

## **Bluestar Adisseo Company**

### **Announcement on Signing the Finance Service with Sinochem Finance Co., Ltd.**

The board of directors and all directors guarantee that this announcement does not contain any false statement, misleading statement or material omission, and assume legal liability for the authenticity, accuracy and integrity of this announcement.

#### **Prompts for Important Content:**

- Bluestar Adisseo Company (hereinafter referred to as “the Company”) intends to sign the Financial Services Agreement with Sinochem Finance Co., Ltd. (“Sinochem Finance”). The agreement stipulates that Sinochem Finance shall provide relevant financial services for the Company and that the agreement shall be valid for 3 years.
- This connected transaction helps to ultimate financial management of the Company, improve the efficiency of capital utilization and reduce financing costs and risks, and meet the needs of the Company's business development.
- This connected transaction has to be submitted to the shareholders' general meeting for deliberating and related shareholders who have an interest in this transaction shall waive their voting rights at the shareholders' general meeting.
- In the past 12 months, the maximum daily deposit balance of the Company in the Sinochem Finance has not exceeded RMB 1 billion, and the total maximum comprehensive credit line has not exceeded RMB 1 billion. As of 31<sup>st</sup> December 2022, the maximum daily deposit of the Company with Sinochem Finance is RMB 103.90 million yuan, and the loan balance is RMB 260 million yuan.

#### **I. Overview of the Related Party Transactions**

The Company deliberated and passed the proposal on Signing Finance Service between Sinochem Finance Co., Ltd. & Bluestar Adisseo Company with 5 votes in favor, 0 objection, and 0 abstention, related directors Zhigang Hao, Gérard Deman, Yougen Ge and Jingwan Wu withdrawing from voting at the ninth meeting of the 8<sup>th</sup> board of directors held on 30<sup>th</sup> March 2023, and the relevant information is as follows:

The Company signed a Financial Services Agreement with Sinochem Finance Co., Ltd. (“Sinochem Finance”) for the purposes of optimizing financial management, improving efficiency of capital utilization, and reducing financing costs and risks. The agreement specified that Sinochem Finance shall provide the Company with such financial services as deposit, settlement and credit for a valid period of 3 years. During the cooperation, Sinochem Finance will provide the Company with such financial services as deposit, settlement and credit within its licensed scope of business. Upon its

effectiveness, this Agreement shall replace and supersede the Financial Service Agreement executed by both Parties on 10 May 2022 ("Original Agreement") and the Original Agreement shall be terminated and no longer performed.

Sinochem Finance is a subsidiary of Sinochem Holdings, which is the parent company of China National Bluestar (Group) Co., Ltd., the controlling shareholder of the Company. Sinochem Finance and the Company are all subject to the same actual controller, which is a case that according to the stipulation in Paragraph (2), Article 6.3.3 of the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*. The transaction will be deemed as a connected transaction. The transaction is not a major restructuring of assets. This connected transaction has to be submitted to the shareholders' general meeting for deliberating

## **II. Introduction to the Related Party**

### **(I) Introduction to related party relationship**

Sinochem Finance is a subsidiary of Sinochem Holdings, which is the parent company of China National Bluestar (Group) Co., Ltd., the controlling shareholder of the Company. Sinochem Finance and the Company are all subject to the same actual controller, which is a case that according to the stipulation in Paragraph (2), Article 6.3.3 of the *Listing Rules of Stocks on the Shanghai Stock Exchange*.

### **(II) Basic information of the related party**

1. Company Name: Sinochem Finance Co., Ltd.
2. Organization Form: A limited liability company
3. Registered Address: 3/F, Central Tower, Chemsunny World Trade Center, 28 Fuxingmennei Street, Xicheng District, Beijing
4. Main office: 3/F, Central Tower, Chemsunny World Trade Center, 28 Fuxingmennei Street, Xicheng District, Beijing
5. Legal Representative: Li FuLi
6. Registered Capital: CNY 6,000.00 million
7. Business Scope: accounting and financial consultation, credit authentication for member units; assisting member units to collect and pay amounts for transactions; guarantee services for members units; loans and investment on behalf of member units; acceptance and discounting of bills for member units; internal transfer and settlement between member units and development of plans for corresponding settlement; acceptance of deposits of member units; loans and finance leases for member units; inter-bank borrowing; underwriting of corporate bonds for member units; issuance of bonds upon approval; equity investment in financial institutions; portfolio investment; and buyer's credit for member unit products;
8. Equity Structure: Sinochem Holdings holds 72.00%, and Sinochem Capital Co., Ltd. holds 28.00% of the stake.
9. As of 31<sup>st</sup> December 2022, the total assets of Sinochem Finance amounted to CNY57.76 billion, equity came to CNY10.29 billion, the interest income reached CNY1.35 billion, the handling charge income reached CNY0.02 billion, total profit reached CNY0.49 billion, and net profit reached CNY0.45 billion. The above data

have not been audited.

10. As of disclosure date of this announcement, there is no other relationship between Sinochem Finance and the Company in terms of property rights, business, assets, claims and debts, personnel, etc.

### **III. The main content and arrangement of Related Party Transactions**

The Financial Services Agreement that the Company intends to sign with Sinochem Finance stipulates that Sinochem Finance shall provide relevant financial services for the Company and that the agreement shall be valid for 3 years. The maximum daily deposit balance of the Company in Sinochem Finance shall not exceed CNY2 billion and the maximum integrated credit line shall not exceed CNY2 billion.

(I) Principles for the signing of the agreement

Both parties to the agreement shall regard each other as an important partner and give full play to their advantages in the respective fields to achieve common development through business cooperation and to maximize the interests of both parties. Both parties shall cooperate in the principles of equality, voluntariness, complementary advantages, mutual benefits, common development and win-win outcome.

(II) Main contents of the agreement

Sinochem Finance shall provide the Company and its subsidiaries with the following financial services:

1. Deposit

The Company and its subsidiaries will open a deposit account at Sinochem Finance for its funds in the principle of free deposit and withdrawal. The deposit may take such forms as demand deposit, term deposit, notice deposit and agreement-based deposit. The interest rate of Sinochem Finance for the deposit service provided to the Company shall not be lower than the deposit interest rate for the same type of deposits as enacted by the People's Bank of China in the same period, or lower than the deposit interest rate of China's major commercial banks. The maximum daily deposit balance of the Company in Sinochem Finance shall not exceed CNY2 billion.

2. Settlement

Upon the Company and its subsidiaries' command, Sinochem Finance shall provide payment service and collection service, as well as other auxiliary services related to settlement business; and Sinochem Finance shall provide the Company and its subsidiaries with the abovementioned settlement services for free.

3. Credit

In line with the related laws and regulations in China, Sinochem Finance shall provide integrated credit services for the Company and its subsidiaries upon the demands of Party A's operation and development. The Company and its subsidiaries may use the integrated credit line provided by Sinochem Finance to handle loans, bill acceptance, bill discounting, non-financing guarantee, and other forms of financing businesses within Sinochem Finance's business scope. Sinochem Finance shall endeavor to satisfy the Company and its subsidiaries' demands preferentially within the scope of its own financial capacity. Sinochem

Finance promises that it shall provide the Company and its subsidiaries with a preferential loan interest rate, lower than that of the same level in the same period obtained by the Company and its subsidiaries from other domestic financial institutions. The maximum integrated credit line provided by Sinochem Finance to the Company shall not exceed CNY2 billion.

4. Other financial services

Sinochem Finance shall, in accordance with the instructions and requirements of the Company and its subsidiaries, provide the latter with other financial services within the scope of its businesses and shall consult and enter into an independent agreement before the former's provision of such financial services; and the fees charged by Sinochem Finance for the provision of these financial services shall not be higher than those charged by major financial institutions in China for the same services.

(III) Execution, Alteration and Rescission of the Agreement

1. The Agreement shall take effect after being executed by both parties hereto and after the following conditions are met:
  - (1) In accordance with the listing rules and other relevant laws and regulations, it has been deliberated and approved by Party A's board of directors and the general meeting of shareholders;
  - (2) Party B meets the relevant compliance requirements.
2. The Agreement is valid for three years from the effective date.
3. After the signing of this agreement, if the content of this agreement needs to be changed due to the promulgation, revision or repeal of any laws and regulations, or because the securities regulatory authority requires Party A to make adjustments to this agreement in written notification, both parties shall make corresponding changes to the content of this agreement to comply with the current laws and regulations or the requirements of securities regulatory authorities.
4. The Agreement may be altered and rescinded after that both parties hereto reach negotiation-based consensus and written agreement, before which the clauses of the Agreement shall still be effective.
5. Where some clauses herein are invalid or non-executable, the validity of the other clauses herein shall not be affected.

(IV) Liability for breach of contract

If any party violates the provisions of this agreement, it shall be liable to the other party for breach of contract in accordance with relevant laws and regulations.

**IV. Purpose and impact of the agreement on the Company**

This connected transaction helps to ultimate financial management of the company, improve the efficiency of capital utilization and reduce financing costs and risks, and meet the needs of the Company's business development. The connected transaction is based on the market-oriented principle, fair and reasonable, and does not damage the interests of the company and other shareholders, especially minority shareholders. The connected transaction will not affect the independence of the Company.

**V. Deliberation Procedure of the Transaction**

- (I) **Deliberation Procedure of the Board of Directors**  
The Company deliberated and passed the proposal on Signing Finance Service between Sinochem Finance Co., Ltd. & Bluestar Adisseo Company with 5 votes in favor, 0 objection, and 0 abstention and related directors Zhigang Hao, Gérard Deman, Yougen Ge and Jingwan Wu withdrawing from voting at the ninth meeting of the 8<sup>th</sup> board of directors held on 30<sup>th</sup> March 2023. The independent directors all voted in favor of the transaction.
- (II) **Independent Directors' Advanced Opinions and Independent Opinion**  
The independent directors have approved the transaction in advance and agreed to submit the proposal to BOD. The independent directors issued opinions in this regard: the financial services agreement between the Bluestar Adisseo Company and Sinochem Finance Co., Ltd. could optimize financial management, improve efficiency of capital utilization and reduce financing costs and risks. The main terms of the agreement are objective and fair. This agreement will not jeopardize the benefits of the Company, its shareholders, especially the minorities. Sinochem Finance Co., Ltd. has legal and effective financial license and business license of enterprise legal person, and has complete and reasonable system of internal control, thus can better control risks. The Company has established a risk management preplan for financial services. The related directors have avoided voting when deliberating this proposal in the board meeting, and the voting procedures comply with the provisions of relevant laws and regulations and the Articles of Association. We agree to submit this proposal to the shareholder's general meeting for deliberation.
- (III) **Audit, Risk and Compliance Committee's Opinions**  
The transaction between the associated parties is conducive to the Company in optimizing its financial management, improving its efficiency of capital utilization, and reducing the financing costs and risks. Sinochem Finance Co., Ltd. has legal and effective financial license and business license of enterprise legal person, and the main terms of the agreement are objective and fair. The Company also stipulates *Bluestar Adisseo Company Risk-Controlling System for Funds Deposited at Sinochem Finance Co., Ltd.* and *Bluestar Adisseo Company Deposit Risk Management Preplan for Deposits in Sinochem Finance Co., Ltd.* This transaction will not prejudice the benefits of the Company and shareholders, especially the benefits of the medium and small shareholders. We agree to sign the Finance Service between Sinochem Finance Co., Ltd. & Bluestar Adisseo Company and agree to submit this proposal to the board for deliberation.

It is hereby announced.

Board of Directors of Bluestar Adisseo Company

30<sup>th</sup> March 2023

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