

Supplying the first propylene oxide plant in China based on the HPPO process, the construction of Evonik's new hydrogen peroxide plant in Jilin, China on track

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The construction of Evonik's new hydrogen peroxide plant in Jilin(China) is in good progress. The plant broke ground last April and is scheduled to go online with a planned annual capacity of 230,000 tons in late 2013, in order to ensure the supply of raw materials for the propylene oxide plant under construction at the same time.

"About 90% product from our new plant will be supplied directly to our customer Jishen Chemical Industry Co., Ltd. via dedicated pipelines, while the remaining product will be provided to traditional applications markets," said Dr. Yutong Zhu, Vice President and General Manager of Advanced Intermediates Business Unit Asia, Evonik Industries. The two companies, Jishen and Evonik have entered into a long-term supply contract for the purpose. Jishen will use the HPPO process which is developed by Evonik and ThyssenKrupp Uhde GmbH to make propylene oxide from hydrogen peroxide. Propylene oxide is used primarily in the manufacture of polyurethane intermediates, and polyurethane in turn goes into the making of products such as car seats and furniture.

The HPPO process is an eco-friendly production process, with a number of stunning features such as excellent environmental tolerability, no market dependence on co-product, a high degree of production efficiency, significantly lower investment requirements, and a high performance catalyst to ensure long-lasting process. Several highlights ensure unmatched performance, especially the patented methods for the most efficient purification of all propylene oxide manufacturing technologies. This only requires one single reactive extractive distillation column and catalyst regeneration in the reactor with the process solvent.

"This is the first -ever large-scale HPPO operation in China jointly established by Evonik, ThyssenKrupp and the licensee, Jishen Chemical Industry Co., Ltd.," said Dr. Zhu. Talking about more than a hundred million euro investment in Jilin, Dr. Zhu stated that it is a successful project with joint efforts of multiple partners along the whole industrial chain. Such well-developed propylene oxide industrial chain is also the first of its kind in China. "Evonik is willing to transfer our cutting-edge technology to any capable manufacturer, and is committed to achieve

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win-win situation through cooperation with our customers.” Dr. Zhu added.

Evonik is committed to meeting customers’ needs and catering to market development. The investment in Jilin hydrogen peroxide plant satisfies the demand of propylene oxide in China’s northeast region. And the introduction of innovative HPPO process helps promote the sustainable growth in China.

Evonik Industries is one of the global leading manufacturers of hydrogen peroxide (H₂O₂). With an annual capacity of more than 600,000 metric tons, the Active Oxygens Business Line of Evonik is one of the world leading producers of the environmentally-friendly bleaching and oxidizing agent.

Jishen Chemical Industry Co., Ltd. is a joint venture, established by PetroChina Jilin Beifang Chemical Group and Jilin Shenhua Group, to produce propylene oxide for the Chinese market.

ThyssenKrupp Uhde is one of the world's leading engineering companies in the design and construction of chemical, refining and other industrial plants. With more than 4,800 employees the company's activities focus on the engineering and construction of chemical and other industrial plants.

About Evonik

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik’s corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms.

Evonik is active in over 100 countries around the world. In fiscal 2012 more than 33,000 employees generated sales of around €13.6 billion and an operating profit (adjusted EBITDA) of about €2.6 billion.

Evonik Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970’s; with wide-ranging trading relations already in place prior to

this in the region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavour to grow our business in the region. The company now has around 3,500 employees in the Greater China region, the regional sales reached over 1 billion in 2012.

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