

News Release



BASF, Huntsman, Shanghai Hua Yi, Shanghai Chlor-Alkali Chemical Co. Ltd. and SINOPEC Group Assets Management Corporation plan new MDI plant in Shanghai

- **Capacity of 240,000 metric tons crude MDI per year to support growing demand for polyurethane products in Asia Pacific**
- **Start-up planned for 2017**

Shanghai, China – July 1, 2014 – BASF, Huntsman, Shanghai Hua Yi (Group) Company, Shanghai Chlor-Alkali Chemical Co. Ltd. and SINOPEC Group Assets Management Corporation held a ceremony today kicking off the construction of a new plant with a production capacity of 240,000 metric tons of crude MDI (diphenylmethane diisocyanate) per year, at Shanghai Lianheng Isocyanate Co. Ltd. (SLIC) in Caojing, China. With the new plant, the MDI capacity at this site will be doubled to 480,000 metric tons per year. In addition, the partners plan to build a HCl (hydrogen chloride) recycling plant for the production of chlorine, a precursor for MDI. The facility is expected to start up 2017. The project is subject to further approval of the Chinese Ministry of Commerce.

MDI is an important precursor in the manufacture of polyurethanes – versatile polymers that are used in industries like construction, automotive, appliance, and footwear.

“Asia Pacific remains an important growth and investment region for BASF, with the fast growing Chinese market being a major focus. Polyurethanes are among the most versatile materials existing to

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address sustainability issues across numerous applications such as the automotive or construction industries. With the new plant, BASF can participate in this dynamic market,” said Martin Brudermüller, Vice Chairman of the Board of Executive Directors, responsible for Asia Pacific.

The new MDI plant is planned at the Shanghai Chemical Industry Park (SCIP) in Caojing, adjacent to the existing integrated isocyanates complex. This will enable the utilization and full access to raw materials and energy.

Shanghai Lianheng Isocyanate Co. Ltd. (SLIC) has a production capacity of 240,000 metric tons of crude MDI per year and includes manufacturing facilities for the precursors aniline and nitrobenzene built by BASF, Huntsman, Shanghai Hua Yi (Group) Company, Shanghai Chlor-Alkali Chemical Co. Ltd. and SINOPEC Shanghai Gaoqiao Company. Commercial production started in 2006.

About BASF

BASF is the world's leading chemical company: The Chemical Company. Its portfolio ranges from chemicals, plastics, performance products and crop protection products to oil and gas. We combine economic success with environmental protection and social responsibility. Through science and innovation, we enable our customers in nearly every industry to meet the current and future needs of society. Our products and solutions contribute to conserving resources, ensuring nutrition and improving quality of life. We have summed up this contribution in our corporate purpose: We create chemistry for a sustainable future. BASF had sales of about €74 billion in 2013 and over 112,000 employees as of the end of the year. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information on BASF is available on the Internet at www.basf.com.