Company Code: 600299 Company Abbreviation: Adisseo

Bluestar Adisseo Company
Plan for Private Issuing of A-shares

April 2024

Company Statements

1. The Company and the board of Directors warrant the truthfulness, accuracy, and completeness of the contents of this plan as of the announcement date of adoption of this plan. They acknowledge that there are no false records, misleading statements or material omissions contained in this announcement and will take individual and joint responsibilities for the truthfulness, accuracy, and completeness of the announcement.

2. Upon completion of this private issuing, the Company is responsible for the changes in business operation and profitability; whereas the investors shall undertake the risks caused by subscription of the shares issued privately this time.

3. This plan is a description on the private issuing made by the Board of Directors. Any statements contrary to this article are false.

4. Investors shall inquire stock brokers, lawyers, professional accountants and other professional consultants if have any doubt.

5. Descriptions in this plan are not suggesting substantial judgment, confirmation, approval, or verification of the authorities on this private issuing. The effectiveness and completion of the issuance contained in this plan are subject to the approval or verification of the relative authorities.

6. This plan is prepared following the requirements of regulations and regulatory documents such as the "*Administrative Measures for the Issuance of Securities by Listed Companies*”.

Special Prompts

The terms or abbreviations mentioned in this section have the same meanings as defined in the *"Definitions"* section of this plan.

1. The relevant matters regarding the private issuing of A-shares have been examined and passed by the Eighteenth Meeting of the 8th Session of the Board meeting and the Twelfth Meeting of the 8th Session of Board of Supervisors. The plan still needs to be approved by the state-owned assets supervision and administration department , reviewed and approved by the Shareholders' Meeting of the Company, reviewed and approved by the SSE, and registered by the CSRC before implementation.

2. The target subscribers of the private issuing include securities investment fund management companies, securities companies, trust companies, finance companies, insurance investment institutions, asset management companies, qualified foreign institutional investors, other domestic institutional and individual investors, no more than 35 specific subscribers in total. A securities investment fund management company, a securities company, qualified foreign institutional investors or Renminbi qualified foreign institutional investors subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe for the Shares with their own capital. All subscribers are required to subscribe in cash in a lump sum.

After obtaining approval from the SSE and being registered by the CSRC, the final issuing targets will be determined through auction by the Company's Board of Directors and/or authorized representatives, within the scope authorized by the Shareholders' Meeting. This determination will be made in conjunction with the sponsor (lead underwriter), based on the subscription prices proposed by the issuing targets, and in accordance with the relevant laws, regulations, and regulatory documents.

3. The price determination date for the private issuance of shares shall be the first day of the offer period. The issue price shall not be less than 80% of the average trading price of A-shares for the 20 trading days preceding the price determination date (excluding the price determination date. The average trading price of the Company's A-shares preceding the 20 trading days before the price determination date is calculated as the total trading value divided by the total trading volume.), and shall not be less than the latest audited net asset value per Share attributable to the shareholders of the parent company of the Company (In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, adjustments shall be made to the abovementioned net assets per Share accordingly). In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the 20 trading days, the trading prices for those trading days prior to such adjustment shall be adjusted by the ex-right or ex-dividend activities accordingly.

Based on the aforementioned minimum issue price, after obtaining approval from the SSE and being registered by the CSRC, the final issue price will be determined by the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, on an auction basis, based on the subscription prices provided by the issuing targets, following the principle of price priority, but not lower than the minimum issue price mentioned above.

4. The number of shares to be issued of the private issuing will be calculated on the basis of the total funds to be raised from the issuance divided by the issuance price determined by the final auction and will not exceed 30 percent of the total share capital of the Company prior to the issuance, i.e., not more than 804,570,381 shares

(inclusive). Within the aforementioned range, the final issuance number will be determined through negotiations between the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, after obtaining approval from the CSRC.

If there are any events such as dividend distribution, bonus shares, or capitalizing of common reserves resulting in changes to the Company's share capital during the period from the announcement date of the board meeting resolution regarding this offering to the issuance date, or if there are other events resulting in changes to the Company's total share capital, the number of stocks to be issued in this offering and the upper limit will be adjusted accordingly.

The adjustment formula is as follows:

Cash dividends: $P_1=P_0-D$

Bonus issue or capital reserve capitalization: $P_1=P_0/(1+N)$

Both of the above events occur simultaneously: $P_1=(P_0-D)/(1+N)$

Where P_1 is the adjusted offering price, P_0 is the original offering price, D is the cash dividend per share, and N is the number of shares issued as bonus or capital reserve capitalization.

After adjusting the subscription price according to the above method, the total subscription amount remains unchanged, while the number of subscriptions will be adjusted accordingly. The adjusted number is equal to the total subscription amount divided by the adjusted subscription price. Any fractional shares resulting from the calculation shall be discarded.

5. The total amount of the funds to be raised in this offering of A-shares (including issuance expenses) will not exceed RMB 3 billion (including RMB 3 billion). After deducting the issuance expenses, the net amount of funds to be raised will be used for the following projects:

Unit: RMB 100 million

No.	Project Name	Project Place	Total Investment	Proposed Use of Funds to be Raised
1	**Project of performance products**		**49.32**	**17.43**
1.1	The powder methionine project with an annual production capacity of 150,000 tons (PICSAR)	Quanzhou, Fujian, China	49.32	17.43
2	**Projects of specialty products**		**7.00**	**2.57**
2.1	The specialty feed additives project with an annual production capacity of 37,000 tons(FOSIC)	Nanjing, Jiangsu, China	3.05	0.60
2.2	SPain Ester Adisseo transfeR(SPEAR)	Burgos, Spain	3.95	1.97
3	**Sustainable development project**		**3.25**	**1.00**
3.1	Acrylic acid wastewater treatment and recycled water utilization project(PAQUES)	Nanjing, Jiangsu, China	3.25	1.00
4	**Supplementary working capital**		**9.00**	**9.00**
Total			**68.57**	**30.00**

Note: The total investment in the SPEAR project is 50.00 million euros, converted with FX rate 7.9

If the net amount of funds to be raised after deducting the issuance expenses are lower than the total planned investment of the funds to be raised in the above-mentioned projects, the shortfall will be resolved by the Company with self-raised funds. Before the funds to be raised from this issuance are in place, the Company will first invest with self-raised funds according to the actual progress of the fund-raising investment project, and replace them following the requirements and procedures stipulated in relevant laws and regulations after the funds raised are in place. Under the premise of complying with relevant laws and regulations, the Board of Directors and/or its authorized individuals will adjust and ultimately decide on the use of proceeds, priority order, and allocation of the funds raised on the actual net amount raised and the urgency of the projects.

6. Shares issued at this private issuing are not allowed to be transferred in 6

months since the closing day of this private issuing (that is, the date when the shares issued this time are registered in the names of the relevant subscribers). During the above-mentioned trade-limitation period of shares, the shares acquired by the issuing targets due to the Company's bonus shares, capitalization of capital reserves, and other matters shall also abide by the above-mentioned restricted sale of shares. After the trade-limitation period ends, the issuer should reduce the shareholding of the subscribed stocks following the relevant regulations of the CSRC and the SSE.

7. After the completion of this issuance of A shares, the Company's equity distribution will change, but it will not lead to changes in the Company's controlling shareholder and actual controller, and will not cause the Company to fail to meet listing conditions.

8. The resolution will be effective for 12 months since it was approved by the Shareholders' Meeting. If national laws, administrative regulations, departmental rules, or regulatory documents have new regulations on the issuance of A-shares to specific targets, the Company will make corresponding adjustments following the new regulations.

9. The retained profits of the Company before this issuance will be shared by the new and old shareholders after the completion of this issuance following the proportion of shares after the issuance. For the Company's dividend distribution policy, cash dividend distribution in the last three years, use of retained profits, etc., please refer to *"Chapter 5. Formulation and Implementation of the Company's Profit Distribution Policy"* in this plan.

10. Following the requirements of relevant laws and regulations such as the *"Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring"*, the Company analyzed whether the current issuance to specific targets dilutes immediate returns, and put forward specific measures for supplement, please refer to the relevant content of this plan *"Chapter 6. Dilution of Immediate Returns and Measures for Supplement*

in the Private Issuing". The formulation of measures for supplement does not guarantee the Company's future profits.

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Definitions

Unless otherwise indicated, the following abbreviations have the following specific meanings:

Definitions of Common Words/Phrases		
Adisseo, Issuer, Listed Company, Company, The Company	Refers to	Bluestar Adisseo Company
The Issuance / The Issuance to Specific Targets	Refers to	The Company's issuing of shares to specific targets
This Plan	Refers to	Plan for Private Issuing of A-shares in 2024
Price Determination Date	Refers to	The first day of the issuance period for issuing shares to specific targets
Calysta	Refers to	A US-based technology firm that has developed a proprietary Single Cell Protein and its innovative associated manufacturing process
Calysseo	Refers to	Adisseo has formed a joint-venture Company called Calysseo together with Calysta in March 2020
Nanjing Plant / Nanjing Production Platform	Refers to	Bluestar Adisseo Nanjing Co., Ltd.
Sinochem Holdings	Refers to	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
Bluestar Group	Refers to	China National Bluestar (Group) Co., Ltd.
Shareholders' Meeting	Refers to	The Shareholders' Meeting of Bluestar Adisseo Company
Board of Directors	Refers to	The Board of Directors of Bluestar Adisseo Company
Supervisory Board	Refers to	The Board of Supervisors of Bluestar Adisseo Company
Company Bylaws	Refers to	The Company Bylaws of Bluestar Adisseo Company
Company Law	Refers to	Company Law of the People's Republic of China

Securities Law	Refers to	Securities Law of the People's Republic of China
Administrative Measures	Refers to	Administrative Measures for the Issuance of Securities by Listed Companies
Listing Rules	Refers to	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
CSRC	Refers to	The China Securities Regulatory Commission
SSE	Refers to	Shanghai Stock Exchange
SASAC	Refers to	State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China
IPPC permit	Refers to	Integrated Pollution Prevention and Control (IPPC) license is an environmental permit required for the production of related products within the European Union in accordance with the relevant provisions of the EU IPPC Directive and BAT (Best Available Technologies) documents.
UoP	Refers to	Use of proceeds
Yuan, 10 thousand Yuan, 100 million Yuan	Refers to	RMB Yuan, RMB ten thousand Yuan, RMB one hundred million Yuan
Professional Words/Phrases		
Feed additives for animal nutrition	Refers to	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	Refers to	One of the naturally occurring, sulfur-containing essential amino acid, which cannot be synthetized by animals and need to be added to the feed. Methionine product refers to those contain methionine itself or chemicals that can be bio-transformed to methionine in animals
Liquid methionine	Refers to	A methionine hydroxyl analogue, which can be naturally transformed to methionine in animals and is in a liquid state at ambient temperature
Powder methionine	Refers to	Methionine in a powdery state at ambient temperature
Ammonium sulfate	Refers to	A colorless crystalline salt, which is a by-product during the liquid methionine production process, and mainly be used as a fertilizer
Sodium sulfate	Refers to	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.
Acrylic acid	Refers to	A colorless organic compound, which is one of the components in the wastewater produced during methionine production
Enzyme	Refers to	A protein molecule function as a biological catalyst and effectively promote 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	Refers to	Refers to animals whose stomach usually divided into four compartments, namely rumen, reticulum, omasum, and abomasum, and chew a cud consisting of regurgitated, particularly digested food. Ruminants include cattle, sheep, goats, deer, giraffes, camels, etc
Essential amino acids	Refers to	The amino acids that animals cannot synthesize in sufficient quantities on their own and must obtain from food
Performance products	Refers to	The following products: methionine, methionine hydroxyl analogue, vitamins, ammonium sulfate, sodium sulfate and other by-products, sulfur products
Specialty products	Refers to	The following products: enzymes preparation, rumen-protected methionine, organic selenium additives, probiotics additives and other specialties including Norfeed and FeedKind® protein
Hydrolysis method	Refers to	One of the mainstream methods for the preparation of methionine, the methionine preparation method for this fund-raising projects
Cyanohydrin method	Refers to	One of the mainstream methods for the preparation of methionine

Note: If there is any discrepancy between the total count and the sum of the listed values in any table in this plan, it is due to rounding.

Chapter 1 Summary of the Plan for Private Issuing of A-shares

1. Basic Information of the Company

Company Name: Bluestar Adisseo Company

Date of establishment: May 31, 1999

Listing date: April 20, 2000

Listing place: Shanghai Stock Exchange

Company Abbreviation: Adisseo

Company code: 600299

Registered capital: RMB 2,681,901,273

Legal representative: Hao Zhigang

Unified social credit code: 911100007109244940

Registered address: Room 6518, Garden Hotel, 30 East Garden Road, Haidian District, Beijing

Office Address: 9 West Beitucheng Road, Chaoyang District, Beijing

Zip code: 100029

Tel: 010-61958799

Fax: 010-61958805

Business scope: project investment; investment management; technology development, technology transfer, technical services; economic information consulting; enterprise management; (Sales of food, road cargo transportation. For projects that require approval according to the law, business activities shall be conducted following the approved content after obtaining approval from the relevant departments.)

2. The Background and Purpose of this Private Issuing

2.1 The Background of of this Issuance to Specific Targets

2.1.1 Grain consumption is upgraded and the animal nutrition market has broad prospects.

With expanding global population, increasing income per capita in emerging economies and changes in diets in advanced countries, there is higher demand for animal proteins, resulting in constant growth in animal feed additives. Animal nutrition additives play a crucial role in improving the quality and safety of food products, enhancing poultry feed efficiency, reducing adverse environmental impacts, ensuring animal health and high-quality breeding and other aspects. According to data published by Straits Research[1], the global animal nutrition market size was $23.5 billion in 2023 and will grow to $39.1 billion in 2032, at a CAGR of 5.85%. Adisseo has been committed to providing innovative solutions for the feed industry to improve animal performance and yield, reduce waste and feed consumption, and provide economically high-quality meat, milk and eggs for the increasing global population. This helps alleviate existing supply-demand contradictions and is economically feasible in terms of product solutions. Under the background of upgrading consumption of global grain structure, the animal nutrition additives market has broad prospects, and the issuer's business will continue to develop steadily.

2.1.2 Accelerating the process of modern low-carbon agriculture and promoting the realization of green and low-carbon development.

Promoting agricultural and rural emission reduction and carbon sequestration is an important aspect of China's goal to achieve carbon emission peak and carbon neutrality. In October 2022, the National Development and Reform Commission

[1] Animal Nutrition Market Size, Share & Trends Analysis Report, Straits Research, 2023

issued *the Catalogue of Industries Encouraging Foreign Investment (2022 Edition)*, which encourages the development and production of safe, efficient and environmentally friendly feed, feed additives (including vitamins, methionine and feed enzymes) and alternative products to antimicrobial drugs for animal growth promotion. Methionine helps to decrease the amount of protein contained in animal feed, reduce ammonia generated from animal intestinal fermentation, and improve the carbon and nitrogen utilization ratio of anaerobic microorganisms in order to reduce carbon emissions. Specialty products for ruminant animals can effectively improve nitrogen utilization efficiency and reduce urinary nitrogen emissions. As a result, products such as methionine can effectively lower carbon emissions, help animal husbandry and food industries actively take their role of protecting environment and social responsibility, accelerating the progress of green agriculture, and play a significant role in achieving green and low-carbon development.

2.1.3 The Company has been deeply involved in the animal feed additive industry for many years and has accumulated strong technical strength and constructed a comprehensive product portfolio.

The Company is primarily engaged in innovation, production, and sales of animal feed additives, and has become one of the leading global enterprises in the field of animal feed additives after over 80 years of development. With a diverse product portfolio and an integrated industry layout, the Company has established a solid foundation for business expansion. In terms of the industrial scale and technological level, the Company holds industry-leading position in aspects of methionine, vitamins, rumen-protected methionine, enzyme preparations and gut health products. Starting with the methionine business, the Company is the world's second-largest supplier of methionine and the largest supplier of liquid methionine, and it is one of the few global manufacturers that are capable of producing both liquid and powder methionine. At the same time, the Company is also accelerating the expansion of profitable and relatively stable specialty portfolios. From 2014 onwards, Adisseo launched new products/service every year, emphasizing the increasing importance of specialty products in the Company’s strategy. The Company will fully utilize the synergies of its various product categories and provide customers with customized, integrated and diversified product and service solutions through its global sales channels. It aims to accelerate its development process in the favorable environment of industry in which demand expands acceleratively.

2.1.4 The Company has always centered around ESG principles, practicing the concept of sustainable development, and showcasing corporate social responsibility.

Adisseo has always focused on the ESG principles in its operations, practicing the concept of sustainable development, and demonstrating corporate social responsibility. The Company is dedicated to reducing carbon emissions and pursuing its reduction policies. It has set the objective of decreasing by 13% its GHG emissions from 2020 to 2025 while pursuing business growth. In order to achieve these goals, the Company is actively implementing renewable energy projects, employing eco-friendly technologies to strive for sourcing key raw materials needed for production from renewable energy sources, thus reducing the consumption of natural resources. Currently, the nutrition solutions provided by the Company have already demonstrated positive effects in terms of reducing animal waste and greenhouse gas emissions reduction. The Company will continue to reduce the adverse impact of the production process on the environment, including minimizing energy consumption and water resource utilization. The Company will strive for sustainable development in the economy, environment, and society by continuously upholding the principles of Environmental, Social, and Governance (ESG).

2.2 The Purpose of this Issuance to Specific Targets

2.2.1 Implementing the "two-business-pillar" strategy and adhering to sustainable development

Adisseo is implementing a “two-pillar” development strategy, which is continuously consolidating its leadership in methionine industry and accelerating the development of specialty business. Adisseo is also committed to deepening its global collaboration strategy to realize its vision of feeding the planet in a high-quality, affordable, safe and sustainable way. The PICSAR project will effectively expand Adisseo's methionine production capacity in China and optimize its methionine product structure and global production capacity layout, to achieve cost reduction with improved efficiency and ensure supply stability. It is a crucial step in implementing the "two-pillar" strategy and an important measure to realize the ambition of becoming the best methionine player globally. The specialty product projects focus on cost optimization and capacity expansion. It effectively implements the Company's strategic plan to develop the specialty business as its second pillar. Furthermore, the Company actively embraces sustainable development and carries out the acrylic acid wastewater treatment and recycled water utilization project which can reduce the total amount of pollutants discharged and carbon emissions, realize energy saving and emission reduction, and effectively reduce the environment impact.

2.2.2 Expanding the production capacity of methionine products to provide a capacity base for future business expansion

In the future, due to population growth, economic development of emerging economies, and the modernization of the animal husbandry sector, the demand for methionine in the Asia-Pacific area, including China, continues to increase rapidly. Furthermore, as the industry's demand for cost reduction and efficiency enhancement in the methionine sector continues to increase, there is a further requirement for the technical level of methionine manufacturers in the industry. Through this issuance, the Company will further increase its existing methionine production capacity and provide a sufficient and highly competitive production capacity foundation for future business expansion

2.2.3 Increasing investment in specialty products to further enhance the development potential of core business

In addition to essential nutrients for animals, Adisseo currently offers various types of specialty products including 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. They contribute to the prudent use of antibiotics, reducing the risk of Antimicrobial resistance (AMR). These specialty products also contribute to the increasing usage efficiency of animal feed and the balance of animal productivity and welfare. In recent years, specialty products such as Rovabio, Selisseo, etc. have shown a rapid development trend and have promising market prospects.

After this issuance, the Company will allocate a portion of the Use of Proceeds (“UoP") funds to increase investment in specialty products. This will promote the market penetration of the Company's specialty products, further enrich the Company's portfolio of specialty products, and effectively enhance the development potential of core specialty business.

2.2.4 Enhancing financial strength of the listed Company, optimizing the financial structure, and satisfying operational capital requirements

The Company belongs to resource-intensive industry and has significant capital-intensive characteristics. The Company requires significant and continuous capital investment for expanding production capacity, conducting research and development activities, supporting production operations, promoting market applications of products and services, and recruiting talent. On one hand, as the Company's methionine and specialty product businesses continue to grow, the Company needs to allocate more funds to satisfy its daily operational requirements. On the other hand, in response to market demands, the Company aims to enrich its existing portfolio of specialty products and expand its end-market coverage, which requires significant investment in research and development of new products and technologies. Therefore, the Company urgently needs to enhance its financial strength to support the sustainable and healthy development of its existing businesses while meeting future business development needs.

This issuance will be beneficial to strengthen the Company's capital healthiness.

A portion of the funds to be raised in this issuance is intended to supplement working capital, optimize the Company's existing asset-liability structure, alleviate short-to-medium-term operational cash flow pressures, and reduce financing risk. Simultaneously, from the perspective of the Company's long-term strategic development, an increase in financial strength will help the Company fully leverage the advantages of a listed Company. It will optimize its industrial chain layout, new business opportunities exploration, talent attraction, and technological research and development and innovation, ultimately enhancing the depth and breadth of its business. The Company will be able to keenly seize market development opportunities and achieve sustainable development.

3. Target Subscribers and their Relationship with the Company

3.1 Target Subscribers

The target subscribers of the private issuing include securities investment fund management companies, securities companies, trust companies, finance companies, insurance investment institutions, asset management companies, qualified foreign institutional investors, other domestic institutional and individual investors, no more than 35 specific subscribers in total. A securities investment fund management company, a securities company, qualified foreign institutional investors or Renminbi qualified foreign institutional investors subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe for the Shares with their own capital. All subscribers are required to subscribe in cash in a lump sum. After obtaining approval from the SSE and being registered by the CSRC, the final issuing targets will be determined through auction by the Company's Board of Directors and/or authorized representatives, within the scope authorized by the Shareholders' Meeting. This determination will be made in conjunction with the sponsor (lead underwriter), based on the subscription prices proposed by the issuing targets, and in accordance with the relevant laws, regulations, and regulatory documents.

3.2 The Relationship of Target Subscribers and the Company

As of the announcement date of this plan, there is no determined target subscribers for the private issuing by the Company, therefore the relationship between the target subscribers and the Company is yet to be confirmed. The Company will disclose the relationship between the target subscribers and the Company in the issuance report that will be announced after the completion of this issuance.

4. Outline of the Plan for Private Issuing of A-shares

4.1 Class and Par Value of Shares to be Issued

Shares to be issued will be common shares in Renminbi (A-shares) with face value of RMB1.00.

4.2 Method and Time of Issuance

The private issuing of A-shares will be issued to specific targets. The Company will launch the issuance at a reasonable time within the validity period after obtaining approval from the SSE and receiving registration approval from the CSRC.

4.3 Target Subscribers and Subscription Method

The target subscribers of the private issuing include securities investment fund management companies, securities companies, trust companies, finance companies, insurance investment institutions, asset management companies, qualified foreign institutional investors, other domestic institutional and individual investors, no more than 35 specific subscribers in total. A securities investment fund management company, a securities company, qualified foreign institutional investors or Renminbi qualified foreign institutional investors subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust companies shall only subscribe for the

Shares with their own capital. All subscribers are required to subscribe in cash in a lump sum.

After obtaining approval from the SSE and being registered by the CSRC, the final issuing targets will be determined through auction by the Company's Board of Directors and/or authorized representatives, within the scope authorized by the Shareholders' Meeting. This determination will be made in conjunction with the sponsor (lead underwriter), based on the subscription prices proposed by the issuing targets, and in accordance with the relevant laws, regulations, and regulatory documents.

4.4 Price Determination Date, Issue Price, and Pricing Principles

The price determination date for the private issuance of shares shall be the first day of the offer period. The issue price shall not be less than 80% of the average trading price of A-shares for the 20 trading days preceding the price determination date (excluding the price determination date. The average trading price of the Company's A-shares preceding the 20 trading days before the price determination date is calculated as the total trading value divided by the total trading volume.), and shall not be less than the latest audited net asset value per Share attributable to the shareholders of the parent company of the Company (In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, adjustments shall be made to the abovementioned net assets per Share accordingly). In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the 20 trading days, the trading prices for those trading days prior to such adjustment shall be adjusted by the ex-right or ex-dividend activities accordingly. Based on the aforementioned minimum issue price, after obtaining approval from the SSE and being registered by the CSRC, the final issue price will be determined by the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, on an auction basis, based on the subscription prices provided by the issuing targets, following the principle of price priority, but not lower than the minimum issue price mentioned above.

In the event that the Company distributes dividends, grants bonus shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, the issue price of this offering will be adjusted accordingly.

The adjustment formula is as follows:

Cash dividends: $P_1=P_0-D$

Bonus issue or capitalizing of common reserves: $P_1=P_0/(1+N)$

Both of the above events occur simultaneously: $P_1=(P_0-D)/(1+N)$

Where P_1 is the adjusted issue price, P_0 is the original issue price, D is the cash dividend per share, and N is the number of shares issued as bonus or capitalizing of common reserves.

After adjusting the subscription price according to the above method, the total subscription amount remains unchanged, while the number of subscriptions will be adjusted accordingly. The adjusted number is equal to the total subscription amount divided by the adjusted subscription price. Any fractional shares resulting from the calculation shall be discarded.

4.5 Number of Shares to be Issued

The number of shares to be issued of the private issuing will be calculated on the basis of the total funds to be raised from the issuance divided by the issuance price determined by the final auction and will not exceed 30 percent of the total share capital of the Company prior to the issuance, i.e., not more than 804,570,381 shares (inclusive). Within the aforementioned range, the final issuance number will be determined through negotiations between the Company's Board of Directors and/or its authorized individuals, within the scope authorized by the Shareholders' Meeting, in conjunction with the sponsor (lead underwriter), following the relevant laws, regulations, and regulatory requirements, after obtaining approval from the CSRC.

If there are any events such as dividend distribution, bonus shares, or capitalizing of common reserves resulting in changes to the Company's share capital during the period from the announcement date of the board meeting resolution regarding this offering to the issuance date, or if there are other events resulting in changes to the Company's total share capital, the number of stocks to be issued in this offering and the upper limit will be adjusted accordingly.

4.6 Trade-limitation Period

Shares issued at this private issuing are not allowed to be transferred in 6 months since the closing day of this private issuing (that is, the date when the shares issued this time are registered in the names of the relevant subscribers). During the above-mentioned trade-limitation period of shares, the shares acquired by the issuing targets due to the Company's bonus shares, capitalization of capital reserves and other matters shall also abide by the above-mentioned restricted sale of shares. After the trade-limitation period ends, the issuer will reduce the shareholding of the subscribed stocks following the relevant regulations of the CSRC and the SSE.

4.7 Listing Venue

After the expiration of the trade-limitation period, The Shares issued under the private issuance will be listed on the Shanghai Stock Exchange.

4.8 Use of Proceeds

The total amount of the funds to be raised in this offering of A-share stocks (including issuance expenses) will not exceed RMB 3 billion (including RMB 3 billion). After deducting the issuance expenses, the net amount of funds to be raised will be used for the following projects:

Unit: RMB 100 million

No.	Project Name	Project Place	Total Investment	Proposed Use of Funds to be Raised
1	**Project of performance products**		**49.32**	**17.43**
1.1	The powder methionine project with an annual production capacity of 150,000 tons (PICSAR)	Quanzhou, Fujian, China	49.32	17.43
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3	**Sustainable development project**		**3.25**	**1.00**
3.1	Acrylic acid wastewater treatment and recycled water utilization project (PAQUES)	Nanjing, Jiangsu, China	3.25	1.00
4	**Supplementary working capital**		**9.00**	**9.00**
Total			**68.57**	**30.00**

Note: The total investment in the SPEAR project is 50.00 million euros, converted with FX rate 7.9

If the net amount of funds to be raised after deducting the issuance expenses are lower than the total planned investment of the funds to be raised in the above-mentioned projects, the shortfall will be resolved by the Company with self-raised funds. Before the funds to be raised from this issuance are in place, the Company will first invest with self-raised funds according to the actual progress of the fund-raising investment project, and replace them following the requirements and procedures stipulated in relevant laws and regulations after the funds raised are in place. Under the premise of complying with relevant laws and regulations, the Board of Directors and/or its authorized individuals will adjust and ultimately decide on the use of proceeds, priority order, and allocation of the funds raised on the actual net amount raised and the urgency of the projects.

4.9 Arrangement of the Company's Retained Profits before the Private Issuing

The retained profits of the Company before this issuance will be shared by the existing and new shareholders after the completion of this offering in proportion to their respective shareholdings after the offering.

4.10 Validity Period of the Resolution on the Private Issuing

The resolution for the offering of private issuing will be effective for 12 months since it was approved by the Shareholders' Meeting.

5. Whether the Issuance Constitutes Related Transactions

As of the announcement date of this plan, the issuing targets who has a related relationship with the Company has not been determined for this issuance. Whether there are related transactions due to the participation of related parties in this subscription will be disclosed in the issuance status report announced after the completion of the issuance.

6. Whether the Issuance will Cause Change in Controlling Power over the Company

As of the announcement date of this plan, the Company's total share capital is 2,681,901,273 shares. China National Bluestar (Group) Co. Ltd. holds 85.82% of the Company's shares and is the Company's direct controlling shareholder, while SASAC is the Company's ultimate controller. Before and after this issuance, the direct controlling shareholder of the Company is China National Bluestar (Group) Co. Ltd., and the ultimate controller is SASAC.

The offering will not result in a change in controlling power over the Company.

7. Whether the Implementation of the Issuance of Private Issuing may Cause the Distribution of Equity Shares to be Unsuitable for Listing

After the issuance, the proportion of the Company's public shares will not be less than 10%, and the Company still meets the stock listing conditions stipulated in the *“Company Law”*, *“Securities Law”*, *“Listing Rules”* and other laws and regulations. It will not cause the Company's equity distribution to fail to meet the listing conditions.

8. Approval Procedures for the Issuance

8.1 Authorization and approval procedures that have been performed

On April 25, 2024, the Company held the Eighteenth Meeting of the 8th Session of the Board meeting to review and approve the plan for private issuing of A-shares and related matters.

8.2 Authorization and approval procedures that have not been performed

The issuance of private issuing is yet to be reviewed and approved by the state-owned assets supervision and administration department.

The issuance of private issuing is yet to be reviewed and approved by the Shareholders’ Meeting of the listed Company.

The issuance of private issuing is yet to be subjected to the approval of the SSE and the approval of the CSRC for registration.

After the CSRC has decided to approve the registration of this issuance, the Company will apply to the SSE and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for stock issuance, registration, and listing matters, to complete the stock issuance approval process.

Chapter 2 Feasibility Analysis by the Board of Directors of the Use of Proceeds from the Private Issuing

1. The Utilization Plan of the Funds to be Raised

The total amount of the funds to be raised in this offering of A-shares (including issuance expenses) will not exceed RMB 3 billion (including RMB 3 billion). After deducting the issuance expenses, the net amount of funds to be raised will be used for the following projects:

Unit: RMB 100 million

No.	Project Name	Project Place	Total Investment	Proposed Use of Funds to be Raised
1	**Project of performance products**		**49.32**	**17.43**
1.1	The powder methionine project with an annual production capacity of 150,000 tons (PICSAR)	Quanzhou, Fujian, China	49.32	17.43
2	**Projects of specialty products**		**7.00**	**2.57**
2.1	The specialty feed additives project with an annual production capacity of 37,000 tons(FOSIC)	Nanjing, Jiangsu, China	3.05	0.60
2.2	SPain Ester Adisseo transfeR (SPEAR)	Burgos, Spain	3.95	1.97
3	**Sustainable development project**		**3.25**	**1.00**
3.1	Acrylic acid wastewater treatment and recycled water utilization project (PAQUES)	Nanjing, Jiangsu, China	3.25	1.00
4	**Supplementary working capital**		**9.00**	**9.00**
Total			**68.57**	**30.00**

Note: The total investment in the SPEAR project is 50.00 million euros, converted with FX rate 7.9

If the net amount of funds to be raised after deducting the issuance expenses are lower than the total planned investment of the funds to be raised in the above-mentioned projects, the shortfall will be resolved by the Company with self-raised funds. Before the funds to be raised from this issuance are in place, the Company will first invest with self-raised funds according to the actual progress of the fund-raising investment project, and replace them following the requirements and procedures stipulated in relevant laws and regulations after the funds raised are in place. Under the premise of complying with relevant laws and regulations, the Board of Directors and/or its authorized individuals will adjust and ultimately decide on the use of proceeds, priority order, and allocation of the funds raised on the actual net amount raised and the urgency of the projects.

2. Necessity and Feasibility Analysis of UoP Projects in this Fund-raising

2.1 Project of Performance Products

2.1.1 Basic Information of the UoP Projects

(1) Project name: The powder methionine project with an annual production capacity of 150,000 tons (PICSAR).

(2) Project investment amount: The total investment is RMB 4.93 billion, and the amount of UoP funds to be used is RMB 1.74 billion.

(3) Project construction period: 26 months.

(4) Project location: The project is located in Quanhui Petrochemical Industrial Zone, Hui'an, Quanzhou, Fujian Province, China. The land certificate number is Min (2023) Hui'an Real Estate Right No. 0014131.

(5) Project implementation entity: Sinochem Bluestar Adisseo Animal Nutrition Technology (Quanzhou) Co., Ltd.

(6) Main products of the project: Powder methionine and related by-products.

(7) Economic benefits of the project: The expected financial internal rate of return (after tax) of the total investment of the project should be 13.57%.

(8) Project filing and approval status: The project has completed the project filing with the Fujian Provincial Development and Reform Commission and has obtained the environmental assessment approval issued by Quanzhou Municipal Bureau of Ecology and Environment.

2.1.2 Project Investment Plan

The total investment of the project is RMB 4.93 billion, and it is planned to use RMB 1.74 billion of the funds to be raised. The investment composition of the project is as follows:

Unit: RMB10,000

NO.	Items	Investment Amount
1	Construction investment	461,981.50
2	Interest during the construction period	18,509.22
3	Working capital	12,740.40
Total		**493,231.12**

2.1.3 Necessity of the Project

(1) Highly in line with the national development strategy and undertaking the important mission of ensuring national food security

Food security is one of the key priorities for the country and the ballast stone for maintaining economic development and social stability. The report to the 20th National Congress of the Communist Party of China (NCCPC) put forward higher requirements for ensuring national food security and further clarified the strategic deployment to consolidate the foundation of food security in an all-around way. Animal nutrition additives are of great significance to increase the production of meat, eggs and milk and to ensure food security. Methionine, as an important part of animal nutrition additives, can effectively improve the absorption and conversion rate of livestock feed, reduce feed consumption, and alleviate the shortage of food supply.

Therefore, this fund-raising project is an important measure for the Company to implement the national development strategy and related industrial policies and is in line with the policy orientation of industry development.

(2) Optimizing global methionine production capacity layout, achieving cost reduction with improved efficiency, and ensuring supply stability

Europe is currently the production center of Adisseo’s powder methionine. Factors such as the international political situation have led to fluctuations in the prices of main raw materials for methionine production, such as natural gas and propylene, thereby causing certain disruptions to production costs. Additionally, changes in costs and raw material supply in European market may result in regional supply gaps. At the same time, it may have a certain impact on the continuity of plant operation, thus affecting the stability of the supply of European sources. Through establishing powder methionine domestic production line, Adisseo can optimize its domestic and international capacity layout, achieve cost reduction with improved efficiency, and ensure supply stability.

(3) Strengthening the layout of the powder methionine business and the Company's market position

As of the issuance date of this plan, the total production capacity of liquid methionine in the Company’s Nanjing production platform has reached 350,000 tons. There is currently no powder methionine production capacity layout in Nanjing plant, which makes it challenging to meet the market demands for various types of methionine from domestic and Asia-Pacific customers. Through establishing a domestic powder methionine production line, the Company can optimize its product portfolio. Additionally, since the production processes for powder methionine and liquid methionine have certain similarities, the Company could fully leverage the production management and equipment operation experience of the Nanjing production platform to achieve technological and operational synergies, integrate Adisseo’s industry-leading global technology and in-depth domestic production experience, to release full synergies in technology, channels and industry chain. Adisseo could then generate economies of scale, and reduce production costs, which will help further strengthen the Company's market position in methionine industry.

2.1.4 Feasibility of the Project

(1) The methionine market has broad growth potentials

With the rising demand for animal protein by emerging economies and industrialization of poultry farming, the demand for animal nutrition additives including methionine is increasing rapidly. According to the global feed survey released by Alltech, a global animal health Company, global feed production has risen from 0.87 billion tons in 2011 to 1.27 billion tons in 2022, with a compound annual growth rate of 3.46%. Driven by the growth in downstream feed demand, global methionine demand has increased to more than 1.6 million tons in 2022. Based on historical data, there should be an additional demand of approximately 0.15 million tons every two years if the market continues to track an increasing trend.

(2) The Company has industry-leading methionine production technology and industrial foundation

The Company possesses expertise in both the hydrolysis and cyanohydrin processes for methionine production, along with relevant core patented technologies. Through large-scale production verification and continuous optimization, both production processes have achieved leading technical levels in the industry, resulting in significant advantages in methionine technology and production competitiveness. Additionally, the Company is one of the few global manufacturers capable of producing both liquid and powder methionine. It currently has two production platforms located in Europe and China, and continues to deepen global synergies and development. The Company has a solid foundation in the methionine industry, enabling it to provide high-quality products to customers economically and reliably. With its long-standing technological expertise in the methionine field, this fund-raising investment project possesses a solid technological and industrial foundation.

(3) The Company has an advantageous market position and stable customer resources

The Company has regional offices around the world and provides innovative animal nutrition solutions to over 4,200 customers in more than 110 countries globally relying on its research and development centers and production bases located in Europe, the United States, Singapore, and China. The Company has its own sales organizations in seven regions: Europe, Africa/Middle East, the Indian subcontinent, North America, Central America and South America, Asia-Pacific, and China. Since the establishment of its subsidiaries in China in the 1990s, the Company has accumulated stable customer resources and sales channels in APAC region which provides a reliable guarantee for future sales. With its advantageous market position, abundant customer resources, and stable sales channels, the Company will empower steady progress in the sales process for the fund-raising investment project.

2.2 Projects of Specialty Products

2.2.1 The specialty feed additives project with an annual production capacity of 37,000 tons(FOSIC)

2.2.1.1 Basic information of the UoP Projects

(1) Project name: The specialty feed additives project with an annual production capacity of 37,000 tons (FOSIC).

(2) Project investment amount: The total investment is RMB 304.97 million, and the amount of UoP funds to be used is RMB 60.00 million.

(3) Project construction period: 24 months.

(4) Project location: The project is located in Nanjing National Agricultural High-tech Industry Demonstration Zone, Baima, Lishui District, Nanjing, Jiangsu, China, with the land certificate number Su (2023) Ning li Real Estate No. 0008648.

(5) Project implementation entity: Bluestar Adisseo Health and Nutrition (Nanjing) Co., Ltd.

(6) Main products of the project: Adisseo specialty products including feed preservation products, liquid acidifiers, palatability products, and other dilution and mixing products.

(7) Economic benefits of the project: The expected financial internal rate of return (after tax) of the total investment of the project should be 20.87%.

(8) Project filing and approval status: This project has completed the project filing with the Administrative Approval Bureau of Lishui District, Nanjing, Jiangsu Province and has obtained the environmental assessment approval issued by Nanjing Ecological Environment Bureau.

2.2.1.2 Project Investment Plan

The total investment of the project is RMB 304.97 million. It is planned to use RMB 60.00 million of the funds to be raised. The investment composition of the project is as follows:

Unit: RMB10,000

NO.	Items	Investment Amount
1	Construction Investment	21,672.00
2	Construction period loan interest	535.00
3	Working capital	8,290.00
Total		**30,497.00**

2.2.2 SPain Ester Adisseo transfeR (SPEAR)

2.2.2.1 Fundamentals of the UoP Projects

(1) Project name: SPain Ester Adisseo transfeR (SPEAR).

(2) Project investment: The total investment is RMB 395.00 million, and the amount of UoP funds to be used is RMB 197.00 million.

(3) Project construction period: 15 months.

(4) Project site selection: The project is located in Burgos, Spain, with the registration number 60322.

(5) Project implementation entity: Adisseo Espana S.A.

(6) The main product of the project: Rumen-protected methionine.

(7) Economic benefits of the project: The expected financial internal rate of return (after tax) of the total investment of the project should be 25%.

(8) Project filing and approval status: The environmental protection permit for production and operation in Spain (IPPC permit) has been obtained. The relevant procedures for overseas investment filing with the Ministry of Commerce (MOC) regarding this project have not been completed.

2.2.2.2 Project Investment Plan

The total investment of the project is RMB 395.00 million, and it is planned to use RMB 197.00 million of the funds to be raised. The investment composition of the project is as follows:

NO.	Items	Investment Amount (EUR 10,000)	Investment Amount (RMB 10,000)
1	Equipment cost	1,600.00	12,640.00
2	Construction costs	1,550.00	12,245.00
3	Service charge	940.00	7,426.00
4	Miscellaneous expenses	60.00	474.00
5	Contingency fund for emergencies	570.00	4,503.00
6	Owner costs	280.00	2,212.00
Total		**5,000.00**	**39,500.00**

Note: The total investment in the SPEAR project is 50.00 million euros, converted with FX rate 7.9

2.2.3 Necessity of the Project

(1) The market space for specialty feed additive products is vast driven by the policies

To ensure the security of important agricultural product supply, in November 2021, the State Council issued the "14th Five Year Plan to promote modernization of agriculture and rural areas", proposing to reduce the use of veterinary antibiotics and standardize the production and use of feed and feed additives. For instance, in February 2023, the Ministry of Agriculture and Rural Affairs issued the *"Opinions on Implementing the Deployment of Key Work on Comprehensively Promoting Rural Revitalization in 2023 by the Party Central Committee and the State Council"*. It emphasized the importance of focusing on grain and agricultural production to ensure a stable and secure supply of grain and important agricultural products. In recent years, China has been increasing the degree of intensification of farming in recent years, and the scale of farming has been expanding continuously. This has led to a higher probability of various diseases. Excessive use of antibiotics can cause issues such as antimicrobial resistance, drug residues, and environmental pollution. These problems pose serious risks to food safety, public health, and ecological safety. However, specialty products such as acidifiers can be used as alternatives in antibiotic-free feed. Rumen-protected methionine improves liver function, reduces inflammation and oxidatives stress, strengthens the cow's immune system, and ensures a safe and stable supply of produce. It is expected that in the future there will be a vast market space for specialty feed additive products in China and globally. The implementation of the fund-raising projects will help the Company seize the opportunities for the development of the specialty product market and support the rapid growth of the Company's feed additive business.

(2) Improve the Company's product structure, facilitate the diversification and upgrade product portfolios

The specialty product business line encompasses a diverse range of products with significant differences in production technologies. Adisseo's strong multi-product R&D capabilities support the diversified and high-quality development of the specialty product business. In terms of specific products, the company is the world’s best producer of protective methionine for ruminant animals. Based on the world's best-in-class methionine technology, the Company is able to produce MetaSmart®, the top performing rumen-protected methionine. It has a leading market position in the world, and its efficacy has been widely recognized by the major domestic pastoral groups. In addition, the Company has been making breakthroughs in product lines such as acidifiers, preservation products and palatability products. The specialty product’s performance and technological level possess significant advantages in the industry.

The Company will establish a feed additive factory with multi-product line capacity and cost competitiveness through the implementation of the project, promoting the comprehensive expansion and optimization of the Company’s feed additive production domestically and internationally. Adisseo’s advanced technology research and development and management expertise will continuously improve the Company’s product quality level, support the diversification and upgrade of the Company’s product structure, and enhance the Company’s market competitiveness.

(3) Overseas production capacity is under pressure, and reducing costs is becoming demanding

Specialty products are the second pillar of Adisseo’s development. At present, domestics specialty products have relied on imports for a long time. The implementation of the FOSIC project could realize domestic production of special products, reducing costs of imports and production costs. Furthermore, there is demand for reduction of costs and enhancement in efficiency for current overseas specialty products. The Company has been continuously expanding its capacity and business lines through mergers and acquisitions to meet the increasing demand. The existing producing capacity requires cost-reduction opportunities. The SPEAR project could be able to effectively reduce production costs, create synergies with existing capacity and maximize overall production efficiency.

2.2.4 Feasibility of the Project

(1) The Company has developed core technological process for the full range of specialty products, covering a diverse range of animal species

The Company actively explores innovative extended products in the field of specialty products. The Company's specialty products include products for monogastric animals, ruminant animals, aqua and new alternative protein, covering diverse animal species such as poultry, swine, ruminants and aqua. This provides a rich product foundation for the implementation of the fund-raising projects. In the monogastric business sector, the Company is committed to developing products that enhance feed digestibility, such as enzymes. The Company has also developed products to support animal performance, such as organic selenium, probiotics, acidifiers and gut health products. In the ruminant business sector, Adisseo has developed and introduced two rumen-protected methionine products, namely "Smartamine®" and "MetaSmart®," which effectively improve milk composition as well as overall production, reproduction, and health of cows. Additionally, the Company has launched two new products, RumenSmart® and Smartamine®ML. These new products are reinforcing Adisseo offering and its amino acids balancing diet nutritional program. In the field of aqua and new alternative protein, Adisseo entered the new alternative protein industry through a joint-venture Company called Calysseo which is formed together with Calysta, supplier of animal feed protein, in March 2020, to develop FeedKind® in the aqua industry throughout China and Southeast Asia. Adisseo actively explores core technology and processes for the full range of specialty products, covering a diverse range of animal species and product process technologies, to support the successful implementation of the fund-raising projects.

(2) High-standard quality control measures to maintain a competitive advantage in the market

For each product, Adisseo implements strict production and quality control management, ensuring safety, suitability for animal use, and compliance with industry standards. Operating within strict and complex health and trade environments in various regions and countries worldwide, the Company's current quality control team closely monitors every production process step in the factory to guarantee product safety and stable quality. This has led to the successful market access of the Company's products in over 130 countries. To address global factory production, Adisseo implements a unified comprehensive management standard complying to the ISO 9001 standard and to the FAMI-QS. The Company's team of experts adopts internationally accredited standard methods and procedures for real-time monitoring at regular intervals, ensuring the consistent high-quality performance of products produced in different locations under the brand. This allows the Company to maintain a great customers' satisfaction in the fierce market competition. The current fundraising is expected to effectively increase the Company's capability to satisfy customers' high level of expectations. The high-quality requirements for quality control contribute to the Company's ability to stand out in intense market competition.

(3) With a strong accumulation of technological advantages, the Company's innovative capabilities consistently remain at the forefront of the industry

With its outstanding innovation and research and development capabilities, Adisseo has become one of the global leaders in animal feed additives and nutritional solutions. The Company's 2 research and development centers and 4 experimental stations, spread across the globe, specialize in various areas such as nutrition, formulation, biotechnology, and chemistry. These centers conduct research and development to ensure that the Company's innovative capabilities remain at the cutting edge of the industry. Since 1986, Adisseo has actively increased its investment in research and development to find alternatives to antibiotics. This effort has resulted in the development of antibiotic-free feed additive solutions, including enzyme preparations, acidifiers and probiotics, which have been practiced in Europe for many years and promoted globally. These solutions have proven reliability and have empowered the feed additive industry. They have also contributed to the sustainable development of the farming industry, providing consumers with higher quality, cost-effective, and environmentally friendly food.

2.3 Sustainable Development Project

2.3.1 Basic Information of the UoP Project

(1) Project name: Acrylic acid wastewater treatment and recycled water utilization project (PAQUES).

(2) Project investment amount: The total investment is RMB 324.97 million, and the amount of UoP funds to be used is RMB 100.00 million.

(3) Project construction period: Expected Completion in June 2025.

(4) Project location: the project is located at the plant of Bluestar Adisseo Nanjing Co., Ltd, which is to be constructed on the existing land of the Company, and the land use right has been obtained with no additional need of land use.

(5) Project implementation subject: Bluestar Adisseo Nanjing Co., Ltd.

(6) Economic benefits of the project: This project is a technical modification of the treatment method of acrylic acid wastewater generated from the production of the Nanjing plant, which is not a manufacturing project. Upon completion, the expected financial internal rate of Return (after tax) of the whole investment of the project should be 17.47%.

(7) Project filling and approval status: The project has completed the project filling in the Administrative Approval Bureau of Nanjing Jiangbei New District Management Committee and has obtained the environmental assessment approval issued by Administrative Approval Bureau of Nanjing Jiangbei New District Management Committee.

2.3.2 Project Investment Plan

The total investment of the project is RMB 324.97 million. It is planned to use RMB 100.00 million of the funds to be raised. The composition of the project investment is as follows:

Unit: RMB10,000

No.	Items	Investment Amount
1	Construction Investment	32,217.25
2	Interest During Construction	144.08
3	Working Capital	135.98
Total		**32,497.30**

2.3.3 Necessity of the Project

(1) Actively responding to national policy guidelines for industrial wastewater treatment

In recent years, China's industrial wastewater treatment industry has been highly valued by governments at all levels and supported by key national industrial policies. The government has successively issued several policies to encourage the development and innovation of the industrial wastewater treatment industry, *"Yellow River Ecological Protection and Governance Action Program"*, *"Industrial Water Efficiency Improvement Action Plan"*, *"Synergistic Implementation Plan of Efficiency Enhancement for Pollution Reduction and Carbon Emission Reduction"*, and other policies for the development of the industrial wastewater treatment industry to provide clear and broad market prospects, and to provide a good environment for the Company's production and operation. The construction of this project is an active response to the national policy. The strong support of the national policy also provides a good external environment for the smooth implementation of this project.

(2) Adhering to the concept of sustainable development and achieving energy conservation and emission reduction

Adisseo has always maintained the concept of sustainable development, adhered to the principle of simultaneous planning, implementing, and developing economic construction and environmental construction, strictly controlled pollution, protected the environment and natural resources and advocated the coordinated development of economy, society, and environment. After the completion of this project, the wastewater and clean water of Phase 2 of the Nanjing Plant could be reused after treatment. After preliminary estimation, the project should enable the plant to reduce the discharge of clean water by about 1.78 million tons/year and generate about 1.56 million tons/year of supplementary water for the circulating cooling water system. In addition, the incineration method of acrylic acid waste liquid treatment has a great demand for natural gas. This project should enable the save of incineration natural gas per year after the completion using the biochemical method. It can not only reduce the risk of production reduction due to the insufficient supply of natural gas but also realize energy saving and carbon emission cutting. Therefore, based on effectively increasing the wastewater scale of BANC, the project should enable to reduce the total amount of pollution and carbon emissions, realize energy saving and emission reduction, and effectively improve the urban environment.

(3) Utilizing biotechnology as an innovative approach for treating acrylic acid wastewater, yielding remarkable economic benefits

As an innovative technology path for acrylic acid wastewater treatment, the biochemical method can reduce the cost of acrylic acid wastewater treatment and produce significant economic benefits compared with the traditional incineration method. According to internal calculations, if incineration is used for treatment, the cost is higher. However, if a biotechnology-based treatment method is employed, it can lead to cost savings in natural gas consumption. Additionally, the by-product of the project is biogas, which is expected to generating a considerable annual income. Taking into account the expenses related to sewage treatment and reuse operations, the biotechnology-based treatment method is still expected to yield a considerable annual profit. Overall, compared to incineration, the biotechnology-based wastewater treatment method is projected to create an appreciable annual benefit.

2.3.4 Feasibility of the Project

(1) Enhance industrial wastewater treatment capacity in the plant area, aligning with the national *"14th Five-Year Plan"* strategic planning

"The Development Plan for Urban Wastewater Treatment and Resource Utilization during the 14th Five-Year Plan Period" clearly states the emphasis on promoting the construction of urban wastewater treatment infrastructure during the 14th Five-Year Plan period. This project aims to collect and treat all production wastewater, rainwater, and clean wastewater generated during the production process. After meeting the requirements of the industrial zone's management standards, the treated wastewater will be discharged or reused according to the standards for recycled cooling water. This will effectively enhance the industrial wastewater treatment capacity and resource utilization capabilities in the Adisseo plant area, demonstrating practical support for the national strategic development planning of the *"14th Five-Year Plan"*.

(2) Leading biotechnology-based wastewater treatment technology provides solid support for project implementation

Acrylic acid wastewater is a challenging type of industrial wastewater to treat. Currently, the common method used in China is direct incineration, which has drawbacks such as high treatment costs and secondary pollution. This fund-raising project primarily adopts biotechnology-based treatment, which offers mature, reliable, and stable operation, low energy consumption, strong shock & load resistance, and simple operation and maintenance compared to incineration method. This technology has been validated through repeated experiments. Furthermore, the wastewater treated in this project contains substances like formaldehyde that are toxic to microorganisms. To ensure the microorganisms maintain sufficient activity during the wastewater treatment process, targeted experiments have been conducted on the wastewater from the plant in Nanjing. Through these experiments, the optimal treatment process and relevant parameter settings have been determined, providing a solid technical foundation for the successful implementation of this project.

2.4 Supplementing Working Capital

2.4.1 Basic Information of the UoP Project

To meet the Company's business development needs for working capital, the Company intends to utilize the proceeds from this issuance to supplement working capital requirements. The amount will not exceed RMB 900.00 million.

2.4.2 Necessity of Supplementing Working Capital

(1) Optimizing capital structure and enhancing risk resistance

Supplementing working capital is beneficial in addressing the funding shortages that may arise during the Company's rapid growth process. It also aids in optimizing the capital structure and improving the financial condition. Upon completion of this issuance, the Company's debt-to-equity ratio will maintain at a reasonable level, contributing to the optimization of the Company's capital structure, mitigating liquidity risks, and enhancing its risk resistance capabilities.

(2) Alleviating debt pressure and optimizing the Company's financial structure

To support the development strategy, the Company has increased investment efforts and capital expenditure in recent years, resulting in continuous growth of asset size and business scale. In addition to relying on its own operating cash flow to meet the needs of day-to-day operations and industrial development, the Company has increased the number of construction projects to form the capital needs. In order to solve the capital needs in the process of the Company's development, the Company mainly raises funds through bank borrowings and other methods Therefore, by raising funds to supplement working capital, it can alleviate the Company's debt pressure, reduce financial expenses, optimize the Company's financial structure, and enhance the overall financial stability of the Company.

2.4.3 3. Feasibility of Supplementing Working Capital

(1) Use of proceeds from the private issuing for supplementing working capital complies with the provisions of relevant laws and regulations

The use of proceeds from the private issuing for supplementing working capital complies with relevant laws and regulations, such as the *"Administrative Measures for the Issuance of Securities by Listed Companies"*. This plan is legally feasible. The funds to be raised will provide the Company with sufficient working capital, meeting the financial needs of the Company's operations. This will contribute to the continuous improvement of the Company's economic performance and the healthy and sustainable development of the enterprise.

(2) Sound internal governance and well-established internal controls

The Company has established a modern corporate governance system centered on legal person governance, following relevant laws, regulations, and regulatory documents. It has formed a well-defined and effective legal person governance structure and internal control environment. To ensure the proper management and utilization of the funds raised, the Company has established the *"Funds Raised Management Rules"*, which sets clear regulations on the storage, usage, purposes, and management and supervision of the funds raised.

3. Impact on Company's Operations and Financial Condition

3.1 Impact on Company's Operations and Management

The fund-raising investment projects are aligned with the Company's core business, in line with national industrial policies and the overall business development strategy of the Company, which have favorable market prospects. The implementation of the fund-raising investment projects will facilitate further business expansion, solidify and enhance the Company's competitive advantage in the industry, and improve profitability. This aligns with the long-term development needs of the Company and the interests of shareholders.

3.2 Impact on Company's Financial Condition

Upon completion of the private issuing, the Company's capital strength will be further enhanced. The total assets and net assets of the Company will increase, and working capital will be further enriched. Simultaneously, the Company's debt-to-equity ratio will correspondingly decrease, optimizing the Company's capital structure. This will enhance the Company's debt-paying ability and reduce financial risks. With the successful implementation of the fund-raising investment projects and effective utilization of the funds raised. The gradual release of project benefits will enhance the Company's operational scale and economic performance, thus bringing better investment returns to the Company and shareholders, while promoting the healthy development of the Company.

4. Conclusion of Feasibility Analysis for the UoP Projects

These UoP Projects align with national industrial policies, industry development trends, and the Company's future development strategy. They have promising market prospects and economic benefits, which are in the best interest of the Company. Therefore, these fund-raising investment projects are reasonable, feasible, and align with the interests of the company and all its shareholders.

Chapter 3 Discussion and Analysis by the Board of Directors of the Impact of the Private Issuing on the Company

1. Changes in the Company's Business and Assets, Articles of Association, Shareholder Structure, Management Structure, and Business Structure after the Issuance

1.1 Impact on the Company's Business and Assets from the Issuance to Specific Targets

The fund-raising investment projects will be centered around the Company's core business. The Company's business scope remains unchanged, and there will be no significant changes or integration of the Company's business and assets.

The fund-raising investment projects are related to the Company's core business. After the implementation of these projects, the Company's capital strength will be enhanced. Its competitive advantage will become more prominent and its long-term profitability will be improved.

1.2 Impact on the Articles of Association

After the completion of the issuance, changes will occur in the Company's registered capital, total number of shares, and shareholding structure. The Company will modify relevant provisions of the *Articles of Association* based on the actual issuance situation and complete the necessary procedures for commercial registration.

1.3 Impact on the Shareholder Structure

As of the announcement date of this plan, China National Bluestar (Group) Co. Ltd. is the direct controlling shareholder of the Company, and SASAC is the ultimate controlling party. After the completion of the issuance of private issuing, China

National Bluestar (Group) Co. Ltd. will remain the direct controlling shareholder of the Company, and SASAC will continue to be the ultimate controlling party. The issuance will not result in a change over the Company's controlling power.

1.4 Impact on the Management Structure of the Company

As of the announcement date of this plan , the management structure of the Company remains stable, and there are no significant plans to make major adjustments to the senior management team due to this issuance. If there are any plans to adjust the senior management structure, the necessary procedures and information disclosure obligations will be followed following relevant regulations.

1.5 Impact on the Business Revenue Structure

Before this issuance, the Company's main business involved research, production, and sales of animal nutrition additives. The fund-raising investment projects are all related to the Company's core business. Therefore, this issuance will not result in any significant changes to the Company's business revenue structure.

2. Changes in the Company's Financial Conditions, Profitability, and Cash Flow after the Issuance

2.1 Impact on the Financial Conditions

After the completion of this issuance, the Company's total assets and net assets will further expand. The overall asset-liability ratio will decrease, and the capital structure will be optimized. Additionally, the current ratio and quick ratio will improve, enhancing the Company's short-term debt-paying ability. In summary, this issuance will optimize the capital structure, improve debt-paying ability, and reduce financial risks, laying a solid foundation for the Company's further business development.

2.2 Impact on the Profitability

After the completion of this issuance, the total number of Company shares will increase, and the asset size will further expand. In the short term, due to the time required for the fund-raising investment projects to generate economic benefits, there may be a certain degree of decline in financial indicators such as return on net assets and earnings per share. However, in the long run, the completion of the fund-raising investment projects and the development of other businesses will contribute to enhancing the Company's overall profitability. Additionally, this issuance will also help reduce the Company's financial expenses and strengthen its profitability.

2.3 Changes in Cash Flow

After the completion of this issuance, there will be an increase in cash inflows from financing activities. With the funds raised being invested in the construction of the fund-raising projects, there will be an increase in cash outflows from investment activities. As the fund-raising investment projects are completed and start generating benefits, the Company's operating cash flow will improve. Through this issuance, the Company's overall capital strength will be strengthened, its risk resistance capability will be enhanced, and it will lay a foundation for sustainable development.

3. Changes in the Business Relationship, Management Relationship, Related Transactions and Horizontal Competition Between the Company, Controlling Shareholders, and Related Persons after the Issuance

After the completion of this issuance, there will be no changes in the business relationships and management relationships between the Company and its controlling shareholder, China National Bluestar (Group) Co. Ltd., and its related persons. The issuance will not result in new competition or related transactions between the Company and its controlling shareholder or their related persons.

Furthermore, the Company will strictly comply with the relevant regulations of the CSRC and the SSE regarding related transactions of listed companies. The Company will ensure lawful operations and protect the interests of the Company and other shareholders from harm. The issuance will be subject to review by the Company's Board of Directors and Shareholders' Meeting following the prescribed procedures, and relevant information will be disclosed in a timely, accurate, and complete manner.

4. Existence of Fund or Asset Occupation by Controlling Shareholders and Related Persons, or Provision of Guarantees by the Listed Company to Controlling Shareholders and Its Related Persons after the Issuance

As of the announcement date of this plan, there is no fund or asset occupation by the controlling shareholders or its related persons, and there is no provision of guarantees in violation of regulations to the controlling shareholders or its related persons.

The Company will not experience fund or asset occupation by the controlling shareholders or its related persons as a result of this issuance, nor will it provide guarantees to the controlling shareholders or its related persons due to this issuance.

5. Impact on Company's Liabilities after the Issuance

After the completion of this issuance, the Company's total assets and net assets will increase, resulting in a corresponding decrease in the asset-liability ratio. This will lead to an effective improvement in the Company's financial condition and asset-liability structure, enhancing its debt-paying ability and risk resistance. The issuance will not result in an excessively low debt ratio or unreasonable financial costs for the Company. Furthermore, there will be no significant increase in liabilities (including contingent liabilities) through this issuance.

Chapter 4 Risks Associated with the Issuance to Specific Targets

1. Risks of the UoP projects

1.1 Risks of Project Implementation Falling Short of Expectations

The planned use of the funds to be raised includes performance product projects, specialty product projects, sustainable development projects, and supplementing working capital. These projects have been rigorously studied and demonstrated in terms of feasibility and necessity. They not only have promising development prospects but also align with the Company's overall strategic direction, supporting the growth of multiple core businesses and enhancing the Company's core competitiveness and operational efficiency for long-term high-quality development. Despite thorough market research and analysis conducted by the Company, the actual benefits of the projects may be influenced by uncontrollable factors such as changes in market, policy, project schedule, competitive environment and technology. Therefore, it may have an adverse impact on the Internal Rate of Return (IRR) and the Company’s overall performance.

1.2 Risks that the Required Project Filing for the Overseas UoP Project Have not yet Been Obtained

As of the announcement date of this plan, the Company has not obtained the project filing required for the SPEAR project. The company is currently in the procedures of obtaining ODI registration by Ministry of Commerce, with subsequent steps progressing in an orderly manner. However, if the company fails to obtain the relevant registrations as expected in the future, it could negatively impact the implementation progress of the corresponding UoP projects.

1.3 Risks of Policy and Business environment in Overseas Investment Destinations

The legal, policy, business environment, and cultural characteristics in Spain, the destination of the SPEAR project, differ from the domestic market. This may introduce uncertainties to the actual operation of the project. The Company will continue to monitor the relevant conditions of the proposed investment project, enhance management systems and risk controls, actively prevent and respond to risks, and ensure the smooth implementation of the investment project.

2. Risks of Diluted Immediate Return for the Company once the Funds Are Raised

After the funds to be raised from the issuance to specific targets are in place, the total share capital and net asset scale of the Company will increase to a certain extent. However, due to the construction and operational cycles associated with the UoP projects, the growth of the Company's net profit during the period from project commencement to achieving economic benefits may not meet expectations. As a result, the immediate profit indicators, such as basic earnings per share and a weighted average return on net assets, may face a certain risk of dilution compared to the increase in share capital and net assets.

3. Political and Regulatory Risks

3.1 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.

3.2 Risks related to Compliance, Law and Regulatory Framework

In its operating business, the Adisseo Group is exposed to liability risks, especially in connection with product liability, patent law, tax law, competition law, antitrust law, social law and environmental law. 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 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.

4. Risks Deriving from Climate and Environmental Issues

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.

5. Economic and Competitive Risks

5.1 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, 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.

5.2 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 which may impact the Company.

5.3 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.

5.4 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 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.

5.5 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 or other technologies in the enzymes or vitamins businesses may adversely affect the production and operations of Adisseo if not developed by latter.

6. Financial Risks

6.1 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.

6.2 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.

6.3 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 or favorable tax arrangements or schemes with the tax authorities, 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. Geopolitical tensions and restrictions to free trade could increase risks and uncertainties regarding import regulations and custom taxes.

7. Industrial Risks

7.1 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.

7.2 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.

8. Other Operational Risks

8.1 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.

8.2 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.

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

8.3 Product Liability Claims and Litigation

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.

8.4 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.

8.5 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.

8.6 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.

8.7 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.

8.8 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.

9. Social and Societal Risks

9.1 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.

9.2 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 process 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.

10. Approval Risks

This issuance is still subject to the approval of the state-owned assets supervision and administration department, as well as the approval of the Company's Shareholders' Meeting, review and approval by the SSE and registration by the CSRC before it can be implemented. The ability to obtain the relevant regulatory approval and the timing of obtaining such approval from the regulatory authorities are uncertain.

11. Stock Price Risks

The Company’s stock is listed on the SSE. The issuance of private issuing will have a certain impact on the Company’s operations and financial condition, thereby affecting the price of the Company’s stock. Additionally, investment returns in the stock market depend not only on the Company’s operational performance, financial condition, and prospects but are also influenced by factors such as global and national macroeconomic policy adjustments, economic cycle fluctuations, capital market trends, stock market speculation, and investor sentiment. The issuance process requires several approval procedures and takes a certain amount of time to complete. During this period, the Company’s stock price may experience fluctuations, introducing uncertainty and risk to investors’ investment returns.

12. Force Majeure Risks

Natural disasters, wars, and sudden public health events can cause damage to the Company’s assets, properties, and personnel, affecting its normal operations. The occurrence of such force majeure events may result in additional costs for the Company, thereby impacting its profitability.

Chapter 5 Formulation and Implementation of the Company's Profit Distribution Policy

The Company has always attached importance to providing reasonable investment returns to investors and maintaining the continuity and stability of its profit distribution policy. Following relevant laws and regulations such as the *"Notice on Further Implementation of Matters Relevant to the Cash Dividend Distribution of Listed Companies" (CSRC [2012] No. 37), "Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies (Revised in 2023)" (CSRC Announcement [2023] No. 61), "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in August 2023)" (SSE [2023] No. 127), "China Securities Regulatory Commission and the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies (No. 1) – Standardized Operations (Revised in December 2023)" (SSE [2023] No. 193),* as well as the relevant provisions of the Company's *"Articles of Incorporation"*, the Company has formulated the *"Future Three-Year (2024-2026) Shareholder Return Plan of Bluestar Adisseo Company"* (hereinafter referred to as "This Plan"). The aforementioned documents have been reviewed and approved at the Eighteenth Meeting of the 8th Session of the Board meeting, and they still need to be submitted for approval at the Company's Shareholders' Meeting.

1. The Company's Profit Distribution Policy

According to the currently effective *"Articles of Incorporation"*, the Company's profit distribution policy is specified as follows:

When distributing the Company's current-year after-tax profits, 10% of the profits should be allocated to the statutory reserves. If the cumulative amount of the statutory reserves exceeds 50% of the Company's registered capital, further allocation is not required. If the statutory reserves are insufficient to offset previous years' losses, the losses should be compensated first using the current-year profits before the allocation of the statutory reserves as mentioned above. After setting aside the statutory reserves from the after-tax profits, the Shareholders' Meeting may also decide to allocate discretionary reserves from the after-tax profits. The remaining after-tax profits, after compensating for losses and allocating reserves, are distributed based on the proportional ownership of shares held by the shareholders, except where this *"Articles of Incorporation"* specifies otherwise. If the Shareholders' Meeting distributes profits to shareholders before compensating for losses and allocating the statutory reserves in violation of the previous provision, the shareholders must return the improperly distributed profits to the Company. The Company's shares held by itself are not eligible for profit distribution.

1.1 The basic principle of the Company's profit distribution policy

1. The Company considers the returns to investors and distributes dividends to shareholders in proportion to the consolidated financial statements' distributable profits for the current year. If there are losses left from previous years, the distributable profits are calculated based on the amount remaining after offsetting the losses.

2. The Company's profit distribution policy maintains continuity and stability while considering the long-term interests of the Company, the overall interests of all shareholders, and the Company's sustainable development.

3. The Company prioritizes the distribution of dividends through cash dividends.

1.2 The specific policies for profit distribution by the Company

1. Forms of profit distribution: The Company may distribute dividends in cash, stock, cash combined with stock. When conditions are met, the Board of Directors may propose mid-term cash dividends based on the Company's profitability and funding needs.

2. Conditions and Proportion for Cash Dividends: Except for special circumstances, the Company shall distribute dividends in cash when it is profitable for

the current year and the cumulative undistributed profits are positive. The annual cash dividends shall not be less than 30% of the distributable profits shown in the consolidated financial statements.

The “special circumstances” refer to situations where the Company will make significant investments (i.e., investments exceeding CNY 500 million) during the current year, the Company’s debt-to-asset ratio exceeds 80%, and other situations that have been approved by special resolutions of the company's board of directors and shareholders’ meeting for non-distribution of dividends.

3. Detailed Conditions for the Company for Distribution in form of stock dividends: When the Company is in good operating condition and the Board of Directors considers that the Company’s stock price is not matched with the Company’s stock amount and that the distribution of stock dividends is beneficial to the overall interests of all shareholders, the Company may propose a plan for the distribution of stock dividends subject to the conditions for cash dividends.

1.3 Procedure for reviewing the Company's profit distribution plan

1. The Company's management team formulates the profit distribution plan, which is then submitted to the Board of Directors and the Supervisory Board for review. The Board of Directors thoroughly discusses the reasonableness of the profit distribution plan and submits it to the Shareholders’ Meeting for approval through specific resolutions.

2. When the Company does not distribute cash dividends due to the special circumstances mentioned above, the Board of Directors provides a specific explanation for the reasons behind the non-distribution of cash dividends, the exact use of retained earnings, expected investment returns, etc. This explanation is accompanied by opinions from independent directors and submitted to the Shareholders’ Meeting for approval. It should also be disclosed in designated media by the Company. The Company should provide detailed explanations of the above content in the annual report.

1.4 Implementation of the Company's profit distribution plan

1. After the Shareholders' Meeting approves the profit distribution plan, the Board of Directors must complete the distribution of dividends (or shares) within two months after the Shareholders' Meeting.

2. If there are instances of shareholders improperly using Company funds, the Company should deduct the occupied funds from the cash dividends that the shareholder is entitled to during profit distribution.

1.5 Amendment to the Company's Profit Distribution Policy

In the event of a war, natural disaster, or other force majeure, or when significant changes occur in the Company's external operating environment that have a major impact on its production and operation, or when significant changes in the Company's operating conditions occur, the Company may adjust its profit distribution policy. The adjustment of the profit distribution policy by the Company shall be subject to the deliberation of the Board of Directors, which shall provide a special exposition, elaborate on the reasons for the adjustment, and prepare a written explanatory report for review by independent directors before submitting it to the extraordinary Shareholders' Meeting for approval. When deliberating on changes to the profit distribution policy, the Company shall provide shareholders with the option of voting via an online platform.

2. The Company's Cash Dividend Distribution in the Last Three Years

The cash dividend situation over the past three years is as follows:

Unit: RMB 10,000

Items	2023	2022	2021
Net profit attributable to shareholders of the listed Company in consolidated financial statements	5,216.55	124,667.98	147,164.85
Cash dividends (including taxes)	16,091.41	40,496.71	47,737.84

Items	2023	2022	2021
Percentage of cash dividends to net profit attributable to shareholders of the listed Company	308.47%	32.48%	32.44%
Total cash dividends in the last three years	104,325.96		
Average net profit attributable to shareholders of the listed Company in consolidated financial statements in the last three years	92,349.79		
Percentage of total cash dividends to average net profit attributable to shareholders of the listed Company in consolidated financial statements in the last three years	112.97%		

Note 1: The annual profit distribution plan for the year 2023 has been reviewed and approved by the BoD, pending submission for approval at Shareholders' General Meeting;

Note 2: *"Articles of Incorporation"* stipulates the annual cash dividends shall not be less than 30% of the distributable profits shown in the consolidated financial statements, the company's cash dividend ratio complies with the provisions of *"Articles of Incorporation"*.

3. The Shareholder Return Plan for the Next Three Years (2024-2026)

Following the relevant provisions of the *"Notice on Further Implementation of Matters Relevant to the Cash Dividend Distribution of Listed Companies" (CSRC [2012] No. 37), "Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies (Revised in 2023)" (CSRC Announcement [2023] No. 61), "Rules Governing the Listing of Stocks on Shanghai Stock Exchange (Revised in August 2023)" (SSE [2023] No. 127), "China Securities Regulatory Commission and the Shanghai Stock Exchange Self-Regulatory Supervision Guidelines for Listed Companies (No. 1) – Standardized Operations (Revised in December 2023)" (SSE [2023] No. 193)*, and the *"Articles of Association"*, taking into consideration the actual situation of Bluestar Adisseo Company (referred to as "The Company" hereinafter), the Company's Board of Directors has formulated the *"Shareholder Return Plan for Bluestar Adisseo Company for the Next Three Years (2024-2026)" (the "Plan")*. The specific contents are as follows:

3.1 Considerations for Formulating this Plan

The Company focuses on long-term and sustainable development. Based on a comprehensive analysis of the actual operating conditions of the Company, the cost of social capital, external financing environment, etc., the Company fully considers factors such as the current and future profit scale, cash flow situation, development stage, project investment fund requirements, bank credit, and debt financing environment. The aim is to establish a continuous, stable, and scientific return plan and mechanism for investors, to make institutional arrangements for profit distribution, and to ensure the continuity and stability of the profit distribution policy.

3.2 Principles for Formulating this Plan

1. The shareholder return plan formulated by the Company should fully consider the return to investors. Dividends should be distributed to shareholders in proportion to the distributable profits shown in the consolidated financial statements of the current year. If there are unabsorbed losses from previous years, the amount after offsetting the losses should be used as the basis for calculating the profit distribution ratio. The profit distribution of the Company should not exceed the scope of the accumulative distributable profits and should not harm the Company's ongoing operational capacity.

2. The Company's profit distribution policy should maintain continuity and stability while taking into account the Company's long-term interests, the overall interests of all shareholders, and the Company's sustainable development.

3. The Company gives priority to cash dividends as the method of profit distribution.

4. The formulation or adjustment of the shareholder return plan by the Company should comply with relevant provisions of national laws, regulations, and the Articles of Association on profit distribution policies.

5. Full consideration and solicitation of opinions from shareholders, especially small and medium shareholders, independent directors, and supervisors.

3.3 Specific Shareholder Return Plan for the Next Three Years (2024-2026)

The Company may distribute dividends in cash, stock, cash combined with stock, or other methods permitted by law. Subject to the conditions for cash dividends, the Company shall use cash dividends for profit distribution .

1. Form of Profit Distribution: The Company may distribute dividends in cash, stock, cash combined with stock, or other methods permitted by law. From 2024 to 2026, the Board of Directors of the Company should determine the profit distribution plan in accordance with relevant provisions of the CSRC and the "Articles of Association." When conditions are met, the Board of Directors may propose mid-term cash dividends based on the Company's profitability and funding needs.

2. Conditions and Proportion for Cash Dividends: Except for special circumstances, the Company shall distribute dividends in cash when it is profitable for the current year and the cumulative undistributed profits are positive, the annual cash dividends shall not be less than 30% of the distributable profits shown in the consolidated financial statements. In addition to that, except for special circumstances, the Company shall distribute dividends in cash when it is profitable for the current year, the cumulative undistributed profits are positive and the Company’s leverage ratio (Net Debt / EBITDA) is no higher than 2, the annual cash dividends shall not be less than 40% of the distributable profits shown in the consolidated financial statements. The “special circumstances” refer to situations where the Company will make significant investments (i.e., investments exceeding CNY 500 million) during the current year, the Company’s asset liability ratio exceeds 80%, and other situations where the distribution is not approved by the Board of Directors and the Shareholders’ Meeting by special resolution.

3. Detailed Conditions for the Company for Distribution in form of stock dividends: When the Company is in good operating condition and the Board of Directors considers that the Company’s stock price is not matched with the Company’s stock amount and that the distribution of stock dividends is beneficial to

the overall interests of all shareholders, the Company may propose a plan for the distribution of stock dividends subject to the conditions for cash dividends.

3.4 The Planning Cycle for Future Shareholder Dividend Returns and the Decision-making Mechanism for Profit Distribution

1. The management of the Company shall formulate the shareholder return plan based on the profit distribution policy determined by the "Articles of Association" and the actual operation of the Company every three years, which shall be submitted for review and approval by the Board of Directors and the Supervisory Board.

2. The Board of Directors shall fully discuss the rationality of the profit distribution plan, and after forming a special resolution, it shall submit it to the Shareholders’ Meeting for approval.

3. In case the Company does not distribute dividends in cash due to special circumstances, the Board of Directors shall make a special explanation on the specific reasons for not distributing dividends in cash, the exact use of the retained earnings, and the expected investment returns, etc. After receiving the opinions of the independent directors, it shall be submitted to the Shareholders’ Meeting for approval and disclosed in the designated media by the Company. The Company shall also provide a detailed explanation of the above contents in the annual report.

4. After the Shareholders’ Meeting makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within 2 months after the meeting is held.

5. In the event of force majeure such as war, natural disasters, or significant changes in the external operating environment of the Company that have a significant impact on the Company's production and operation, or significant changes in the Company's own operating conditions, the Company may adjust the profit distribution policy. The Company's adjustment of the profit distribution policy shall be made by the Board of Directors in a special discussion, with detailed reasoning for the adjustment, and a written justification report shall be submitted for approval by Shareholders’ Meeting through a special resolution. When reviewing the changes in

profit distribution policy, the Company shall provide shareholders with an online voting option.

Chapter 6 Dilution of Immediate Return arising from the Private Issuing and Remedial Measures

Following the requirements of the *"Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Rights and Interests of Minority Investors in Capital Market" (Guo Ban Fa [2013] No. 110), "Several Opinions of the State Council on Further Promoting the Sound Development of the Capital Market" (Guo Fa [2014] No. 17)*, and the *"Guiding Opinions on Matters Concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring"* issued by the CSRC *(CSRC Announcement [2015] No. 31)*, the Company has conducted a thorough analysis of the dilution of immediate returns resulting from the issuance of private issuing. The impact of dilution on the Company's key financial indicators and the measures taken by the Company are explained as follows:

1. Impact of the Dilution of Immediate Return arising from the Private Issuing on Company's Key Financial Indicators

1.1 Assumptions and Premises

(1) Assuming no significant adverse changes occur in the macroeconomic environment and securities market, and no significant adverse changes occur in the Company's operating environment, industry policies, industry development, and major cost prices.

(2) Assuming that the issuance of private issuing will be completed by the end of November 2024 (the completion time is an estimated assumption used solely for calculating the impact of the dilution of immediate returns on the Company's key financial indicators from the issuance of shares to specific targets. It does not constitute a commitment to the actual completion time, and the actual issuance will be determined by the SSE's approval and the CSRC's registration).

(3) When predicting the total share capital of the Company, based on the total share capital of 2,681,901,273 shares as of the announcement date of this plan, only the impact of the issuance of private issuing is considered, without considering other factors such as capital surplus conversion, stock dividend distribution, convertible bond conversion, etc., that may cause changes in share capital.

(4) It is assumed that the number of shares to be issued of the private issuing will be calculated on the basis of the total proceeds raised from the issuance divided by the issuance price determined by the final auction, and will not exceed 30 percent of the total share capital of the Company prior to the issuance, i.e., not more than 804,570,381 shares (inclusive). Assuming the company issues stocks to specific targets at a price of RMB 7.16 /share, the total funds to be raised through the issuance of private issuing do not exceed RMB 300 million, without considering the impact of deducting issuance expenses. Based on this calculation, the number of shares to be issued in this issuance does not exceed 418,994,413 shares (the above-mentioned number of issued shares and the total funds to be raised are estimates only and do not constitute binding commitments. The scale of this issuance and the final number of shares issued will be determined based on the approval of the SSE, approval of the CSRC for registration, and actual issuance conditions).

(5) Assuming no consideration is given to the impact of force majeure factors on the Company's financial conditions.

(6) Assuming no consideration is given to the impact of the receipt of the funds to be raised in this issuance on the Company's production, operation, financial condition, etc., such as operating income, financial expenses, investment income, etc.

(7) Assuming no consideration is given to the impact of profit distribution.

(8) The net profit attributable to the common shareholders of the parent Company in 2023 was RMB 52,165,518, and the net profit attributable to the common shareholders of the parent Company after deducting non-recurring gains and losses was RMB 12,996,165. For the net profit attributable to the common shareholders of

the parent Company in 2024 and the net profit attributable to the common shareholders of the parent Company after deducting non-recurring gains and losses, calculations are made based on three scenarios (the assumptions below do not represent the Company's judgment on the operating conditions and trends of 2024 and do not constitute the Company's profit forecast):

Scenario 1: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the parent company after deducting non-recurring gains and losses remain unchanged compared to 2023.

Scenario 2: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the parent company after deducting non-recurring gains and losses increase by 20% compared to 2023.

Scenario 3: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the parent company after deducting non-recurring gains and losses decrease by 20% compared to 2023.

Please note that the above assumptions are only for calculating the diluted immediate return on the issuance to specific entities and its impact on the Company's key financial indicators. These assumptions do not represent the Company's judgment on future operating conditions and trends, nor do they constitute profit forecasts. Investors should not make investment decisions based on these assumptions. The Company shall not be held responsible for any losses resulting from investor decisions made in reliance on these assumptions.

1.2 Calculation of the Impact on the Company's Key Financial Indicators from this Issuance

Based on the assumptions mentioned above, the Company has conducted an estimation of the impact on its key financial indicators from this offering:

<table>
<tr><th rowspan="2">Items</th><th rowspan="2">Year 2023 / December 31, 2023</th><th colspan="2">Year 2024 / December 31, 2024</th></tr>
<tr><th>Before the Offering</th><th>After the Offering</th></tr>
<tr><td>Total outstanding shares</td><td>2,681,901,273</td><td>2,681,901,273</td><td>3,100,895,686</td></tr>
<tr><td>Total funds raised in this offering (in RMB 10,000)</td><td colspan="3">300,000.00</td></tr>
<tr><td>Number of shares issued in this offering</td><td colspan="3">418,994,413</td></tr>
<tr><td colspan="4">Assumption 1: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the parent company after deducting non-recurring gains and losses remain unchanged compared to 2023.</td></tr>
<tr><td>Net profit attributable to shareholders of the listed Company (in RMB 10,000)</td><td>5,216.55</td><td>5,216.55</td><td>5,216.55</td></tr>
<tr><td>Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (in 10,000 yuan)</td><td>1,299.62</td><td>1,299.62</td><td>1,299.62</td></tr>
<tr><td>Basic earnings per share (RMB/share)</td><td>0.0195</td><td>0.0195</td><td>0.0192</td></tr>
<tr><td>Diluted earnings per share (RMB/share)</td><td>0.0195</td><td>0.0195</td><td>0.0192</td></tr>
<tr><td>Basic earnings per share after deducting non-recurring gains and losses (RMB/share)</td><td>0.0048</td><td>0.0048</td><td>0.0048</td></tr>
<tr><td>Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)</td><td>0.0048</td><td>0.0048</td><td>0.0048</td></tr>
<tr><td colspan="4">Assumption 2: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the parent company after deducting non-recurring gains and losses increase by 20% compared to 2023.</td></tr>
<tr><td>Net profit attributable to shareholders of the listed Company (in RMB 10,000)</td><td>5,216.55</td><td>6,259.86</td><td>6,259.86</td></tr>
<tr><td>Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (in 10,000 yuan)</td><td>1,299.62</td><td>1,559.54</td><td>1,559.54</td></tr>
<tr><td>Basic earnings per share (RMB/share)</td><td>0.0233</td><td>0.0233</td><td>0.0230</td></tr>
<tr><td>Diluted earnings per share (RMB/share)</td><td>0.0233</td><td>0.0233</td><td>0.0230</td></tr>
<tr><td>Basic earnings per share after deducting non-recurring gains and losses (RMB/share)</td><td>0.0058</td><td>0.0058</td><td>0.0057</td></tr>
<tr><td>Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)</td><td>0.0058</td><td>0.0058</td><td>0.0057</td></tr>
<tr><td colspan="4">Assumption 3: Assuming the net profit attributable to the common shareholders of the parent company in 2024 and the net profit attributable to the common shareholders of the</td></tr>
</table>

Items	Year 2023 / December 31, 2023	Year 2024 / December 31, 2024	
		Before the Offering	After the Offering
parent company after deducting non-recurring gains and losses decrease by 20% compared to 2023.			
Net profit attributable to shareholders of the listed Company (in RMB 10,000)	5,216.55	4,173.24	4,173.24
Net profit attributable to shareholders of the listed Company after deducting non-recurring gains and losses (in 10,000 yuan)	1,299.62	1,039.70	1,039.70
Basic earnings per share (RMB/share)	0.0156	0.0156	0.0154
Diluted earnings per share (RMB/share)	0.0156	0.0156	0.0154
Basic earnings per share after deducting non-recurring gains and losses (RMB/share)	0.0039	0.0039	0.0038
Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)	0.0039	0.0039	0.0038

Note: Basic earnings per share, diluted earnings per share, and other indicators are calculated according to the formulas specified in the *"Disclosure of Company Information for Public Issuance of Securities: Reporting Rules No.9 - Calculation and Disclosure of Return on Equity and Earnings per Share"*.

Based on the above assumptions, after the completion of this offering, the Company's earnings per share for 2024 and earnings per share after deducting non-recurring gains and losses are expected to decrease. Therefore, there is a possibility of dilution of the Company's immediate return from this offering.

2. Special Risk Warnings Regarding Diluted Immediate Return arising from the Private Issuing to Specific Targets

After the completion of this issuance, the Company's share capital and net asset scale will increase accordingly. As the implementation and benefits of UoP projects may require a certain period, there is a risk of diluted immediate returns to the Company after the funds are raised. Investors are hereby reminded to pay attention to the risk of diluted immediate returns in this issuance of private issuing.

The assumptions and analyses made by the Company in calculating the dilution impact on immediate returns in this issuance process are not profit forecasts of the Company. The specific measures formulated to fill the dilution risk of immediate returns do not guarantee the future profits of the Company. Investors should not make investment decisions based on these measures. The Company shall not be held responsible for any losses incurred by investors who make investment decisions based on this information. Please be aware of this as an investor.

3. Necessity and Rationality of the Board of Directors' Decision on this Financing

These UoP projects will revolve around the Company's main business and will be allocated to performance product projects, specialty product projects, sustainable development projects, as well as supplementing working capital. They will help optimize the product portfolio, improve the Company's industry position, and enhance core competitiveness and profitability. These UoP projects align with national industrial policies, industry development trends, and the Company's future development strategy. They have promising market prospects and economic benefits, which are in the best interest of the Company and all its shareholders.

For specific details regarding the necessity and rationality of issuing private issuing, please refer to the feasibility analysis section in this prospectus, *"Chapter 2 Feasibility Analysis by the Board of Directors Regarding the Use of Proceeds in this Fundraising"*.

4. Relationship between the UoP Projects and the Company's Existing Business, and the Company's Reserves in Personnel, Technology, and Marketing in Engaging in the UoP Projects

4.1 Relationship between the UoP Projects Funded by this Issuance and the Company's Existing Business

The Company is a leading global animal feed additive enterprise. The UoP projects funded by this issuance will be invested in line with the Company's current main business and include performance product projects, specialty product projects, sustainable development projects, as well as the use of funds for supplementary working capital. The aforementioned projects are related to the Company's performance product business, specialty product business, and sustainable development strategic planning. Upon reaching the production capacity, these projects will expand the Company's core business, optimize service capabilities, consolidate industry position, and strengthen core competitiveness and profitability.

4.2 Company's Reserves in Personnel, Technology, and Marketing in Engaging in UoP Projects

(1) Personnel Reserves

Professional talents are the Company's core resources. After many years of devotion in the animal nutrition and feed additive industry, the Company has gradually trained, accumulated, and built a team of professional outstanding technical talents. Through reinforcing cooperation with several international laboratories, universities, and research institutions, strengthening bonds with the scientific community, as well as sponsoring various technological R&I projects, Adisseo continuously attracts outstanding scientific and technological talents. By establishing and improving employee incentive mechanisms, talent training mechanisms, and talent introduction mechanisms, the Company ensures the stable and efficient operation of UoP projects. For the technical, production, and management personnel required for the UoP projects, the Company will prioritize employees with potential and a strong sense of responsibility. The Company's human resources department will develop practical and feasible recruitment and adjustment plans based on the actual personnel needs to ensure the high-quality implementation of the UoP projects funded by this issuance.

(2) Technological Reserves

The Company has excellent R&D capabilities and has accumulated ample technical experience in the field of animal feed additives, becoming one of the global leaders in the field of animal feed additives and nutrition solutions. With two major global research centers and four experimental bases worldwide, the Company has been committed to continuous innovation and research in the field of animal feed additives. Since 2014, the Company has been introducing a new product or service each year to explore niche markets and meet different needs. The Company’s outstanding technological reserves and optimized production processes have made it one of the few global manufacturers capable of simultaneously producing powder and liquid methionine, and it continues to explore different product fields, continuously optimizing production processes and increasing production capacity through continuous research and development investment. With the establishment of the new China Research and Innovation Center (RICA) and the ELISE R&D center in France, which commenced operations in 2022 and 2023 respectively, the Company will continue to uphold the innovative value of “science first” and apply leading technology to subsequent investment projects.

(3) Market Reserves

The production and sales network are the key to the Company’s success. Based on the distribution of customers in different regions, the Company has established efficient and convenient local supply chain systems accordingly. The Company’s production network is distributed in Europe, the United States, Thailand and China, while the sales teams are located in seven regions: Europe/CIS, Middle East/Africa, the Indian subcontinent, North America, South America, and Central America, Asia-Pacific, and China. In major market areas, the Company authorizes contract manufacturers to produce goods and supplies leading products to customers worldwide through direct sales or distribution networks. Starting in 2018, the Company has been implementing a global key account strategy to better serve its major clients operating in various regions. The Company has appointed dedicated account managers for each major client and has implemented a customer-centric approach. It continuously upgrades its CRM system to create a seamless customer experience, ensuring customer retention and the development of new businesses. In the future, leveraging strong technological and cost advantages, the Company will rapidly capture market share in the animal feed additives industry by utilizing existing sales channels. It will continue to expand its business scale in performance products and specialty products.

5. Specific Measures to Fill the Diluted Immediate Return arising from the Private Issuing to Specific Targets

This issuance may result in a decrease in the immediate returns for investors. The Company intends to enhance the management of the UoP funds, expedite the progress of UoP projects, improve the Company's profitability, strengthen operational management and internal controls, and enhance profit-generating capabilities to improve asset quality and achieve sustainable development, thereby filling the shareholder returns. The specific measures are as follows:

5.1 Strengthening the Supervision of UoP Funds to Ensure their Reasonable and Lawful Use

To regulate the management and utilization of the UoP funds and effectively protect the legitimate rights and interests of investors, the Company has formulated the *"UoP Funds Utilization Management Measures"*, which clearly stipulates the storage, utilization, supervision, and disclosure of the UoP funds. The Company will strictly adhere to relevant regulations such as the *"UoP Funds Utilization Management Measures"*, and the UoP funds will be jointly supervised by the sponsor, custodian bank, and the Company to ensure that the funds are used following the committed purpose and amount, guaranteeing that the UoP funds are used rationally and in compliance with regulations, in coordination with the supervision and inspection by the custodian bank and the sponsor to ensure their proper and regulated use.

5.2 Accelerating the Progress of UoP Projects to Improve the Company's

Profitability

The UoP funds from this issuance will mainly be used for performance product project, specialty product projects, and sustainable development project. These projects have been thoroughly studied and assessed from various aspects such as feasibility and necessity. They not only have good development prospects but also align with the Company's overall strategic objectives. They will contribute to further expanding the Company's business, strengthening its competitive advantages in the industry, and consolidating and enhancing the Company's profitability.

After the UoP funds from this issuance are in place, the Company will accelerate the construction and operation of the UoP projects, actively allocate resources, and reasonably coordinate and arrange project progress. Efforts will be made to achieve the expected benefits of the projects as soon as possible, increase future shareholder returns, reduce the risk of diluting immediate returns caused by the issuance, and enhance the Company's long-term and sustainable profitability, thereby ensuring the long-term development and interests of the shareholders.

5.3 Strengthening Operational Management and Internal Controls to Provide Institutional Safeguards for the Company's Development

The Company strictly adheres to the requirements of laws, regulations, and regulatory documents such as the *"Company Law"*, *"Securities Law"*, and *"Listed Company governance standards"*, continuously improving its corporate governance structure. This ensures that shareholders can fully exercise their rights, the Board of Directors can exercise its powers and make informed decisions following laws, regulations, and the Company's *"Articles of Association"*, independent directors can faithfully fulfill their responsibilities, safeguard the overall interests of the Company, especially the legitimate rights and interests of minority shareholders, and the supervisors can independently and effectively exercise their supervisory and inspection rights over directors, senior executives, and the Company's financial affairs, promoting the Company's sustainable, regulated, and healthy development.

Currently, the Company has established a relatively sound internal control system and management framework, ensuring the normal and orderly conduct of various business activities. In the coming years, the Company will further improve its operational and management capabilities, enhance investment decision-making procedures, strictly control costs and expenses, strengthen cost management, optimize budget management processes, reinforce execution supervision, comprehensively and effectively enhance operational efficiency, and reduce potential operational risks.

5.4 Continuously Improving the Profit Distribution Policy and Strengthening the Investor Return Mechanism

The Company has clearly defined the principles, methods, conditions, decision-making procedures, and mechanisms for profit distribution in its *"Articles of Association"*. It has also formulated a well-defined shareholder return plan in compliance with the requirements of the *"Notice on Further Implementation of Matters Relevant to the Cash Dividend Distribution of Listed Companies"* and the *"Regulatory Guidelines for Listed Companies No. 3 - Distribution of Cash Dividends of Listed Companies (Revised in 2023)"*. While focusing on its development, the Company attaches great importance to providing reasonable investment returns to shareholders and has established relevant dividend plans.

The Company highly values protecting the legitimate rights and interests of shareholders. After the completion of this issuance, the Company will strictly comply with the relevant laws, regulations, and provisions of the articles of association regarding profit distribution. Taking into consideration the Company's operating conditions and development plans and fully listening to the opinions of minority shareholders, the Company will continue to improve its cash dividend policy, strictly implement it, and strive to enhance shareholder returns.

In conclusion, after the completion of this issuance to specific targets, the Company will strengthen internal management, regulate the use of UoP funds, improve fund utilization efficiency, and take various measures to continuously enhance operating performance. While meeting the conditions for profit distribution, the Company will actively promote profit distribution to shareholders, thereby improving the Company's ability to provide returns to investors and effectively reducing the risk of diluting immediate returns for shareholders.

6. Undertakings in relation to Remedial Measures for the Dilution of Immediate Return of the Private Issuing

6.1 Commitments of Company's Directors and Senior Executives

After the completion of the issuance of shares to specific targets, the Company's directors and senior executives will continue to faithfully and diligently perform their duties, safeguarding the legitimate rights and interests of the Company and all shareholders. The following commitments are made regarding the implementation of measures to fill the return by the Company:

1. Commitment to faithfully and diligently perform duties and safeguard the legitimate rights and interests of the Company and all shareholders.

2. Commitment not to gratuitously or under unfair conditions provide benefits to other entities or individuals, and not to adopt any other means to harm the interests of the Company.

3. Commitment to restrict personal consumption behavior related to their positions.

4. Commitment not to use Company assets for investment or consumption activities unrelated to the performance of duties.

5. Commitment to link the remuneration system formulated by the Board of Directors or the Remuneration and Assessment Committee to the implementation of measures to fill the return by the Company.

6. Commitment to link the exercise conditions of future disclosed equity incentive plans to the implementation of measures to fill the return by the Company.

7. Commitment to effectively fulfill the relevant measures to fill the return formulated by the Company and any commitments made by oneself in this regard. In the event of a violation of these commitments resulting in losses to the Company or investors, one is willing to bear compensation liability following the law.

8. This commitment shall be effective from the date of issuance until the completion of the Company's issuance of shares. If the CSRC or the SSE makes new regulatory provisions regarding the measures to fill the return and their commitments, and the above commitments do not meet the requirements of such regulations, one promises to issue supplementary commitments following the latest regulations of the CSRC and the SSE.

9. As one of the responsible parties for implementing the measures to fill the return, in the event of a violation of the above commitments or refusal to fulfill the above commitments, one agrees that the CSRC, the SSE, and other securities regulatory agencies may impose relevant penalties or take regulatory measures following their formulated or published provisions and rules.

6.2 Commitments of Bluestar Group

Bluestar Group commits to lower the dilution impact of the Company's issuance of private issuing on the immediate return and ensure the effective implementation of the measures to fill the return by the Company. The following commitments are made:

1. The Company commits to exercise shareholder rights following relevant laws, regulations, and the Company's articles of association, and undertakes not to intervene in the operation and management activities of the Listed Company beyond my/our authority and not to encroach upon the interests of the Listed Company.

2. In the event that from the date of issuance of this commitment letter to the completion of the Issuance of Shares to Specific Target Subscribers, the CSRC, the SSE and other securities regulatory authorities provide otherwise or make other requirements in respect of the measures to be taken to make up for diluted immediate

returns and the commitments thereof, and the relevant contents of the commitments cannot meet the requirements of the CSRC, the SSE and other securities regulatory authorities, the company undertakes to make supplementary commitments in accordance with the latest requirements.

3. As one of the responsible parties for implementing the measures to fill the return, the Company commits to strictly fulfill the above commitments. The company is willing to bear the liability of compensating the Listed Company or investors in accordance with laws in the event of any breach of such commitments and any loss caused to the Listed Company or investors.

6.3 Commitments of Sinochem Holdings

Sinochem Holdings commits to lower the dilution impact of the Company's issuance of private issuing on the immediate return and ensure the effective implementation of the measures to fill the return by the Company. The following commitments are made:

1. The Company commits to exercise rights following relevant laws, regulations, and the Company's articles of association, and undertakes not to intervene in the operation and management activities of the Listed Company beyond my/our authority and not to encroach upon the interests of the Listed Company.

2. In the event that from the date of issuance of this commitment letter to the completion of the Issuance of Shares to Specific Target Subscribers, the CSRC, the SSE and other securities regulatory authorities provide otherwise or make other requirements in respect of the measures to be taken to make up for diluted immediate returns and the commitments thereof, and the relevant contents of the commitments cannot meet the requirements of the CSRC, the SSE and other securities regulatory authorities, the company undertakes to make supplementary commitments in accordance with the latest requirements.

3. The Company commits to strictly fulfill the above commitments. Where there is any violation, breach or non-performance of the commitments aforesaid which

cause losses to the Listed Company or the investors, the Company is willing to bear the liabilities providing by relevant rules or regulations of CSRC, SSE or other securities regulatory authorities.

The Board of Directors, Bluestar Adisseo Company

25th April, 2024

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