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中國石化儀征化纖股份有限公司
SINOPEC YIZHENG CHEMICAL FIBRE COMPANY LIMITED

(a joint stock limited company established in the People's Republic of China)

(Stock code: 1033)

Price-sensitive Information

Expected loss for the Annual Results of 2008

The Company and its directors warrant the authenticity, accuracy and completeness of the announcement, and will take full responsibility for false representations, misleading statement and material omission jointly.

This announcement is made by Sinopec Yizheng Chemical Fibre Company Limited (“**the Company**”) pursuant to Rule 13.09 (1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant regulations issued by the Shanghai Stock Exchange.

1. Estimated results for the year of 2008

- (1) Period of estimated results: from 1 January 2008 to 31 December 2008.
- (2) Estimated results: According to the preliminary calculations of the Company, it is estimated that the Company will incur a significant net loss attributable to the equity shareholders of the Company in the year of 2008 for the twelve months ended 31 December 2008.
- (3) The above estimates have not been reviewed or audited by any certified accountants. Details of the financial information will be disclosed in the annual report of the Company for the year of 2008.

2. Results for the corresponding period of the previous year

	Under the PRC Accounting Standards for
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	Business Enterprises (2006)
Net profit attributable to equity shareholders of the Company	Rmb 17,817,000
Earnings per share	Rmb 0.004

3. Explanation for the expected loss

Since the fourth quarter of 2008, in light of the impact of the global financial crisis, the global economy and financial markets have further deteriorated. Meanwhile, the global financial crisis has exerted a deep and adverse impact on the substantive economy, especially the chemical fibre industry. The fall in foreign and domestic consumer demands, hindrance on exports, cessation or restriction of production and slowdown in development for certain downstream enterprises of the polyester industry in China have led to a substantial decrease in the demand for polyester products, resulting in an extremely difficult operating environment for the Company. Although the Company has made corresponding adjustments to its production plan and strived to limit its losses in response to the market circumstances, it is however estimated that the Company will suffer a significant net loss attributable to equity shareholders of the Company for the twelve months ended 31 December 2008.

Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.

By Order of the Board
**Sinopec Yizheng Chemical Fibre
Company Limited**
Tom C. Y. Wu
Company Secretary

Nanjing, 6 January 2008

As of the date of this announcement, the directors of the Company include Mr. Qian Heng-ge, Ms. Sun Zhi-hong, Mr. Xiao Wei-zhen, Ms. Long Xing-ping, Mr. Zhang Hong, Mr. Guan Diao-sheng, Mr. Qin Wei-zhong, Mr. Shen Xi-jun, Mr. Shi Zhen-hua*, Mr. Qiao Xu*, Mr. Yang Xiong-sheng*, Mr. Chen Fang-zheng*.

** Independent Directors*