

Joint News Release

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BASF and SINOPEC to further expand their Verbund site in Nanjing, China

- **Production capacities to be expanded for several downstream chemical plants**
- **The first tert-butyl acrylate plant outside of Germany using BASF technology to meet the growing demand for specialty chemicals in China**
- **The expanded and new plants are planned to come on stream in 2023**

Nanjing, China – August 5, 2021 – BASF and SINOPEC will further expand their Verbund site operated by BASF-YPC Co., Ltd. (BASF-YPC), a 50-50 joint venture of both companies in Nanjing, China. It includes the capacity expansion of several downstream chemical plants, including a new tert-butyl acrylate plant to support the growing Chinese market.

The partners will expand the production capacities of propionic acid, propionic aldehyde, ethyleneamines, ethanolamines and purified ethylene oxide, and build a new tert-butyl acrylate plant. The tert-butyl acrylate plant will be an extension to the downstream using acrylic acid and isobutene of the existing Verbund as feedstock, which marks the first time this advanced production technology is applied outside of Germany. The expanded and new plants are planned to come on stream in 2023.

“SINOPEC and BASF have carried out in-depth and friendly cooperation for a long time, earnestly implemented relevant requirements of the national and local governments to accelerate the transformation and green development of the petrochemical industry, continuously optimized the industrial structure, and promoted further extension of the industrial chain to the downstream,” said Mr. Yuefeng Gu, Chairman of Sinopec Yangzi Petrochemical Company Limited and BASF-YPC Co., Ltd. “With the expansion of the Verbund site, we will provide more

high-end new materials for the domestic market to meet the growing needs of domestic customers and the development of emerging industries.”

“This is a substantial step forward since the signing of a Memorandum of Understanding in 2018 to further strengthen our long-term partnership with SINOPEC,” said Dr. Stephan Kothrade, President and Chairman of BASF Greater China. “With the envisioned investment bundle, we will introduce state-of-the-art technologies and use the Verbund advantages to the fullest.”

“Tert-butyl acrylate as a new product in our portfolio will further strengthen the market position of BASF-YPC,” said Bram Jansen, President of BASF-YPC. “Based on the 20-year success, we are expanding the local capacities to better meet the continually rising demand of our customers.”

Propionic acid (PA) is used as a mold inhibitor for the preservation of food and feed grains. It offers strong economic and ecological benefits over preservation through drying or storage in air-tight silos. It is also used in the production of pharmaceuticals, crop protection agents, solvents and thermoplastics.

Ethyleneamines (EEA) and Ethanolamines (EOA) are intermediates used in the manufacture of crop protection agents, surfactants for personal and home care products, process chemicals for gas treatment, lubricants and cement additives, paper chemicals, and active pharmaceutical ingredients.

Propionic aldehyde (PALD) is an intermediate used as key raw material for propionic acid and n-propanol production. It is mainly used in the manufacture of pharmaceuticals, insecticides, fragrances and plastics.

Purified ethylene oxide (PEO) is a raw material for industrial applications and is often used in synthesis processes of chemical industry. It is used in the manufacturing of ethanolamines, glycol ethers and surfactants for washing and cleaning agents.

Tert-butyl acrylate (TBA) is an acrylic acid ester for manufacturing polymers and is used as a feedstock for syntheses. As a specialty chemical it is used in paper sizing and emulsion applications.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 110,000 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 is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €59 billion in 2020. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

About BASF-YPC

BASF-YPC Company Limited (BASF-YPC) is a 50-50 joint venture between BASF and SINOPEC, founded in 2000, with a total investment of approximately US\$5.5 billion. The integrated petrochemical site produces about three million tons of high-quality chemicals and polymers for the Chinese market annually. The products serve the rapid-growing demand in multiple industries, including agriculture, construction, electronics, pharmaceutical, hygiene, automotive and chemical manufacturing. All BASF-YPC plants are interconnected in order to use products, by-products and energy in the most efficient way, to save cost and to minimize the environmental impact. BASF-YPC posted sales of approximately CNY 15.7 billion in 2020 and employed 1,968 people as of the end of the year. Further information is available on the Internet at www.basf-ypc.com.cn/en/index.html.

About SINOPEC / YPC

SINOPEC is one of the largest integrated energy and chemical companies with upstream, midstream and downstream operations in China. Its principal operations include: the exploration and production, pipeline transportation and sales of petroleum and natural gas; the sales, storage and transportation of petroleum products, petrochemical products, synthetic fiber, fertilizer and other chemical products; and the research, development and application of technologies and information. With a vision of “to build a world-leading clean energy and chemical corporation”, SINOPEC vigorously implements its world-leading development strategy and expedite formation of its development pattern of “One Foundation of energy and resources, Two Wings of clean fuels and advanced chemicals, and Three Growth Engines in new energy, new materials and new economy”. SINOPEC generates sales of CNY 2.106 trillion in 2020. More information on SINOPEC is available at www.sinopec.com.

YPC is one of SINOPEC’s largest integrated sites of refinery and petrochemical operation with sales of CNY 54 billion in 2020. Located in Nanjing, Jiangsu, China, it implements shareholder’s management over BYC on behalf of SINOPEC. More information on YPC is available on the Internet at www.sinopec.com.

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