



We create chemistry

News Release

July 12, 2023

BASF to supply Neopentyl Glycol from Zhanjiang to KHUA

- **KHUA is planning to build a 100KT/a production plant for high-end powder coatings resins in Zhanjiang**
- **Partnership will help to meet the growing demand for low-emission powder coatings in China and the wider Asia Pacific region**

Zhanjiang, China – BASF and Zhejiang Guanghua Technology Co.,Ltd. (KHUA) have signed a Letter of Intent (LoI) for the supply of Neopentyl Glycol (NPG) from BASF's Zhanjiang Verbund site to KHUA. This agreement marks a significant milestone in the long-term partnership between both parties.

KHUA, a reputed manufacturer of saturated polyester resins for the powder coatings industry in China, is planning to build a 100 kilotons per annum (KT/a) production plant for high-end powder coatings resins in Donghai Island, Zhanjiang Economic & Technological Development Zone (ZETDZ), where BASF is building a world-scale NPG plant with an annual production capacity of 80,000 metric tons.

Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF, said, "We are pleased to strengthen our long-standing partnership with KHUA through co-location. We are confident that this strategic move will create synergies that benefit both parties, including enhanced collaboration and supply reliability, faster delivery, access to shared resources, and reduced costs. In addition, this partnership will help to meet the growing demand for eco-friendly powder coatings in China and the wider Asia Pacific region."

Media relations

BASF Intermediates

Fanny Yuen

Phone: +852 9271 0329

fanny.yuen@basf.com

“We have high hopes of BASF’s Zhanjiang Verbund site, which will set a new standard in the petrochemical industry by utilizing clean energy, conserving energy, and reducing emissions. Leveraging our competitive advantages, backed by the strategic partnership with BASF, one of the world’s leading NPG suppliers, as well as Zhanjiang’s unique geographical location, we are confident in the success of our 100KT/a powder coating resin expansion project. This will enable us to reduce VOCs and contribute to a sustainable future with clear blue skies and white clouds,” said Jeffrey Sun, Chairman, KHUA.

With the new NPG plant at the Zhjanjiang Verbund site expected to be available from Q4 2025, BASF’s global NPG capacity will be boosted from 255,000 metric tons to 335,000 metric tons annually, strengthening its position as one of the world’s leading NPG manufacturers. Upon completion, this will be BASF’s fifth NPG plant, following the ones in Ludwigshafen, Germany; Freeport, Texas, United States; as well as Nanjing and Jilin, China.

NPG is an intermediate mainly used in the production of powder coating resins, which are particularly successful for the coating of household appliances and in the construction industry. Due to their low volatile organic compounds (VOC), powder coatings enable their users to comply with VOC emission standards by reducing the release of VOCs by up to 50% compared to liquid coatings. Other applications for NPG include the manufacture of lubricants, plasticizers and pharmaceuticals.



BASF and KHUA sign the Lol for the supply of NPG.

Front row, left to right:

Haryono Lim, Senior Vice President, New Verbund Site China, BASF

Yao ChunHai, General Manager, KHUA

Back row, left to right:

Vasilios Galanos, Senior Vice President, Intermediates Asia Pacific, BASF

Hong Tao, Vice Secretary and Vice Chief Commander of Joint Party Committee of Advanced Manufacturing Key Project Construction Taskforce by ZETDZ and Fenyong High-tech Zone

Jeffrey Sun, Chairman, KHUA

About BASF Intermediates

BASF Group's Intermediates division develops, produces and markets a comprehensive portfolio of more than 600 chemical intermediates around the world. Its most important product groups include amines, diols, polyalcohols, acids and specialties. The division's customers use its intermediates in many value chains for example as precursors for coatings, plastics, pharmaceuticals, textiles, detergents and crop protectants. The division is offering innovative intermediates which can help to improve both the properties of final products and the efficiency of production processes. Dedicated to sustainability it is supporting its customers with suitable solutions to achieve their targets, e.g. reducing CO₂ emissions and increasing the share of renewable raw materials, thus saving fossil resources. The ISO 9001 certified Intermediates division operates world-scale plants at production sites in Europe, Asia and North America. Around the globe the division generated sales to third parties of about €4.3 billion in 2022. For more information, go to www.intermediates.basf.com.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €87.3 billion in 2022. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.