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## China approves expansion of Sinopec-BASF joint venture in E China

BEIJING, July 7 (Xinhua) -- China Petrochemical Corporation (Sinopec Group), the country's largest oil refinery, announced Tuesday that the Chinese government has approved the feasibility study report on the expansion of the joint venture between its listed subsidiary China Petroleum and Chemical Corporation (Sinopec) and Ludwigshafen-headquartered BASF in east China's Nanjing city.

Sinopec and BASF will jointly invest approximately 1.4 billion U.S. dollars to expand the BASF-YPC Co. Ltd., (BYC) to produce downstream specialty chemicals for the Chinese market, serving multiple industries such as construction, electronics, pharmaceutical, automotive and chemical manufacturing.

The investment includes the expansion of the existing steam cracker and three existing plants as well as construction of 10 new chemical plants.

The expansion will become operational by 2011, according to the Sinopec Group.

The expansion project conforms with China's revitalization plan for the petrochemical industry, fosters the integration of BYC, broadens the portfolio of downstream products in Nanjing and meets the increasing demand in China's eastern region, said Wang Tianpu, President of Sinopec.

Yangzi-BASF Styrenics Co., Ltd. (YBS), another joint venture in Nanjing between the two partners, is being merged into BYC to further increase synergies in Nanjing operations. YBS produces styrene monomer, polystyrene and expandable polystyrene.

Founded in 2000, BYC is a 50-50 joint venture between BASF and Sinopec, with a total investment of 2.9 billion U.S. dollars in the first phase. The joint venture started commercial production in 2005.