and it is consistent with the Company's audited actual performance, and there is no case of issuing performance correction announcement or damaging the interests of investors.

3.11. Operational conditions of the Board of Directors and its special committees

In 2022, the Board of Directors and its special committees actively and earnestly fulfilled their duties. The Company held 6 meetings of the Board of Directors. Such meetings deliberated and passed the 2021 annual report of the Company, the day-to-day related transactions, and the significant investments, which support the business development of the Company. Besides, in combination with the actual situation of the company, the rights of the board of directors were implemented, with the following measures deliberated and passed successively: Implementation Plan of Bluestar Adisseo Company on the Functions and Powers of the Board of Directors, Measures of Bluestar Adisseo Company for the Administration of Authorizations from the Board of Directors, Bluestar Adisseo Company Management Measures for Liability, Bluestar Adisseo Company Management Measures for Donation, Bluestar Adisseo Company Management Measures for Total Wages, Bluestar Adisseo Company Management Measures for Compensation & Performance of Senior Management Team, Bluestar Adisseo Company Management Measures for the Selection and Recruitment of Senior Management, Bluestar Adisseo Company Management Measures for External Guarantees and the 14^{th} Five Year Development Plan of Bluestar Adisseo Company.

The essential roles of the Audit Committee of the Board of Directors of the Company are to deliberate the 2021 financial report, supervise the preparation of the annual report for FY2021, recommend the engagement of 2022 auditor for the Company, review auditor’s report on 2022 annual audit plan, supervise and evaluate the annual audit of auditors.

The primary responsibility of the Strategic Committee is to evaluate management’s business plan and major investment projects, providing their advice.

The Remuneration and Appraisal Committee is designed to formulate and enforce the Company's annual assessment remuneration policy.

The Nomination Committee reviews the basic information of new EXCOM member and deliberated the proposal on Bluestar Adisseo Company Management Measures for the Selection and Recruitment of Senior Management.

3.12. Other issues for listed companies to be improved as confirmed by independent directors

None.

4. Overall Evaluation and Suggestions

In 2022, the Company’s operating was compliance with rules; the production and the operation were normal; the financial operation was steady; the related transactions were fair, transparent and in arm-length; the information disclosure was true, accurate, complete, and timely. We, as independent directors of the Company, in line with the principle of faith, and fulfilled our duties diligently. Keeping independence in our work, we imposed positive influence on the Company’s standardized operation and the corporate governance structure.

In 2023, we will continuously follow the diligent and faithful principles, earnestly carry out our duties, to play an effective role in decision-making and supervision as independent directors.

We will protect the legitimate rights and interests of the Company and all shareholders, especially minority shareholders, thus making contributions to the development of the Company.

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