



Joint News Release

September 22, 2020

BASF and SINOPEC expand capacity for Neopentylglycol in Nanjing, China

- **Neopentylglycol (NPG) capacity expanded in August 2020**
- **Annual capacity to reach 80,000 metric tons per year**
- **Market position further strengthened**

Nanjing, China – September 22, 2020 – BASF-YPC Co., Ltd. (BYC), a 50-50 joint venture between BASF and SINOPEC, has expanded the production capacity of neopentylglycol (NPG) at the state-of-the-art Verbund site in Nanjing, China. The plant was established in 2015 with an annual capacity of 40,000 metric tons. With the completion of the expansion in August 2020, the annual capacity will reach 80,000 metric tons.

“The new expansion marks another milestone of long-standing partnership between SINOPEC and BASF. It reinforces our commitment to enhance local production and respond to the growing needs of Chinese customers for environmentally friendly powder coatings,” said Dr. Stephan Kothrade, President and Chairman Greater China, BASF.

“SINOPEC and BASF have been working closely together for many years. The start-up of the NPG expansion plant reflects a better cooperative relationship between the two parties and is also in line with the Chinese government's steer towards improving industrial restructuring and transformation to fulfil market demand with high-quality products,” said Mr. Hong Jianqiao, Chairman of Sinopec Yangzi Petrochemical Company Limited and BASF-YPC Company Limited.

“With NPG production facilities in Asia, Europe and North America, BASF is one of the world's leading NPG manufacturers with decades of experience in manufacturing and supplying NPG to our customers across a broad range of industries. Customers will benefit from our regional presence, innovation strength and supply reliability they have

come to know and trust,” said Vasilios Galanos, Senior Vice President, BASF Intermediates Asia Pacific.

NPG is a unique polyalcohol offering superior performance in many end-use applications, especially in the production of polyester and alkyd resins for various coatings and plastics due to its high chemical and thermal stability. NPG has proven itself in many applications, especially in the production of polyester and alkyd resins for various coatings and plastics. An essential field of application is powder coatings, which prove particularly successful in the construction industry, as well as in the coating of household appliances. BASF has NPG production sites in Ludwigshafen (Germany), Freeport (USA), Nanjing (China) and Jilin (China).

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 19.6 billion in 2019 and employed 1,942 people as of the end of the year. Further information is available on the internet at www.basf-ypc.com.cn.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 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 €59 billion in 2019. 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 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. SINOPEC implements strategies of resources, markets, integration, internationalisation, differentiation and green low-carbon development with a view to realize its vision of building a world first class energy and chemical company. Sinopec generates sales of 2.97 trillion Yuan RMB in 2019. More information on SINOPEC is available on the Internet at www.sinopec.com.

YPC is one of Sinopec's largest integrated sites of refinery and petrochemical operation with sales of 77.7 billion Yuan RMB in 2019. 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.ypc.sinopec.com.

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