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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 company with limited liability incorporated in the People's Republic of China)

Stock Code: 01033

**ANNOUNCEMENT
IN RELATION TO PROGRESS OF PROPOSED MATERIAL ASSETS
REORGANIZATION**

Given that Sinopec Yizheng Chemical Fibre Company Limited (“the Company”) understands that China Petrochemical Corporation (“Sinopec Group”), its ultimate controller, is planning to implement a material asset reorganization in respect of the Company, which involves the related businesses and assets of the petroleum engineering sector of Sinopec Group, the trading of the H shares of the Company has continued to be suspended, and suspension of trading of the A shares of the Company has continued from 12 June 2014 after the application made by the Company in accordance with the relevant requirements. During the period of suspension of trading in its shares, the Company has carried out its obligations of information disclosure in a timely manner and published an announcement on the progress of material asset reorganization at an interval of five trading days.

As there is heavy workload on financial audit, assets appraisal and legal due diligence in respect of the material asset reorganization and there are a lot of matters to be coordinated in these regards, the intermediaries require a longer period to carry out their work. In the meantime, the Company and its ultimate controller have to consult the relevant regulatory authorities further and communicate with them on the proposal for the material asset reorganization. As at the date of this announcement, the proposal on material asset reorganization is still under discussion. Given that there are still uncertainties in this matter, in order to protect the interests of investors and avoid fluctuation in the prices of the shares of the Company, the trading of the H shares of the Company will continue to be suspended, and the suspension of trading of the A shares of the Company will continue for a period of not more than 30 days from 14 July 2014 after the application made by the Company. The Company published an announcement titled “Announcement In Relation To Progress of Proposed Material Asset Reorganization” on 18 July 2014 in accordance with the relevant requirements.

During the period of suspension of trading in its shares, the Company will pay close attention to the progress of the matter and carry out its obligations of

information disclosure in a timely manner. After the relevant matters are finalized, the Company will make an announcement and apply for the resumption of trading in its shares as soon as practicable. Investors and the public should be cautious about the investment risk in relation to securities of the Company.

By order of the Board
Mr. Tom C.Y.Wu
Secretary to the Board
Nan Jing, July 25, 2014

As of the date of this announcement, the directors of the Company include Mr. Lu Li-yong, Ms. Sun Zhi-hong, Mr. Shen Xi-jun, Ms. Long Xing-ping, Mr. Zhang-hong, Mr. Guan Diao-sheng, Mr. Sun Yu-guo, Mr. Li Jian-ping, Mr. Shi Zhen-hua, Mr. Qiao Xu*, Mr. Yang Xiong-sheng*, Mr. Chen Fang-zheng*.*

** Independent Directors*