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The 20th BlueStar Summer Camp officially opened at the Beijing sub-camp on July 20th. Apart from over 1,000 children of Chinese employees, the camp this year has also attracted 40 children of foreign employees of BlueStar’s overseas businesses in France, UK and Australia, making it a truly international event this year.

Themed as BlueStar - We Are Family, the camp featured a series of activities such as cultural exchanges and visits to ancient architectural sites, famous institutions of higher learning, Olympic Games venues and major museums, plus learning Chinese language and culture and experiencing Chinese traditions. Former camp members who are now foreign studies majors were invited to be camp instructors and interpreters.

Mr. Ren Jianxin, founder of the camp and now President of ChemChina, and Mr. Bai Xinping, Acting President of BlueStar, handed over the camp banner at the Beijing branch camp. Addressing the opening ceremony, Mr. Ren expressed great satisfaction about the camp going global.

“The BlueStar Summer Camp has become increasingly better to attract wide social attention. Adhering to our principle of human orientation, we attach great importance to the all-round development of our children. By integrating education with recreational activities, we are trying our best to turn our children into qualified persons with sound moral integrity, strong will, rich knowledge, team spirit and broad horizons. In organizing the summer camp for 20 consecutive years, we have reaped unexpected fruits: it has helped better educate our children, imparted knowledge to them, and enriched their social experiences, especially passing on the unique corporate culture of BlueStar from one generation to the next. This is extremely meaningful for the long-term development of the company and its corporate culture. Therefore, the summer camp is an important event we will carry on further.”

At the opening ceremony, representative camp members and instructors made speeches in both Chinese and English, which quickly bridged the communication gap between Chinese and foreign camp members. All the children expressed their readiness to learn from and respect each others’ ways of life, enhance communication and strengthen the friendship among them all as members of the big BlueStar family.

Founded in 1990, the BlueStar Summer Camp has grown and improved continuously along with the rapid development of BlueStar Group. The size of the camp has also progressively grown to include the children of employees at BlueStar headquarters as well as those at different subsidiaries across China.

The Beijing Branch Camp visited the Chemical Industry Museum of China on the first day of the camp.

ChemChina held a review of its business operation and performance for the first half of 2009 and made plans for the second half of the year. Following reports by the prime subsidiaries of ChemChina, President Ren led the overall review of the current business situation and stressed the importance of enhanced corporate management.

Starting from the 4th quarter last year, ChemChina has begun to implement a series of rigorous measures to battle the economic crisis. With the concerted efforts of the whole ChemChina team, the company group has witnessed positive signs of improving business. By the end of June this year, a brake had been put on the downward trend and the company had achieved total profits of RMB420 million.

However, “we shall not be blinded and become complacent because of the good results we have made. We still have to stay highly vigilant in the face of a financial crisis of such magnitude,” the President stated. The global chemical industry is undergoing major adjustments; the impacts of the financial crisis are fanning out, domestic demand is still weak and prices are in flux. Meanwhile, a number of ChemChina’s second tier subsidiaries are still losing money. All of these factors compel us to fully prepare for a long-lasting battle against a weak economy. President Ren also emphasized the two major tasks of strict control of investment to avoid duplicated construction and enhanced management and efficiency, to be accomplished primarily by stepping up IT development.
ChemChina Finance Co. Starts Business Officially

Cao Xia

ChemChina Finance Co., Ltd. officially started its business on July 9th with the approval of industry watchdog China Banking Regulatory Commission (CBRC).

With total registered capital of RMB632.5 million, the ChemChina Finance Company is a corporate-based non-banking financial institution jointly funded by ChemChina and its prime subsidiaries including China National BlueStar (Group) Co., Ltd., China Haohua Chemical (Group) Corporation, BlueStar New Chemical Materials Co., Ltd., ChemChina Agrochemical Corporation, ChemChina Rubber Corporation, etc. It is the first Chinese financial company to hire a foreign professional manager, Mr. Daniël de Bloq van Scheltinga, to be its CEO.

Designed to support ChemChina in achieving an internationalized business model, intensive management, an improved IT platform and enhanced financial governance, the ChemChina Finance Company is an integrated financial service platform that covers accounts settlement, financing, investment banking consulting, etc. The platform will help ChemChina improve the centralized management of capital, reduce capital utilization cost, optimize resource allocation and offer capital management and other extended financial management services to all the ChemChina subsidiaries.

The specific businesses of the Finance Company include financial and financing consulting, credit authentication, brokerage and guarantee, insurance brokerage as approved, assistance in payment settlement, bank note underwriting and discounting, intra-group account transfer and settlement, deposits, lending and financial leasing to ChemChina subsidiaries, inter-bank borrowing, etc.

ChemChina's Self-Innovation Rates Very High among Chinese Companies

The 2008 Top 100 Chinese Companies’ Self-Innovation Review and Release Conference and the Chinese Companies’ Development and Self-Innovation Summit were held on July 11th and 12th in Beijing. ChemChina was near the top of the list, at 3rd place, with an innovation index of 9.58. Approved by the Development Research Center under the State Council, the annual review is an authoritative platform for the evaluation of the successes in self-innovation of Chinese companies.

ChemChina grabbed a top prize this year thanks to its continuous innovation in products, services and technologies. As the largest chemical producer in the country, ChemChina ranks 28th among the top 500 Chinese companies and 19th among the global chemical giants. The company is ranked 4th in terms of patent ownerships and 12th in overall scientific innovation strength among all the primary state-owned enterprises (SOEs).

ChemChina owns 25 state-level R&D institutes and eight state-level engineering (technology) research centers, a national key laboratory for the comprehensive utilization of industrial waste gases as well as a national technology popularization center for PSA (pressure swing adsorption). In addition, the company has to its name five enterprise-based technology centers authorized by the state and four state-level quality monitoring and inspection centers. Based on such technological strength, ChemChina has successfully completed a large number of key scientific and technological programs, and developed hi-tech products with independent IPRs and proprietary technologies. ChemChina commands a dominant position in dozens of technologies and fields including organic silicone, fluorine, engineering plastics, methionine, PSA, etc.

In addition, ChemChina sees energy conservation and emission reduction as keys to enhanced competitiveness and was the first chemical company in China to adopt the zero-emission strategy. Last year alone, the company completed several waste water treatment pilot projects such as a PVC mother liquid waste water treatment and recycling program and an oil waste water treatment and recycling program.

A meeting about in-service crime prevention was held on June 22nd at China BlueStar Chengrand Chemical Co., Ltd., with the participation of mid-level and senior management of the company. Taking advantage of the on-going aromatic fiber project, the company volunteered to invite external supervision of the project management by the local procuratorate and discipline authority with a view to prevent the kind of in-service crimes often associated with construction projects.

The company signed an agreement with the People’s Procuratorate of Chengdu City. The cooperation covers the establishment of a working mechanism, joint monitoring of project owners in implementing clean-governance practices, development of prevention mechanisms, various outreach activities aimed at enhancing legal awareness, etc.
ChemChina Invites External Supervision of Construction Projects

On July 14th, ChemChina and the People’s Procuratorate of Haidian District, Beijing signed two agreements on the prevention of in-service crimes and joint supervision of construction projects.

After close communication and consultation, ChemChina and the district procuratorate reached a broad consensus in mutual cooperation on project supervision, case investigation, admonition education, etc., with a view to eliminate possible irregularities in project management. The watchdog would get involved in the prevention and investigation of any in-service crimes either associated with new construction projects or identified in day-to-day corporate governance. In addition, the procuratorate would work with ChemChina in carrying out various educational activities and assist the company in developing mechanisms for project tendering, bulk materials procurement, etc.

The meeting was witnessed by an audience of more than 50 senior company executives and directors and project managers.

Comprehensive Financial Information Management Platform in Operation

ChemChina organized a training program on preparing and reading consolidated financial statements from June 26th to 28th in Beijing and sorted out the 2008 financial accounts data in the comprehensive financial data management platform. More than 120 financial and accounting personnel across the board of ChemChina Group participated in the training.

Supported by Beijing Jiuqi Software Co., Ltd., ChemChina began to develop the comprehensive financial data management platform in alignment with its KPI program and as part of the answer to the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) and the Ministry of Finance for improved rolling financial reports, monthly financial reports, company budgets and accounts. Now that the platform has been completed and is in operation, the subsidiaries of ChemChina consolidated into the group financial statements are able to submit their financial data and statements through the platform which is in turn linked to the KPI system of ChemChina Group.

The platform will facilitate the reporting and management of ChemChina financial data across the board, and improve the overall effectiveness and efficiency of financial management. Through the training, more than 95% of the financial and accounting personnel mastered the methods of compiling financial statements, which will promote the application of the platform.

SAP-ERP Program Progresses at Xinghuo Plant

On July 23rd, the review of SAP-ERP program achievements and demonstration of new business processes were held at Xinghuo Organic Silicone Plant in Jiangxi Province. This event signals the successful completion of the four-phase SAP-ERP program and the prospective going-live of the system, thanks to the joint efforts of Atos Origin and the Xinghuo team.

As one of the three pilots for the project, Xinghuo kicked off the SAP-ERP program on April 15th this year. During the implementation process, key plant managers got fully involved in the program while Atos Origin organized a series of CRP-1 key business process demonstrations and ERP key-customer evaluations, which ensured early diagnosis of potential problems and hence the eventual success of the program.

With four phases of the program basically completed, Xinghuo will soon launch final tests of the previous results to ensure the successful going-live of the SAP-ERP system at the beginning of September 2009.
On June 29th, the 500,000 t/a catalytic pyrolysis process (CPP) equipment of Shenyang Chemical Industry Group had a formal trial run. The trial run symbolizes that the state-approved projects for 500,000 t/a CPP and the core unit of a 100,000 t/a PE reconstruction project have gone into formal production. (Photo by Song Lianqin)

Xinghuo Puts Hydrogen-containing Silicone Oil Equipment On Stream

Du Yanqing

In recent years, Jiangxi Xinghuo Organic Silicone Plant has expanded the production of organic silicone monomer, of which the yielded by-product of hydrogen-containing monomer is inflammable, explosive and difficult to store. The company has always wanted to convert it into hydrogen-containing oil for sale. Hydrogen-containing silicone oil can be used as water-proofing agent in various materials such as textiles, glass, ceramics, paper, leather, metal, cement, marble, etc. When used with methyl hydroxy silicone oil emulsion, it can make many high quality and high value-added products.

This March, Xinghuo decided to further improve the production process and install one more unit of production equipment for hydrogen-containing silicone oil based on the existing 800 t/a equipment using proprietary technology. Three months later in June, the new equipment was put into production and the manufactured products have been sold to markets in the US and Europe. This equipment can recycle large amounts of organic by-product of hydrogen-containing monomer and transform them into valuable materials, which will promote the development of a recycling economy with increased annual profitability of RMB17 million.

Guilin Rubber Machinery Factory Unveils World's Largest Mechanical Vulcanizer

Chen Weifang

On July 14th, a giant vulcanizer for engineering tires, 14 meters in length, 8 meters in width and 13 meters in height, demonstrated the completion of all the predefined actions automatically in Guilin Rubber Machine Factory. The president of Japanese Bridgestone Equipment Engineering Company and on-site Japanese experts showed their appreciation with the thumbs-up sign: "OK, a really good Chinese machine!" The successful development and acceptance by the Japanese client indicates that China’s vulcanizers have moved into the global front ranks.

The "5000" type giant vulcanizer for engineering tires is the key equipment to manufacture all-steel giant OTR radial tires. It is crank-type, which comprises a main body, hydraulic control system, piping system, electric control system, and so on. It can automatically complete the functions of tire forming and curing, etc.
The Chlor-alkali Engineering Technology Center of Hebei Province was recently given a provincial level rating. The application to establish the center was made jointly by Hebei Shenghua Chemical Industry Co., Ltd. and Hebei University of Technology. It is the only provincial level engineering and technology center for chlor-alkali industry in Hebei Province.

The center focuses on study of the production technology of chlor-alkali products, PVC specialty resins and their deep-processing products, fine chemicals, as well as development of recycling economy in the chlor-alkali sector. Construction was started in July 2007. The center passed the feasibility demonstration in November 2008 and the provincial acceptance examination in June 2009. It features four subordinate research laboratories, for polymer synthesis and processing, chlor-alkali chemicals, fine chemicals, and testing and examination, as well as three other experimental workshops.

Since being put into operation over one year ago, this center has accomplished six R&D projects, among which two are of national level and one is provincial level, with five scientific achievements industrialized, 12 patents applied and five granted.

Zhenghe Petrochemical Co., Ltd. recently held a working skill contest, the content of which was closely related to day-to-day production. The photos show the benchwork fitter contest. (Photos by Yan Xiaojian)

Sometime ago, Fujian Sanming Double-Wheel Chemical Engineering Machinery Co., Ltd. initiated the certification of an integrated system for QMS ISO9001:2008, EMS ISO14001:2004 and OHSAS 18001. A certification work team has been formed and responsibility spelled out for each post. All departments and staff are required to operate in accordance with the system documentation to realize mutual promotion between certification and day-to-day operation.
BRDIRI

Listed as High-tech Enterprise in Zhongguancun

Fan Wenru

Beijing Research & Design Institute of Rubber Industry (BRDIRI) has been recently appraised as an innovative enterprise in Haidian and a high-tech enterprise in Zhongguancun, Beijing. As a result, the institute will benefit from the municipal administration’s supporting policy for high-tech industry. To date, BRDIRI has applied for three governmental subsidies.

CN-31

Pre-reforming Catalyst for Light Oil Passes Evaluation

Xie Zhaoping

On July 7th, the CN-31 type pre-reforming catalyst for light oil, developed jointly by the Southwest Research & Design Institute of Chemical Industry (SRDICl) and Shanghai Shidongkou Gas Co. Ltd passed evaluation by an expert panel on its industrial application achievements. Experts concluded that the catalyst meets the requirement of making gas from light oil and could completely substitute the imported catalyst.

Earlier, all gas-making projects using light oil as raw material in China employed the British CRG-A process and pre-reforming catalysts provided by British ICI (Imperial Chemical Industries). To realize industrialization in China and reduce the purchasing cost for catalysts, SRDICl and Shanghai Gas Co., Ltd. began to jointly develop this type of light oil pre-reforming catalyst from as early as 1998. This catalyst was investigated in both the laboratory and factory to test the indices including transfer temperature, water/hydrocarbon ratio, space velocity of raw oil, hydrogen/oil ratio, raw oil type, volume contraction and catalyst service life. It also underwent practical tests in the gas-making equipment of Shanghai Gas Co., Ltd. Upon comparison, the overall performance of this catalyst was found to equal that of imported catalysts tested at the same time. The CN-31 catalyst has been used stably in production devices for nearly two months.

BlueStar

Awarded Beijing Best IPRs Management Prize

Pang Qiangqiang

China National BlueStar (Group) Co., Ltd was awarded the “Best Intellectual Property Rights (IPRs) Management Prize” by the Beijing Intellectual Property Office.

In view of the weaker macro-economy, it is essential to rely on scientific advancement to strengthen independent innovation, and continuously improve the ability to create, manage, protect and apply intellectual property rights. BlueStar is continuing to strengthen management of intellectual property, which plays a significant role in supporting the company to intensify its prime businesses.
BlueStar Membrane Technology Center Passes National Acceptance Review

Chen Jianjun, Kang Jian

Mr. Liu Zhiquan, Director of the Department of Science and Technology of the Ministry of Environmental Protection, recently led an expert team to evaluate the National Environmental Protection Membrane Engineering Technology Center, sponsored by BlueStar (Beijing) Co., Ltd.

The expert team reviewed the report submitted by the technology center staff, inspected the laboratory, pilot equipment and modular platform, and paid a visit to the 30,000 t/d intermediate water reusing project for the Beijing Economic-Technological Development Area (BDA), which was devised and built by BlueStar Environmental Engineering Co., Ltd.

According to the expert team, the technology center has a relatively complete organizational structure, complete management system and appropriate professional staff structure; it has constructed laboratories with complete functions to analyze water quality and materials, and devised and built removable and modular pilot equipment. The modular assembly platform is able to assemble and test large-scale membrane devices. The center was certified after the appraisal.

BlueStar Membrane Technology Center has undertaken many demonstration projects such as the water-reusing projects for Taiyuan Steel and the Liaohe oilfield, saline water treatment project for Dingxi and the rainwater reusing project for the National Stadium. These projects broaden the application of membrane technology for water treatment in areas such as steel, metallurgy, petrochemical and municipal infrastructure.

Invention Patents Granted to ChemChina Tire & Rubber Guilin

Lu Nanjiang

Following two invention patents licensed in June 2009, one more invention patent named “Radial tire with carcass filled rubber” was granted to ChemChina Tire & Rubber Guilin Co., Ltd. So far, the company has been granted a total of 50 patents.

This new patent resolves the problem of stress concentration in different parts of radial tires and dramatically improves the carrying capability and safety property. To date, this patented technology has been applied to the tire specifications of all-steel giant radial engineering tires such as the 36.00R51, 33.00R51 and 40.00R57, whose main properties achieve world class standards. The findings of the R&D program for 36.00R51 tire have passed the assessment test organized by the Guangxi Scientific and Technological Bureau. The products have been exported, earning more than US$1.6 million in foreign exchange.

As the leading hi-tech enterprise in the field of high-end tires, the company emphasizes the R&D of new technology and the protection of intellectual property. Since being established three years ago, the company has applied for 160 patents, of which 50 have been granted. It tops subsidiaries of the whole ChemChina Group in terms of both the number of patents applied and granted. The application of patented technology has dramatically improved the company’s manufacturing quality and sharpened its competitiveness.

Haohua Finishes First Study on Intellectual Property Strategy

He Zhipeng

The study on the intellectual property strategy of some electronic gases, undertaken by China Haohua Chemical (Group) Corporation and CN-KnowHow Intellectual Property Agent Limited and funded by the Science & Technology Commission of Chaoyang District, Beijing, has been successfully completed. It creates beneficial conditions for Haohua to protect its intellectual property legally.

It is vital to formulate a study on company intellectual property strategy for sustainable development. During the operation of the project, Haohua and KnowHow determined the basis to implement the strategy of related intellectual property after learning about the technical development, patent application and protection of electronic gas product in each section through field investigation. The instructive concept to establish and implement this strategy and the principles required to be abided by were also determined. The strategic aims in the creation, utilization, protection and management of intellectual property of electronic gases were analyzed and determined one by one and the strategic focus formulated, including the approach and method to realize the aim.

While accumulating experience in studying the intellectual property strategy of electronic gases, Haohua plans to commence a study on the intellectual property strategy regarding methane chemical technology and carry out a step-by-step study on all its main products before establishing a study network on intellectual property strategy, so as to enhance the company’s core competitiveness.
Huaxing Petrochemical Holds Summer Evening Event

On July 16th, at the summer evening event at Dawang town square, Shandong Huaxing Petrochemical Group held a special performance. The dances "Diligent and Enterprising Huaxing" and "A New Time," as well as a situational play "Birthday's Expectation" along with sketches and cross-talk presented by Huaxing staff, gained a round of applause from the audience. (Photo by Han Yongtao)

"Chief Worker" Selection in Guangxi Hechi Chemical

Jiang Chunhua

As a measure to deepen enterprise management, Guangxi Hechi Chemical Co., Ltd. is conducting an activity called choosing the "chief worker," which is being pursued enthusiastically by all employees.

While reforming three systems at the beginning of the year, the company broke the old salary system applied for the last 40 years to implement a new one of "same position, same salary." Moreover, the activity to honor the "chief worker" was introduced to motivate the workers to learn more and build up a high-quality technical worker team.

This activity is carried out monthly. The "chief worker" should respect and love his or her work and possess solid professional knowledge, be able to resolve technical trouble in time and conduct technical innovation, as well as be capable of presenting rationalization suggestions. The candidate should be willing to become a leader to save energy and reduce consumption and be the model in safe production.

The "chief worker" selection has been carried out twice this year and nearly 300 staff gained the award and commendation. As a result of the workers’ enthusiastic reaction, as well as increased motivation to study new technology and reduce consumption, the year’s lowest production consumption was recorded in May.

Xinghuo Sino-Western Style Friendship Garden

The Xinghuo-BSI friendship garden was inaugurated at Jiangxi Xinghuo Organic Silicone Plant.

The garden displays a combination of Chinese architectural philosophy and European customs. It is not only the symbol of collaboration and friendship between Xinghuo and French BlueStar Silicones International (BSI), but also presents attractive scenery for the cultural cultivation of Xinghuo, providing an ideal leisurely destination for BSI experts and all the staff and their families. (Photo by Du Yanqing, Lu Yuanlin)