

Dongyue Group Development Outcomes

In 2007, IFC made an equity investment in Dongyue Group and provided a loan to one of the company's subsidiaries, Dongyue Silicones.

The Dongyue Group continues to be the largest fluorine chemical and polymers producer in China and has grown into one of the largest companies of its kind in the world. The Group is largely focused on providing an integrated value chain in the fluorine chemical industry. Fluorine chemicals include fluorocarbons which are mainly used as refrigerants in air conditioners and refrigerators.

Since IFC's investment, Dongyue has continued a strategy of expanding its product offering of more environmentally friendly chemicals and has become certified for ISO 9001 Quality Management System and ISO 14001 Environmental Management System. From 2006 to 2008, Dongyue was able to increase its sales of environmentally friendly refrigerants by 30% in China, an important step in helping the country shift towards using more environmentally friendly inputs.

Information about the company's operations and financial results can be accessed at its web site: www.dongyuechem.com.

Update on Development Impact

Dongyue is having a positive impact on shifting China towards more environmentally friendly chemicals products as well as creating domestic employment opportunities.

Through its operations, Dongyue Group has made important contributions to development in China. In 2008:

1. Dongyue Group employed 3,700 professionals in China (398 at the recently opened Dongyue Silicon plant).
2. In building the Dongyue Silicon plant, the company was able to award \$24 million in construction contracts to local companies.
3. 27,000 tons of the company's silicon monomers were processed into final products. This demonstrates the ability of the Dongyue group to produce higher value chemicals products - a benefit to Chinese manufacturers who now have a domestic alternative to foreign imports.