



BASF-YPC starts up second production plant for propionic acid in Nanjing, China

- **Successful startup of additional 30,000-metric ton production plant**
- **Commercial products now available for sale**

Nanjing, China – May 31, 2019 – BASF and SINOPEC today commenced production at the second propionic acid plant at the Verbund site, BASF-YPC Co., Ltd., a 50-50 joint venture in Nanjing, China. Commercial products are now available for sale to customers in China and the rest of Asia Pacific. The new plant has an annual production capacity of 30,000 metric tons of propionic acid. The total capacity of the two plants has thus been increased to 69,000 metric tons per year.

“As the population grows and the living standards improve in Asia Pacific, the rising demand for food and feed has led to an increase in the consumption of propionic acid. Strong growth in other industries, such as pharmaceuticals and agriculture, is also driving us to expand our propionic acid capacity in the region,” said Vasilios Galanos, Senior Vice President, BASF Intermediates Asia Pacific. “Propionic acid is an eco-efficient and effective preservative used in animal feed and food additives. With the new plant, we look forward to better supporting the growth of our customers in China and the rest of Asia Pacific.”

“SINOPEC and BASF work collaboratively for the successful startup of the second propionic acid plant. The startup of this plant not only meets the market demand in the field of food safety, but is also in line with the Government’s commitments to promoting the transformation and upgrade of the traditional manufacturing industries which was re-emphasized during the Two Sessions this year through the key reform priorities,” said Mr. Hong Jianqiao, Chairman of Sinopec Yangzi Petrochemical Co. Ltd. and BASF-YPC Co. Ltd.

Propionic acid 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. Propionic acid is also widely used in the production of pharmaceuticals, crop protection agents, solvents and thermoplastics.

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\$5.2 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 minimize environmental impact. BASF-YPC posted sales of approximately RMB 21.6 billion in 2018 and employed 1,893 people as of the end of that year. Further information is available on the Internet at www.basf-ypc.com.cn.

About SINOPEC, YPC

China Petroleum and Chemical Corporation Limited (hereinafter referred to as "Sinopec") is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the sale, storage and transportation of petroleum products, petrochemical products, coal chemical products, synthetic fiber and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; and research, development and application of technologies and information. Sinopec is implementing strategies of resources, markets, integration, internationalisation development with a view to realize its vision of building a world first class energy and chemical company. More information on Sinopec is available on the Internet at <http://www.sinopec.com/>

Yangzi Petrochemical Co., Ltd. (hereinafter referred as "YPC") is one of Sinopec's largest integrated refining and chemical bases, which is located in Nanjing, Jiangsu province, China. On behalf of Sinopec, YPC implements shareholder management for BASF-YPC. More information on YPC is available on the internet at <http://www.sinopecgroup.com/group/en/products/Finechem/Factory/Yangzi.shtml>

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 employees in the BASF Group work on contributing 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 around €63 billion in 2018. 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.

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