

Press Release

For immediate release

SINOPEC and Linde sign EUR145 million joint venture to strengthen air gases supply in Ningbo industrial cluster in China

- The agreement is the sixth consecutive joint venture in the long-term partnership.
- These three additional air separation plants will double Linde's production capacity of air gases in the Ningbo cluster and will be connected to its existing pipeline supply network across Ningbo.

Ningbo, China, 20 June 2017 – SINOPEC, the biggest integrated refining and chemical company in China, and The Linde Group, a world-leading industrial gases and engineering company, today announced that they have established a EUR 145 million joint venture to supply vital industrial gases to local customers from key industries such as petrochemical, steel and electronics, within the Ningbo Chemical Industrial Zone in China's Zhejiang province.

SINOPEC Zhenhai Refining & Chemical Company (ZRCC) and Linde will each hold a 50% stake in the newly formed Ningbo Linde-ZRCC Gases Company Ltd (Linde-ZRCC), the sixth consecutive joint venture between the companies. The agreement will see Linde-ZRCC acquire two existing air separation units (ASUs) from ZRCC and construct a third for a combined 150,000 m³/h of oxygen capacity. The new ASU, expected to be on stream in 2018, will incorporate Linde's intelligent solutions for remote operation, diagnostics and analytics, as well as a modular design to increase efficiency, reduce energy requirements and enhance flexibility of production.

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Page 1/4

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These three additional ASUs will double Linde production capacity of air gases in the Ningbo cluster and will be connected to Linde's pipeline supply network across Ningbo.

Sanjiv Lamba, Member of the Executive Board, Linde AG and Chief Operating Officer, Asia Pacific, said, "Linde is excited about the growth opportunities in China and further strengthening of our partnership with SINOPEC. Today's Linde-ZRCC agreement underscores not only the trusted long-term partnership Linde has with SINOPEC, but also highlights the advantage of world-class technology and operating expertise that Linde brings to our customers. Linde remains fully committed to supporting our customers in China in their growth aspiration. This year alone, we have signed multiple projects for major investments across China, which represents a significant part of Linde's strategy for growth in Asia."

"Linde operations in Ningbo is an excellent example of our cluster strategy in action. Leveraging Linde's gas and engineering expertise and innovations, we are able to consolidate our plant operations which enables our cluster customers to benefit from economies of scale - improved energy efficiency, better quality management, and safer and even more reliable service," said Steven Fang, Regional Business Unit Head, Linde East Asia. He added, "Linde's approach is well aligned with the Chinese government's plans to develop Ningbo into a modern petrochemical hub."

Linde's Engineering Division will design and construct the new air separation unit. Linde's world-leading technology in air separation design offers high energy efficiency and operational reliability.

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Page 2/4

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About Sinopec Zhenhai Refining & Chemical Company

Sinopec Group ranked 2nd on the 2015 Fortune 500 list. With a combination of annual crude oil processing capacity of 23 million tons, annual ethylene production capacity of 1 million tons, annual marine terminal throughput of 45 million tons, and tank storage of more than 3.9 million cubic meters, Sinopec Zhenhai Refining & Chemical Company is not only the biggest integrated refining & chemical company under Sinopec, but also the largest one in China. The business mix characterized by extra large scale capacities in refining, ethylene production, terminal handling, and storage is a strong indicator of its leadership in China's refining & chemical industry. A performance evaluation report from the world-renowned HSB Solomon Associate LLC showed the company's competitiveness has been remained in the top echelon of Asian Pacific refineries since 1990s. In addition, the performance evaluation of its ethylene plant also ranked in the top echelon of global ethylene plants in 2011, 2013, and 2015 respectively since its startup in 2010.

About The Linde Group

In the 2016 financial year, The Linde Group generated revenue of EUR 16.948 bn, making it one of the leading gases and engineering companies in the world, with approximately 60,000 employees working in more than 100 countries worldwide. The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business, with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment in every one of its business areas, regions and locations across the globe. The company is committed to technologies and products that unite the goals of customer value and sustainable development.

For more information, see The Linde Group online at www.linde.com.

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Page 3/4

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In East Asia, Linde is headquartered in Shanghai and employs more than 5,500 employees at about 70 subsidiaries and joint ventures in Greater China. In China alone, Linde operates more than 200 production facilities across key industrial centres. For more information about Linde in China, please visit www.linde-gas.com.cn.

Press Contact:

Page 4/4

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