

## Joint News Release

April 28, 2022

### **BASF and SINOPEC break ground for the expansion of the joint Verbund site in Nanjing, China**

- **The expanded and new plants startup by the end of 2023**
- **Supporting the growing demand in the Chinese market**

Nanjing, China – April 28, 2022 – BASF and SINOPEC today broke ground for the expansion of their Verbund site operated by BASF-YPC Co., Ltd. (BASF-YPC), a 50-50 joint venture of both companies in Nanjing. The expansion includes new capacities of several downstream chemical plants and a new tert-butyl acrylate plant, to serve the growing demand from various industries in the Chinese market.

“BASF-YPC is one of the most successful joint ventures for BASF globally with outstanding safety and business performances,” said Dr. Markus Kamieth, Member of the Board of Executive Directors, BASF SE. “It owes to the trusted partnership between BASF and SINOPEC for more than two decades, which is being further strengthened by this expansion.”

“The success of BASF-YPC in the past years well reflected the good cooperation of SINOPEC and BASF,” said Baocai Yu, President of SINOPEC Corp. “The expansion will enable the company to increase the capacity and portfolio of high-end chemicals, further enhancing competitiveness of the joint venture.”

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 by the end of 2023.

“We will deploy the state-of-the-art technologies to build the new facilities at the BASF-YPC, which allows us to gain competitive edge in the dynamic Chinese market,” said Dr. Jeffrey Lou, President and Chairman Greater China, BASF. “More importantly, it strongly demonstrates the joint commitments by BASF and SINOPEC to promote sustainable development in China’s chemical industry.”

“The domestic petrochemical industry is in high-quality development. With the support of all involved parties, we will implement the expansion project on the first-class standards,” said Yuefeng Gu, Chairman of Sinopec Yangzi Petrochemical Company Limited and BASF-YPC Company Limited. “The advanced modern petrochemical site will promote the transformation and upgrading of the petrochemical industry and make greater contributions to local economic and sustainable development.”

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 and solvents.

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-YPC Company Limited**

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 employ advanced technology and BASF "Verbund" concept to save on raw materials and energy, reduce emissions, cut logistics costs and exploit synergies. BASF-YPC posted sales of approximately €3.6 billion in 2021 and employed 2,006 people as of the end of the year. Further information is available on [www.basf-ypc.com.cn](http://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 111,000 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 €78.6 billion in 2021. 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](http://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. 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 CNY2.7409 trillion in 2021. More information on SINOPEC is available at [www.sinopec.com](http://www.sinopec.com).

YPC is one of SINOPEC's largest integrated sites of refinery and petrochemical operation with sales of CNY69.5 billion in 2021. 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](http://www.ypc.sinopec.com).

## **Media contacts**

### **BASF**

TianyuLi

Phone: +86 21 38106525

tian-yu.li@basf.com

### **SINOPEC**

Zhang Hui

Phone: +86 25 5856 2782

zhanghui01.yzsh@sinopec.com