Company Code：600299 **Company Abbreviation：Adisseo**

Bluestar Adisseo Company.
Internal Control Assessment Report of 2020

To all shareholders of Bluestar Adisseo Company,

In accordance with the Basic Standard for Enterprise Internal Control, the Application Guidelines and the Guidelines herein, combining internal control system and assessment method of the company, on the basis of the daily supervision and special supervision of internal control, we assessed the effectiveness of the internal control on 31 December 2020 (the base date of the internal control assessment report).

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

I.Important Statement

It's the responsibility of the Board of Directors in the company to establish sound and effective implementation of internal control, assess its effectiveness and actually disclose the internal control assessment report in accordance with the provisions of the enterprise internal control system. The Board of Supervisors supervises the Board of Directors' establishment and implementation of internal control. The management is responsible for organizing the daily operation of the company's internal control. The Board of Directors, the Board of Supervisors, Directors, Supervisors and Senior Management ensure that there are no false records, misleading statements or material omissions in the report. They bear individual and joint legal liability for the authenticity, accuracy and completeness of the contents of the report.

The objectives of the company's internal control are to reasonably ensure the legal compliance of business management, ensure the security of assets, ensure the authenticity and completeness of the financial statements and related information, improve the efficiency and effect of the operation and promote the realization of the development strategy. Due to the inherent limitations of internal control, it can only provide reasonable assurance for achieving the above objectives. In addition, the changes in the situation may make internal control become inappropriate, or they may make control policies and procedures reduce the degree of compliance, so inferring the effectiveness of internal control in the future according to the result of Internal Control Assessment has a certain risk.

II.The Conclusion of Internal Control Assessment

1. **On the base date of the internal control assessment report, did the financial statements' internal control have material deficiencies?**

   ☐ Yes ☑ No

2. **The conclusion of financial statements' internal control assessment**

   ☑ Effective ☐Ineffective

In accordance with the identification criteria of material deficiencies for financial statements' internal control，on the base date of the internal control assessment report, the company didn't find material deficiencies in the financial statements' internal control. The Board of Directors thinks that in accordance with the internal control system and related regulations, the company has maintained effective internal control of financial statements in all significant respects.

3. **Were any material deficiencies of non-financial statements' internal control identified?**

   ☐ Yes ☑ No

In accordance with the identification criteria of material deficiencies for financial statements' internal control，on the base date of the internal control assessment report, the company didn't find material deficiencies in the non-financial statements' internal control.

4. **The factors affecting the conclusion on effectiveness of internal control assessment from the base date to the report date of the internal control assessment report**

   ☐Applicable ☑ Not applicable

   From the base date to the report date of the internal control assessment report, there are no factors affecting the conclusion on effectiveness of internal control.

5. **Is the audit opinion of internal control the same as the effectiveness conclusion of financial statements' internal control assessment?**

☑ Yes ☐ No

6. **Is the disclosure about material deficiencies of non-financial statements' internal control in the internal control audit report the same as the one in the company's internal control assessment report?**

☑ Yes ☐ No

III.The Work of Internal Control Assessment

(I) The Scope of Internal Control Assessment

In accordance with the risk-oriented principle, the company determines the main entities, business, events and the high-risk areas included in the scope of the assessment.

1. **The main entities included in the scope are:** Bluestar Adisseo Company, Adisseo France S.A.S, Adisseo España S.A., Adisseo USA Inc., Adisseo Brazil Nutriçao Animal Ltda., Bluestar Adisseo (Nanjing) Co. Ltd, Adisseo Life Science (Shanghai) Co. Ltd, Adisseo Asia Pacific Pte. Ltd.

2. **The percentage of the entities included in the scope:**

Index	Percentage（%）
The ratio of total assets included in the scope of assessment to the total amount of assets of the company's consolidated financial statements.	>85%
The ratio of total gross revenue included in the scope of assessment to the total amount of gross revenue of the company's consolidated financial statements.	>80%

3. **The main business and events included in the scope include:**

Entity-Level Controls, Sales, Purchasing, Inventory, Human Resources, Tax, Treasury, Fixed & Intangible Assets, Research & Development, Pensions, Consolidation, Budget, IT system.

4. **The high-risk areas of management's focus mainly include:**

(1) HSE (safety) or Environment Protection
(2) Management, with Board oversight, establishes structure, authority and responsibility
(3) The changes in important accounting policies and accounting estimates are properly approved, resulting in proper use of accounting policies.

(4) The timeliness and Integrity of recognized revenue, fair valuation of inventories, fair valuation of assets.

5. The above entities, business, events and the high-risk areas included in the scope of the assessment has covered main respects of the company's management. Are there material omissions?

☐ Yes ☑ No

6. Is there statutory exemption?

☑Yes ☐ No

According to the exemption clause of the "Answer to the regulatory issues of internal control system implemented by listed companies" (1st issue of 2011, total 1st issue) issued by *China Securities Regulatory*, such acquired companies could be exempted for the assessment of internal control effectiveness over the financial report in the current year, where the merger and acquisition transactions occurred in the reporting year.

Therefore, Franklin Group B.V., acquired in 2020, was not included in the scope of internal control assessment this year.

7. Other explanations

None.

(II) The Basis of Internal Control Assessment and the Identification Criteria for Internal Control Deficiencies

In accordance with the enterprise internal control system and internal control self-assessment plan, the company organizes the internal control assessment.

1. Whether the specific identification criteria for internal control deficiencies are adjusted with the previous years' ones?

☐ Yes ☑ No

In accordance with the identification requirements of enterprise internal control system for material deficiencies, significant deficiencies and general deficiencies, and taking into consideration factors such as the company size, industry characteristics, risk appetite and risk tolerance, the Board of Directors has differed the financial statements' internal control from non-financial statements' internal control and determined the specific criteria for the internal control deficiencies which are applicable to the company. The specific identification criteria are consistent with the previous year's ones.

2. The identification criteria for financial statements' internal control deficiencies

The company's quantitative criteria for the financial statements' internal control deficiencies are as follows:

Index	Quantitative Criteria for Material Deficiencies	Quantitative Criteria for Significant Deficiencies	Quantitative Criteria for General Deficiencies
Potential misstatement in profit before tax	The potential misstatement is larger than or equal to RMB 100m representing 5% of the 2020 profit before tax	The potential misstatement is between RMB 50m and RMB 100m representing 2.5% and 5% of profit before tax	The potential misstatement is less than RMB 50m representing 2.5% of profit before tax
Potential misstatement in assets	The potential misstatement is larger than or equal to 206m, representing 1% of total assets	The potential misstatement is between RMB 103m and RMB 206m representing 0.5% and 1% of total assets	The potential misstatement is less than RMB 103m representing 0.5% of total assets

Explanation:

None.

The company's qualitative criteria for the financial statements' internal control deficiencies are as follows:

Quality of Deficiencies	Qualitative Criteria
Material deficiencies	• Identification of fraud on the part of Senior Management including Directors, Supervisors and Senior executives with a significant impact on financial statements • Confidential information leakage, unauthorized changes or data leakage and the destruction of the software and hardware of the system lead to great losses or major errors in the financial records of the business • Ineffective oversight of the entity's financial reporting and internal control by Audit committee and Internal audit department
Significant deficiencies	A significant deficiency refers to a control deficiency or a combination of control deficiencies with a lesser significance and economic consequence than that of a material deficiency, but that may still lead to an enterprise' s deviation from its control objectives.
General deficiencies	All other deficiencies apart from material deficiencies and significant deficiencies.

Explanation:

None.

3. The identification criteria for non-financial statements' internal control deficiencies

The company's quantitative criteria for the non-financial statements' internal control deficiencies are as follows:

Index	Quantitative Criteria for Material Deficiencies	Quantitative Criteria for Significant Deficiencies	Quantitative Criteria for General Deficiencies
Direct property loss	Direct property loss is larger than or equal to RMB 100m representing 5% of the 2020 profit before tax	Direct property loss is between RMB 50m and RMB 100m representing 2.5% and 5% of 2020 profit before tax	Direct property loss is less than RMB 50m representing 2.5% of 2020 profit before tax

Explanation：

None.

The company's qualitative criteria for the non-financial statements' internal control deficiencies are as follows:

Quality of Deficiencies	Qualitative Criteria
Material deficiencies	• Inadequate governance leads to recurring, significant losses being incurred by the Company; • Non-compliance with applicable laws and regulations, resulting in significant sentence from the authorities against the Company; • The material & significant deficiencies identified in the previous year are not remediated; • Inadequate decision making-process leads to a significant deviation from the Company's strategic objectives and results in material economic losses; • Serious loss of managers affects the normal operation of the enterprise • Other deficiencies that may have a material influence on investors' investment decisions
Significant deficiencies	• The general deficiencies identified in the previous year are not rectified and reasonably explained; • Not scientific major decision-making process causes great direct economic loss; • Other deficiencies that may have a significant influence on investors' investment decisions.
General deficiencies	General deficiencies refer to all other deficiencies apart from material deficiencies and significant deficiencies.

Explanation:

None.

(III)The identification and rectification of internal control deficiencies

1. The identification and rectification of financial statements' internal control deficiencies

1.1. Material deficiencies

Are there material deficiencies of financial statements' internal control during the reporting period?

☐ Yes ☑ No

1.2. Significant deficiencies

Are there significant deficiencies of financial statements' internal control during the reporting period?

☐ Yes ☑ No

1.3. General deficiencies

In the self-assessment process, it was noted that some issues were identified. But there was no significant financial exposure. The remediation of these deficiencies has been defined and implemented, including revising and improving related policies, to enforce the implementation of internal controls.

1.4. After the above rectification, on the base date of internal control assessment report, are there material unrectified financial statements' internal control deficiencies?

☐ Yes ☑ No

1.5. After the above rectification, on the base date of internal control assessment report, are there unrectified significant deficiencies of financial statements' internal control?

☐ Yes ☑ No

2. The identification and rectification of non-financial statements' internal control deficiencies

2.1. Material deficiencies

Are there material deficiencies of non-financial statements' internal control during the reporting period?

☐ Yes ☑ No

2.2. Significant deficiencies

Are there significant deficiencies of non-financial statements' internal control during the reporting period?

☐ Yes ☑ No

2.3. General deficiencies

In the self-assessment process, it was noted that some issues were identified. But there was no significant financial exposure. The remediation of these deficiencies has been defined and implemented, including revising and improving related policies, to enforce the implementation of internal controls.

2.4. After the above rectification, on the base date of internal control assessment report, are there unrectified non-financial statements' internal control deficiencies?

☐ Yes ☑ No

2.5 After the above rectification, on the base date of internal control assessment report, are there unrectified significant deficiencies of non-financial statements' internal control?

☐ Yes ☑ No

IV. Other important matters about internal control

1. The rectification of previous year's internal control deficiencies.

☑ Applicable ☐ Not applicable

In the self-assessment process of last year, some issues have been identified without significant financial impact. The remediation of these deficiencies has been defined and implemented.

2. The operation of this year's internal control and the Plan for improvement in the next year

☑ Applicable ☐ Not applicable

General internal control system was effectively conducted by Company. According to control self -assessment and audit work, it was noted that there were several general deficiencies. Those deficiencies will be actively remediated by Company to improve the internal control system. Meanwhile, company will continue to reinforce the establishment of internal control system and enforce the capabilities of risk prevention, to keep the company growing healthily, stably and continually.

3. Other important matters

☐ Applicable ☑Not applicable

The President of the Board（authorized by the Board of Directors）：Jean-Marc Dublanc

Bluestar Adisseo Company

30th March 2021