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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)

VERY SUBSTANTIAL ACQUISITION, VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTIONS APPLICATION FOR WHITEWASH WAIVER AND RESUMPTION OF TRADING

Financial Adviser

UBS

THE REORGANISATION

On 12 September 2014, the Company (i) entered into the Disposal Agreement and Share Repurchase Agreement with Sinopec Corp., pursuant to which the Company has conditionally agreed to transfer the Outgoing Business to Sinopec Corp. In consideration of the Outgoing Business, the 40.25% of the Company's equity interests currently held by Sinopec Corp. will be repurchased by the Company; and (ii) entered into the Acquisition Agreement with Sinopec Group, pursuant to which Sinopec Group has agreed to transfer the Incoming Equities held by Sinopec Group to the Company.

LISTING RULE IMPLICATIONS

As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposal will exceed 75% and (ii) Sinopec Corp. (as the controlling Shareholder) is a connected person of the Company, the Disposal constitutes a very substantial disposal and connected transaction of the Company. As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Acquisition is likely to exceed 100% and (ii) Sinopec Group (as the beneficial controlling Shareholder) is a connected person of the Company, the Acquisition constitutes a very substantial acquisition and connected transaction of the Company.

Accordingly, the Reorganisation, comprising the Disposal, the Share Repurchase and the Acquisition, would be subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, Sinopec Group is the beneficial controlling Shareholder of 2,415 million Shares, representing approximately 40.25% of the issued share capital of the Company and, upon completion of the Acquisition Agreement, 9,224 million Shares, representing approximately 72.01% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. In the absence of the Whitewash Waiver, Sinopec Group and the parties acting in concert with it (if any) would be obligated to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by it and parties acting in concert with it (if any) pursuant to the Takeovers Code as a result of the issue of Consideration Shares.

An application to the Executive for the Whitewash Waiver will be made by Sinopec Group pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, would be subject to, among other things, the approval of the Independent Shareholders at the extraordinary general meeting by way of poll.

As at the date of this announcement, Sinopec Corp. is interested in 2,415 million Shares, representing approximately 40.25% of the issued share capital of the Company. Since Sinopec Group is the controlling shareholder of Sinopec Corp., Sinopec Corp. and its associates will abstain from voting on the relevant resolution(s) at the extraordinary general meeting to be convened for the purpose of approving the Reorganisation and the Whitewash Waiver. If the Whitewash Waiver is granted by the Executive, Sinopec Group and the parties acting in concert with it (if any) will not be required to make a mandatory general offer which would otherwise be required as a result of the acquisition of the Consideration Shares. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Acquisition Agreement will lapse and the Reorganisation will not proceed.

LISTING COMMITTEE'S DECISION

The Listing Committee has determined that the Reorganisation is an extreme very substantial acquisition which is **NOT** subject to reverse takeover rules.

INDEPENDENT BOARD COMMITTEE AND DESPATCH OF CIRCULAR

Pursuant to the Listing Rules, the Independent Board Committee comprising all the independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the terms of the Transaction Agreements, the transactions contemplated thereunder and the Whitewash Waiver.

As the Reorganisation was classified as an extreme very substantial acquisition, enhanced disclosure will be required in the Circular and as such, the Company is currently unable to estimate with certainty the date of despatch of the Circular. The Company shall issue further announcement(s) to notify the Shareholders of the expected date of despatch of the Circular when such date of despatch can be more accurately ascertained.

SUSPENSION AND RESUMPTION OF TRADING

The H Shares were suspended from trading on the Stock Exchange with effect from 9:00 a.m. on 28 May 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on 15 September 2014.

Completions of the Transaction Agreements are subject to the satisfaction and/or waiver of the conditions precedent therein and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 12 September 2014, the Company (i) entered into the Disposal Agreement and Share Repurchase Agreement with Sinopec Corp., pursuant to which the Company has conditionally agreed to transfer the Outgoing Business to Sinopec Corp. In consideration of the Outgoing Business, the 40.25% of the Company's equity interests currently held by Sinopec Corp. will be repurchased by the Company; and (ii) entered into the Acquisition Agreement with Sinopec Group, pursuant to which Sinopec Group has agreed to transfer the Incoming Equities held by Sinopec Group to the Company.

THE REORGANISATION

Agreements in relation to the Disposal

(1) Disposal Agreement

Date

12 September 2014

Parties

(a) The Company; and

(b) Sinopec Corp.

Assets to be disposed and consideration

Subject to the terms and conditions of the Disposal Agreement, the Company has agreed to transfer, and Sinopec Corp. has agreed to accept transfer of, the Outgoing Business.

The estimated aggregate consideration for the Disposal is approximately RMB6,491 million, which was determined with reference to the valuation of book value of the Outgoing Business as at 30 June 2014 prepared based on cost replacement method (the "**Initial Disposal Valuation**"). In consideration of the Outgoing Business, the 40.25% of the Company's equity interests currently held by Sinopec Corp. will be repurchased by the Company pursuant to the Share Repurchase Agreement. The difference between the consideration of the Outgoing Business and that of the repurchased shares of RMB188 million will be offset by cash consideration to be paid by Sinopec Corp. within 20 business days after the completion date of the Disposal Agreement (the "**Cash Consideration**"). The consideration is subject to adjustment with reference to the final valuation of the book value of the Outgoing Business as at the completion date of the Disposal Agreement (the "**Final Disposal Valuation**"). In the event that the net assets value of the Outgoing Business in the Final Disposal Valuation exceeds the net assets value of the Outgoing Business in the Initial Disposal Valuation, the differentiation shall be offset by way of cash payment by Sinopec Corp. to the Company within three months after the completion of the Disposal. In the event that the net assets value of the Outgoing Business in the Final Disposal Valuation falls below the net assets value of the Outgoing Business in the Initial Disposal Valuation, the differentiation shall be offset by way of cash payment by the Company to Sinopec Corp. within three months after the completion of the Disposal.

Conditions for the Disposal Agreement to become effective

The Disposal Agreement shall become effective upon each of the following conditions being satisfied:

(a) that the Share Repurchase Agreement and the Acquisition Agreement have been duly signed and the conditions for them to become effective have been satisfied;

(b) the Disposal and the Share Repurchase being duly approved by the board of directors of Sinopec Corp.;

(c) the approval of the Reorganisation by the Shareholders at the general meeting and class meeting of the Company;

(d) the approvals of the Reorganisation by SASAC and CSRC;

(e) the approvals of the Reorganisation by the Securities and Futures Commission and the Stock Exchange (if applicable).

As at the date of this announcement, condition (b) has already been fulfilled.

In the event that not all the conditions for the Disposal Agreement to become effective have been fulfilled, the Disposal Agreement shall be of no further effect and no party shall have any claim against or liability or obligation to the other party save in respect of any deliberate or serious defect (including but not limited to any breach of mandatory requirements under any applicable laws and regulations) causing any of the conditions set out above unable to be fulfilled.

Conditions to completion of the Disposal Agreement

The completion of the Disposal Agreement is conditional upon the following conditions being satisfied:

(a) the Company shall deliver to Sinopec Corp. the duly certified copy of the resolution(s) of the general meeting and class meeting in relation to the approval of the Reorganisation;

(b) the Company shall transfer the physical assets in the Outgoing Business to ensure Sinopec Corp. can take over the Outgoing Business on the completion date of the Disposal Agreement;

(c) the Company shall deliver to Sinopec Corp. all title documents relating to the Outgoing Business, and administrative permissions, qualifications and approval documents in relation to the operation of the business, the relevant qualification documents shall be accepted by Sinopec Corp. or it specified third party;

(d) the Company shall deliver to Sinopec Corp. all contracts, agreements, transaction notes, correspondences and other information relating to the Outgoing Business and business;

(e) the Company shall deliver to Sinopec Corp. all business records, operation records, operation data, operation statistic information, manuals, maintenance handbook as well as relevant records, documents, statistics, drawings, manuals, books in relation to the techniques and other information on research and development projects (recorded in written, stored in computer or otherwise preserved) relating to the Outgoing Business; and

(f) the Company shall deliver to Sinopec Corp. a detailed list of clients, suppliers, agents, distributors and other related information, and provide assistance for Sinopec Corp. to establish connections with the aforesaid business partners.

For easy transfer of the Outgoing Business, subject to the prior written approval of Sinopec Corp. and as instructed by Sinopec Corp., the Company can establish a wholly-owned subsidiary with the Outgoing Business, which will bear the relevant qualifications, contracts and businesses and of which the equity held by the Company will be handed over to Sinopec at the date of Acquisition.

The completions of each of the Transaction Agreements are inter-conditional. In the event that any one of the Transaction Agreements cannot be completed within the period to be agreed by the parties thereto, the transactions contemplated under the Transaction Agreements will not proceed.

Profit and Loss in respect of the Outgoing Business

Sinopec Corp. and the Company agreed that, upon fulfilment of all the conditions for the Disposal Agreement to become effective, all the profit and loss in relation to the Outgoing Business arising from or incurred during the period commencing from 30 June 2014 to the completion date of the Disposal Agreement shall belong to or be borne by the Company.

Considering that the Company has been loss-making a consecutive two years and based on the current business performance of the Company, the Company expects that it will continue to be loss-making during such period. However, the Company is of the view that such fact would not affect the Company's financial position substantially.

(2) Share Repurchase Agreement

Date

12 September 2014

Parties

(a) The Company; and

(b) Sinopec Corp.

Shares to be repurchased

Subject to the terms and conditions of the Share Repurchase Agreement, the Company has agreed to repurchase the 40.25% of the Company's equity interests currently held by Sinopec Corp., a total of 2,415 million A Shares, as the consideration of the Disposal.

The estimated aggregate consideration for the repurchased shares is RMB6,303 million, which was determined with reference to the market capitalisation of the Company calculated based on its A Share price. As of the date of this announcement, the A Share price of the Company is RMB2.78 (equivalent to HK$3.45), and the market capitalisation of the Company calculated based on its A Share price is HK$20.70 billion. The repurchase price for each repurchased share is RMB2.61 (equivalent to HK$3.24) (the average closing price of the last 20 trading days as quoted on the SSE), which represents:

(a) a premium of approximately 83.05% over the closing price of HK$1.77 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a premium of approximately 82.02% over the average closing price of HK$1.78 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

(c) a premium of approximately 85.14% over the average closing price of HK$1.75 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;

(d) a premium of approximately 86.21% over the average closing price of HK$1.74 per Share as quoted on the Stock Exchange for the last thirty trading days up to and including the Last Trading Day;

(e) a discount of approximately 6.09% over the closing price of RMB2.78 (equivalent to HK$3.45) per Share as quoted on the SSE on the Last Trading Day; and

(f) a premium of approximately 191.89% over the audited net assets value attributable to equity holders of the Company per Share of approximately HK$1.11, calculated based on the Company's audited net asset value of HK$6,637 million as at 30 June 2014.

The difference between the consideration of the Outgoing Business and that of the repurchased shares will be offset by payment of the Cash Consideration by Sinopec Corp. with 20 business days after the completion date of the Disposal Agreement.

Conditions for the Share Repurchase Agreement to become effective

The Share Repurchase Agreement shall become effective upon each of the following conditions being satisfied:

(a) that the Disposal Agreement and the Acquisition Agreement have been duly signed and the conditions for them to become effective have been satisfied;

(b) the Disposal and the Share Repurchase being duly approved by the board of directors of Sinopec Corp.;

(c) the approval of the Reorganisation by the Shareholders at the general meeting and class meetings of the Company;

(d) the approvals of the Reorganisation by SASAC and CSRC;

(e) the approvals of the Reorganisation by the Securities and Futures Commission and the Stock Exchange (if applicable).

As at the date of this announcement, condition (b) has already been fulfilled.

In the event that not all the conditions for the Share Repurchase Agreement to become effective have been fulfilled, the Share Repurchase Agreement shall be of no further effect and no party shall have any claim against or liability or obligation to the other party save in respect of any deliberate or serious defect (including but not limited to any breach of mandatory requirements under any applicable laws and regulations) causing any of the conditions set out above unable to be fulfilled.

Completion of the Share Repurchase Agreement

Within ten businesses days after all conditions for the Share Repurchase Agreement to become effective, Sinopec Corp. and the Company shall complete the procedures in relation to the transfer of the repurchased shares, after which the Company shall complete the procedures in relation to the de-registration of the repurchased shares within ten business days.

Sinopec Corp. is not entitled to any rights, obligations or responsibilities in relation to its respective shareholding in the Company pursuant to the Articles of Association upon the completion of the Share Repurchase Agreement.

The completions of each of the Transaction Agreements are inter-conditional. In the event that any one of the Transaction Agreements cannot be completed within the period to be agreed by the parties thereto, the transactions contemplated under the Transaction Agreements will not proceed.

Agreement in relation to the Acquisition

The Acquisition Agreement

Date

12 September 2014

Parties

(a) The Company; and

(b) Sinopec Group

The Acquisition and consideration

Subject to the terms and conditions of the Acquisition Agreement, Sinopec Group has agreed to transfer, and the Company has agreed to accept transfer of, the Incoming Equities.

The estimated aggregate consideration for the Acquisition is approximately RMB24,075 million, which was determined with reference to the valuation of the book value of the Incoming Equities as at 30 June 2014 prepared based on cost replacement method (the "**Initial Acquisition Valuation**"). The consideration is subject to adjustment with reference to the final valuation of the book value of the Incoming Equities as at the completion date of the Acquisition Agreement (the "**Final Acquisition Valuation**"). In the event that the net assets value of the Incoming Equities in the Final Acquisition Valuation exceeds the net assets value of the Incoming Equities in the Initial Acquisition Valuation, the differentiation shall be offset by way of cash payment by the Company to Sinopec Group within three months after the completion of the Acquisition. In the event that the net assets value of the Incoming Equities in the Final Acquisition Valuation falls below the net assets value of the Incoming Equities in the Initial Acquisition Valuation, the differentiation shall be offset by way of cash payment by Sinopec Group to the Company within three months after the completion of the Acquisition.

Such consideration shall be settled by the issue of 9,224 million Consideration Shares at the price of RMB2.61 (equivalent to HK$3.24) per Consideration Share by the Company to Sinopec Group.

Conditions for the Acquisition Agreement to become effective

The Acquisition Agreement shall become effective upon each of the following conditions being satisfied:

(a) that the Share Repurchase Agreement and the Disposal Agreement have been duly signed and the conditions for them to become effective have been satisfied;

(b) the Disposal and the Share Repurchase being duly approved by the board of directors of Sinopec Corp.;

(c) the approval of the Reorganisation being duly approved by the board of directors of Sinopec Group;

(d) the approval of the Reorganisation by the Shareholders at the general meeting and class meeting of the Company (including but not limited to the resolution(s) in relation to the Whitewash Waiver);

(e) the approvals of the Reorganisation by SASAC and CSRC;

(f) the approvals of the Reorganisation by the Securities and Futures Commission and the Stock Exchange (if applicable) (including but not limited to the granting of the Whitewash Waiver).

As at the date of this announcement, condition (b) has already been fulfilled.

In the event that not all the conditions for the Acquisition Agreement to become effective have been fulfilled, the Acquisition Agreement shall be of no further effect and no party shall have any claim against or liability or obligation to the other party save in respect of any deliberate or serious defect (including but not limited to any breach of mandatory requirements under any applicable laws and regulations) causing any of the conditions set out above unable to be fulfilled.

Conditions to Completion of the Acquisition Agreement

Completion of the Acquisition Agreement is conditional upon the following condition being satisfied:

Sinopec Group shall, as soon as practical following the conditions for the Acquisition Agreement to become effective have been satisfied, procure SOSC to register the Company as the shareholder of the Incoming Equities in accordance with the applicable PRC laws and procedures. The Company shall become the shareholder of the SOSC at the completion date of the Acquisition Agreement and be entitled to the rights and obligations relating to the Incoming Equities. The parties shall make their best efforts to issue the Consideration Shares after the transfer of the Incoming Equities.

The completions of each of the Transaction Agreements are inter-conditional. In the event that any one of the Transaction Agreements cannot be completed within the period to be agreed by the parties thereto, the transactions contemplated under the Transaction Agreements will not proceed.

The Consideration Shares

The issue price of the Consideration Shares of RMB2.61 (equivalent to HK$3.24) (the average closing price of the last 20 trading days as quoted on the SSE) represents:

(a) a premium of approximately 83.05% over the closing price of HK$1.77 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a premium of approximately 82.02% over the average closing price of HK$1.78 per Share for the last five trading days up to and including the Last Trading Day;

(c) a premium of approximately 85.14% over the average closing price of HK$1.75 per Share for the last ten trading days up to and including the Last Trading Day;

(d) a premium of approximately 86.21% over the average closing price of HK$1.74 per Share for the last thirty trading days up to and including the Last Trading Day;

(e) a discount of approximately 6.09% over the closing price of RMB2.78 (equivalent to HK$3.45) per Share as quoted on the SSE on the Last Trading Day;

(f) a premium of approximately 191.89% over the audited net assets value attributable to equity holders of the Company per Share of approximately HK$1.11, calculated based on the Company's audited net asset value of HK$6,637 million as at 30 June 2014.

The Consideration Shares represent approximately 153.73% of the issued share capital of the Company as at the date of this announcement and approximately 72.01% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Consideration Shares shall at all times rank *pari passu* among themselves and with the Shares in issue as at the date of issue of the Consideration Shares. The Consideration Shares will be issued pursuant to a specific mandate to be sought at the extraordinary general meeting.

Profit and Loss in respect of the Incoming Equities

Sinopec Group and the Company agreed that, upon fulfilment of all the conditions for the Acquisition Agreement to become effective, all the profit and loss in relation to the Incoming Equities arising from or incurred during the period commencing from 30 June 2014 to the completion date of the Acquisition Agreement shall belong to or be borne by Sinopec Group. Therefore such arrangement would not have any financial impact on the Company.

The Proposed Subsequent A Share Placement

The Company currently plans to undertake the Proposed Subsequent A Share Placement after the completion of the Disposal, the Share Repurchase and the Acquisition. In accordance with the applicable PRC laws and regulation, issuance of domestic shares is subject to Shareholders' approval, regardless whether a general mandate has been granted at the general meeting of the Company. As such, the Proposed Subsequent A Share Placement, as part of the Reorganisation plan, will be subject to Shareholders' approval, and the Company will seek a specific mandate from its Shareholders at its general meeting.

The Proposed Subsequent A Share Placement is conditional upon the completion of the Transaction Agreements. However, the Company wants to highlight that the implementation of the Proposed Subsequent A Share Placement is subject to the market condition and it may or may not happen. The obtaining of a specific mandate does not guarantee its occurrence. The detailed terms of the Proposed Subsequent A Share Placement, such as issue price and number of shares to be issued, will be further announced by the Company as appropriate.

The Company will still have sufficient working capital for the next 12 months after the completion of the Acquisition and the Disposal in the event that the Proposed Subsequent A Share Placement would not proceed.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had no equity fund raising activities in the past twelve (12) months immediately prior to the date of this announcement.

FINANCIAL EFFECT OF DISPOSAL AND THE USE OF THE NET PROCEEDS FROM THE DISPOSAL

Based on the preliminary assessment, the Company is expected to recognise a net gain of approximately RMB1,145 million upon the completion of the Disposal, which represents the difference between the valuation value (RMB6,491 million) and the book value (RMB5,346 million) of the Outgoing Business.

The Cash Consideration that the Company received from the Disposal will be used as the Company's working capital.

INFORMATION ON THE OUTGOING BUSINESS

The Company

The Company is a joint stock company incorporated in the PRC with limited liability and the Shares are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange It principally engaged in the production and sales of polyester chips and polyester fibre, and production of its raw material PTA. Its principal activities include production and distribution of chemical fibre and petrochemical products, production of raw and auxiliary materials and textile machinery, research and development in textile technology, transportation and technological support for products manufactured by the Company.

Based on the audited financial statements of the Company for the three years ended 31 December 2013 and the six months ended 30 June 2014 prepared in accordance with CASBE, the financial data of the Company are set out as below:

Unit: RMB million

	As at 31 December 2011	**As at 31 December 2012**	**As at 31 December 2013**	**As at 30 June 2014**
Total Assets	11,449.60	11,138.20	10,629.30	8,839.79
Total liabilities	2,418.97	2,588.87	3,532.82	3,493.50
Net assets	9,030.63	8,549.34	7,096.49	5,346.29

	For the year ended 31 December 2011	**For the year ended 31 December 2012**	**For the year ended 31 December 2013**	**For the six months ended 30 June 2014**
Revenue	20,179.77	16,987.92	17,677.17	7,924.42
Profit/(loss) before tax	1,038.36	(539.54)	(1,215.67)	(1,676.50)
Net profit/(loss) attributable to the Company's ordinary equity shareholders after deduction of non-recurring profit or loss	792.81	(382.83)	(1,413.85)	(1,741.64)

INFORMATION ON SOSC

SOSC

SOSC is one of the largest integrated providers of oil engineering and oilfield technical services as well as the earliest offshore oil and gas exploration service provider in China. Possessing a highly professional engineering technical team with extensive experience, leading technologies and advanced equipment in the oil and gas engineering and technical service industry, while aggressively developing cloud computing technology for enhancing the management, handling, analyzing of data and the exploration capacity. SOSC is able to implement engineering projects under different types of complicated geographical landscapes and geological conditions. As of the date of this announcement, SOSC is operating oil and gas engineering projects within 561 state licensed prospects.

Being one of the few oilfield engineering technical service companies in the world possessing a comprehensive technological system for the full industrial chain covering the entire lifecycle of oil and gas exploration and development, SOSC aims at world class integrated international petroleum engineering technical service providers as strategic targets, strives to expand business operations from onshore to offshore, from domestic to overseas, from regular to non-regular energy businesses, from single project service to integrated oil deposit services, exerts great efforts in developing high-end services and realizes differentiation in market positioning, to offer all round services to the entire industrial chain of oil and gas exploration and development. SOSC serves a large number of developed oilfields, establishing a customer base with stable growth.

By leveraging its world leading professional technologies and professional experience in the areas of complicated oil and gas deposits, acid gas deposits and non-regular energy, SOSC also improves its technical equipment capabilities and expands the scope of engineering technical services at the same time while maintaining its traditional advantages, in order to capture development opportunities in emerging development areas of the oil and gas engineering technical service industry, increase market share and enhance profitability. More specifically, SOSC relies on its leading technologies and advanced experience in the aspects of geophysical, drilling and completion, logging, downhole special operations, integrated oil deposit services, and engineering and construction services to provide strong support in projects, such as its stable development of Shengli Oilfield, the second largest oilfield in China, for a consecutive period of 18 years, the construction of production capacity for Fuling shale gas field, a national level demonstration zone for shale gas development, the construction of production capacity for super-huge acid gas field at Puguang in Sichuan, and the construction of production capacity for Tahe oilfield, the first Paleozoic marine oil and gas field in China. Apart from regular oil and gas exploration and development businesses, it also pursue stable business developments in a number of emerging areas such as the development of shale gas, tight gas, acid gas deposits, coal gas and geothermal resources.

In recent years, SOSC's business in overseas oilfield service market recorded rapid developments, a global network for market development and operations was established and integrated oil deposit services were provided in international markets. Having adopted a mode of cost and cooperation with incentives and the timely introduction of an incentive mechanism on the basis of additional production of oil and gas, the advantage arising from a complete business chain has given its full display for realizing a differentiated market position from other international oil and gas services companies. As of 30 June 2014, SOSC was performing 403 project contracts in 35 countries (excluding China) with contract value of US$14.85 billion. From 2011 to 2013, revenue from overseas business of SOSC increased at a CAGR of 28.7%.

SOSC has strong research and development capabilities, with 3 research institutes, 5 design companies and 42 research institutes on various types of professional technologies established to date, 54 laboratories and full size scientific experimental wells have been constructed, which are mainly engaging in a comprehensive range of professional technological researches and developments, technical services and prospecting designs in the areas of geophysics, well drilling, drilling fluids, cementation, completion, prospecting, logging, reservoir reconstruction, oil testing trials, overhaul sidetrack drilling, petroleum tools, and engineering construction, etc.

SOSC owns eight regional subsidiaries in different provinces across China, providing general oil and gas engineering and technical services, and has two subsidiaries respectively specializing in geophysics and engineering construction. Most of the SOSC subsidiaries have passed the ISO9000 quality system certification, established sound technical standards, quality assurance, health, safety and environment (HSE) and Occupational Safety and Health (OSH) management systems.

In recent years, SOSC has made great progress in contracting of international petroleum projects, oilfield services, and foreign labour service cooperation. In form of joint ventures, provision of technical services or contracting and subcontracting, SOSC carries out oil and gas and other engineering services projects, such as geophysical prospecting, drilling, logging, cementing, special downhole operations, oilfield ground construction, pipeline construction and water conservancy, road construction. As of 30 June 2014, SOSC was carrying out 403 projects with contract values of USD14.85 billion in total (of which the contract value to complete is USD6.44 billion) in 35 countries across Middle East, Africa, Americas, Central Asia, South-East Asia and other regions.

SOSC conducts the following five key businesses:

Geophysical prospecting: SOSC provides its customers with geophysical exploration and development technical services, and its scope of business mainly covers research on geophysical exploration theory and method, technical design, data acquisition, processing and comprehensive interpretation, basin evaluation and exploration deployment, software R&D and sales, engineering seismology and surveying and mapping, R&D and manufacturing of seismic exploration equipment, etc.

Drilling Engineering: SOSC provides its customers with drilling design, construction, technical services and drilling instrumentation and equipment; its drilling businesses mainly consist of a range of services, such as design, pre-drilling engineering, drilling engineering, post-drilling treatment, drilling technical services, and drilling product manufacturing and integrated comprehensive services.

Logging: According to the design requirements and technical standards, SOSC provides a range of project engineering and technical services, such as acquisition, monitoring, transmission, processing, interpretation and evaluation of the data on well bore oil and gas, geology and others, using special equipment and tools.

Special down-hole operations: SOSC provides petroleum engineering services and construction, including completion, oil (gas) testing, workover, sidetracking, fracturing, acid fracturing, and offshore operation, among others for oil and gas exploration and development.

Engineering construction: SOSC provides its customer with package services consisting of project feasibility study, design, procurement, construction and commissioning for engineering projects, such as onshore and offshore oil and gas fields construction, long-distance pipeline project, oil and gas gathering and transportation process engineering, storage and transportation engineering, petrochemical supporting works, building construction, water conservancy and hydropower, ports and waterways, power transmission and distribution works, pressure vessel manufacturing, LNG projects, new coal chemical projects, geothermal utilization, energy saving and environmental protection, and municipal road and bridge construction.

Revenue by business segment/geographical areas

The following table sets forth the revenue generated by each business segment of SOSC after inter-segment elimination and their respective contribution (%) to the total revenue after inter-segment elimination during the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2011		2012		2013		2013		2014	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount* (Unaudited)	*%*	*Amount*	*%*
	(Amount: RMB million)									
Geophysics	6,158	8.2	7,477	8.5	6,708	7.4	4,124	10.4	2,750	8.0
Drilling Engineering	37,759	50.9	41,862	47.9	41,616	46.4	19,330	48.8	17,866	52.3
Logging and Mud Logging	4,096	5.5	5,068	5.8	5,129	5.7	1,988	5.0	1,548	4.5
Special Down-hole Operations	6,662	9.0	8,265	9.5	9,508	10.6	3,715	9.4	3,208	9.4
Engineering Construction	18,017	24.3	22,864	26.2	24,647	27.5	9,541	24.1	8,098	23.7
Others	1,562	2.1	1,801	2.1	2,122	2.4	903	2.3	716	2.1

SOSC is operating in the PRC and overseas. During the track record period, the overseas revenue of SOSC was generated primarily from the Middle East, Africa, the Americas, Central Asia and Southeast Asia. The following table sets forth the revenue of SOSC from the PRC and overseas during the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2011		2012		2013		2013		2014	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount* (Unaudited)	*%*	*Amount*	*%*
	(Amount: RMB million)									
PRC	62,937	84.76	74,258	85.02	70,991	79.12	31,593	79.8	25,735	75.2
Overseas	11,316	15.24	13,079	14.98	18,738	20.88	8,006	20.2	8,450	24.72
Africa	3,085	4.16	2,770	3.17	4,917	5.48	1,850	4.7	1,937	5.67
Americas	2,114	2.85	3,414	3.91	3,389	3.78	1,871	4.7	2,294	6.71
Asia	6,117	8.24	6,895	7.90	10,432	11.63	4,285	10.8	4,219	12.34
Total	74,253	100	87,337	100	89,729	100	39,600	100	34,185	100

Customers

The largest client of SOSC is Sinopec Group. As of the years ended 31 December 2011, 2012, 2013 and the six months ended 30 June 2014, revenues generated from Sinopec Group and its associates are RMB48,938 million, RMB59,703 million, RMB59,664 million and RMB20,059 million respectively, accounting for 65.9%, 68.4%, 66.5% and 58.7% of the total. During the same periods, revenues of SOSC generated from its five largest clients are RMB56,855 million, RMB70,714 million, RMB71,553 million and RMB24,853 million respectively, accounting for 76.6%, 81.0%, 79.7% and 72.7% of the total. To the best knowledge and belief of directors of SOSC, As of the date of this announcement, none of the directors, supervisors or any of their associates or shareholders who own more than 5% of the company's issued share capital, has any beneficial interest in the five largest clients (except Sinopec Group).

Suppliers

As of the years ended 31 December 2011, 2012, 2013 and the six months ended 30 June 2014, purchase from its connected suppliers of equipment and materials, mainly the associates of Sinopec Group, accounted for approximately 48.0%, 50.6%, 42.6% and 44.6% of its total purchases, respectively. For the above periods, purchase from its largest supplier of equipment and materials accounted for approximately 20.9%, 25.4%, 22.3% and 18.4%, respectively, of its total cost of sales.

The Company will be required to, and it will comply with, all relevant requirements under Chapter 14A of the Listing Rules after completion of the Acquisition.

Employees

As of 30 June 2014, SOSC had a total of 82,700 employees. The following table presents a breakdown of SOSC employees by function as of 30 June 2014:

	Number of Employees	*%*
Operational management personnel	8,568	10.4
Professional technicians	32,067	38.8
Skilled operators	42,065	50.8
Total	82,700	100.0

Operations in the sanctioned countries

During the three years ended 31 December 2013 and the six months ended 30 June 2014, SOSC conducted business in certain countries subject to trade or economic sanctions imposed by overseas governments and international bodies (including the U.S., the EU, Australia and the United Nations), including Iran, Syria, Sudan, Myanmar and Libya, and

SOSC's revenue derived therefrom in aggregate accounted for approximately 2.2%, 1.4%, 1.8% and 1.0%, respectively, of SOSC's revenue for the years ended 31 December 2011, 2012 and 2013 and for the six months ended 30 June 2014.

SOSC is implementing a restructuring of the SOSC Business to discontinue its business in Iran, Syria and Sudan before the completion of the Acquisition. SOSC will not embark on any SOSC Business in Iran, Syria and Sudan after the completion of the Acquisition. SOSC historically conducted business in Lybia. As performance of the relevant contracts has been completed, SOSC currently does not have any business in Lybia, and it will not embark on any SOSC Business there. SOSC will continue to conduct business in Myanmar following the completion of the Acquisition, but such business will be conducted under the enhanced internal controls described below.

After completion of the Acquisition, the Company will not use any funds raised through the Stock Exchange to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of any countries, government, individual or entity sanctioned by overseas governments and international bodies. The Company will open and maintain separate designated banks accounts for any proceeds from future fund raising on the Stock Exchange (the "Proceeds Accounts"). The Proceeds Accounts will be segregated from other normal bank accounts of the Company and designated for the sole use of deposit and deployment of proceeds from future fund raising on the Stock Exchange. With such segregation and designation, the Proceeds Accounts will record all transactions and activities within these bank accounts and trace the flow of funds in and out of the Proceeds Accounts. Further, the Company will implement various measures to control its exposure to sanctions risk, including establishing a risk management committee, enhancing its internal controls and risk management mechanisms, organising regular training on sanctions risk for relevant personnel, engaging external legal counsel to assist with sanctions risk management, and timely disclosure to the Stock Exchange and public in accordance with the Listing Rules.

More details on this matter will be disclosed in the circular to be despatched to the Shareholders.

Financial Information

Based on the audited financial statements of SOSC for the three years ended 31 December 2013 and six months ended 30 June 2014 prepared in accordance with CASBE, the financial data of SOSC, on a consolidated basis, are set out as below:

Unit: RMB million

	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 June 2014
Total Assets	61,974.76	74,951.13	81,926.04	76,672.98
Total liabilities	46,043.73	53,126.28	58,256.29	57,508.38
Net assets	15,931.03	21,824.85	23,669.75	19,164.60
	For the year ended 31 December 2011	**For the year ended 31 December 2012**	**For the year ended 31 December 2013**	
Revenue	74,253.84	87,337.14	89,729.07	34,185.11
Profit/(loss) before tax	1,598.89	1,528.08	2,230.44	1,502.41
Net profit/(loss) attributable to SOSC's ordinary equity shareholders after deduction of non-recurring profit or loss	1,110.16	971.90	1,513.78	1,025.73

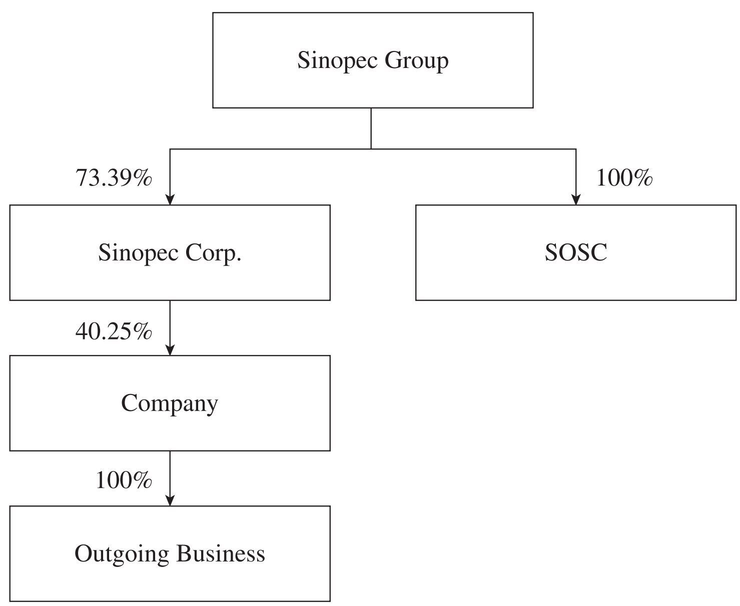
As SOSC is the only company owned by Sinopec Group which is principally engaged in the SOSC Business, Sinopec Group will not have an interest (other than through its interest in the Company) in a business which competes or is likely to compete, either directly or indirectly, with the SOSC Business after the completion of the Acquisition Agreement.

Shareholding structure

Based upon the shares in issue for each of the companies identified below, as at the date of this announcement (and assuming no changes to such issued share capitals prior to completions of each of the Transaction Agreements), the simplified shareholding structure of the relevant companies before and after the completions of each of the Transaction Agreements will be as follows:

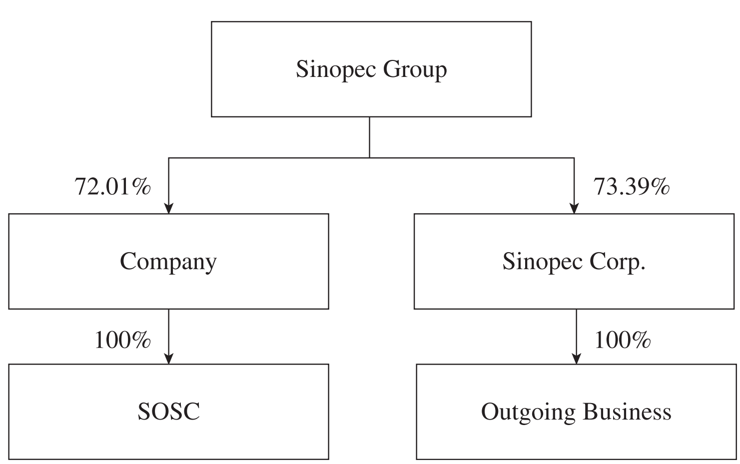
Before the completions of each of the Transaction Agreements

The following reflects the simplified shareholding structure of the relevant companies as at the date of this announcement.



After the completions of each of the Transaction Agreements

The following reflects the simplified shareholding structure of the relevant companies upon completions of each of the Transaction Agreements.



Upon completions of each of the Transaction Agreements, SOSC will become a wholly owned subsidiary of the Company.

The following sets out the shareholding structure of the Company before and immediately after the completion of the Reorganisation (not taking into account the Proposed A Share Placement):

Shareholders	Before completion of the Reorganisation (not taking into account the Proposed A Share Placement)		Immediately after completion of the Reorganisation (not taking into account the Proposed A Share Placement)	
	Number of Share held in the Company	Shareholding percentage of the total issued Shares of the Company	Number of Share held in the Company	Shareholding percentage of the total issued Shares of the Company
Substantial shareholder				
Sinopec Corp.	2,415 million	40.25%	Nil	0%
Sinopec Group	Nil	0%	9,224 million	72.01%
CITIC Limited *(note 1)*	1,035 million	17.25%	1,035 million	8.08%
HKSCC (Nominees) Limited *(note 2)*	2,079 million	34.65%	2,079 million	16.23%
Other public shareholders				
Public A Share Shareholders	450 million	7.50%	450 million	3.51%
Public H Share Shareholders	21 million	0.35%	21 million	0.17%
Total	**6,000 million**	**100.00%**	**12,809 million**	**100%**

Note 1: Immediately after completion of the Reorganisation (not taking into account the Proposed A Share Placement), CITIC Limited will not be regarded as a substantial shareholder of the Company under the Listing Rules.

Note 2: To the best knowledge of the Company, HKSCC (Nominees) Limited is holding the shares of the Company as nominee of public shareholders.

Background of the proposed senior management members of the Company

Most of the proposed senior management members of the Company after the completion of the Acquisition Agreement will have more than 30 years' work experience in oil field construction and service industries and a majority of the aforesaid senior management members have been working in the SOSC or its subsidiaries for over 25 years.

The Circular

More detailed information in connection with the Incoming Equities will be disclosed in the Circular.

REASONS FOR AND BENEFITS OF THE REORGANISATION

The Company recorded net loss in 2012 and 2013 and its financial position is deteriorating. The Company expects that such situation will not significantly improve in 2014 and in near future due to the deteriorating industry trend. According to Shanghai Stock Exchange's delisting rule, if a listed issuer records loss in three consecutive financial years, such listed issuer's A share shall be suspended from trading and subsequently delisted from the SSE if the following year continues to be loss-making. To avoid delisting from the Shanghai Stock Exchange and to benefit the Company's Shareholders (including its H Shareholders), the controlling Shareholders of the Company and the Company decided to undertake the Reorganisation through (i) injection of profitable assets into the Company and (ii) disposal the non-profitable assets.

Accordingly, the Directors (excluding the independent non-executive directors whose views will be rendered upon having received the advice of the independent financial adviser) believe that the terms of the Reorganisation are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY, SINOPEC CORP. AND SINOPEC GROUP

The Company is principally engaged in the production and sales of polyester chips and polyester fibre, and production of its raw material PTA. Its principal activities include production and distribution of chemical fibre and petrochemical products, production of raw and auxiliary materials and textile machinery, research and development in textile technology, transportation and technological support for products manufactured by the Company.

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the sale, storage and transportation of petroleum products, petrochemical products, coal chemical products, synthetic fibre, fertiliser and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; and research, development and application of technologies and information.

Sinopec Group was established in July 1998, and it is an authorized investment organization with a current registered capital of RMB231.62 billion. Its controlling shareholder is the state. Upon reorganisation in 2000, Sinopec Group transferred its principal petrochemical business to Sinopec Corp., while Sinopec Group continues to operate the remaining petrochemical facilities and small-scale oil refineries. It also provides services in well-drilling, well-measuring, under-well operation, production equipments manufacturing and maintenance, engineering construction as well as the utility projects such as water, electricity, and social services, etc.

LISTING RULES IMPLICATIONS

As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Disposal will exceed 75% and (ii) Sinopec Corp. (as the controlling Shareholder) is a connected person of the Company, the Disposal constitutes a very substantial disposal and connected transaction of the Company. As (i) one or more of the applicable percentage ratios calculated pursuant to Chapter 14 of the Listing Rules in respect of the Acquisition is likely to exceed 100% and (ii) Sinopec Group (as the beneficial controlling Shareholder) is a connected person of the Company, the Acquisition constitutes a very substantial acquisition and connected transaction of the Company.

Accordingly, the Reorganisation, comprising the Disposal, the Share Repurchase and the Acquisition, is subject to the reporting, announcement and independent shareholders' approval requirements of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, Sinopec Group is the beneficial controlling Shareholder of 2,415 million Shares, representing approximately 40.25% of the issued share capital of the Company and, upon the completion of the Acquisition Agreement, 9,224 million Shares, representing approximately 72.01% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares. In the absence of the Whitewash Waiver, Sinopec Group and the parties acting in concert with it (if any) would be obligated to make a mandatory general offer for all the Shares not already owned or agreed to be acquired by it and parties acting in concert with it (if any) pursuant to the Takeovers Code as a result of the issue of Consideration Shares.

An application to the Executive for the Whitewash Waiver will be made by Sinopec Group pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, would be subject to, among other things, the approval of the Independent Shareholders at the extraordinary general meeting by way of poll.

As at the date of this announcement, Sinopec Corp. is interested in 2,415 million Shares, representing approximately 40.25% of the issued share capital of the Company. Since Sinopec Group is the controlling shareholder of Sinopec Corp., Sinopec Corp. and its associates will abstain from voting on the relevant resolution(s) at the extraordinary general meeting to be convened for the purpose of approving the Reorganisation and the Whitewash Waiver. If the Whitewash Waiver is granted by the Executive, Sinopec Group and the parties acting in concert with it (if any) will not be required to make a mandatory general offer which would otherwise be required as a result of the acquisition of the Consideration Shares. The Executive may or may not grant the Whitewash Waiver. If the Whitewash Waiver is not granted, the Acquisition Agreement will lapse and the Reorganisation will not proceed.

LISTING COMMITTEE'S DECISION

The Listing Committee has determined that the Reorganisation is an extreme very substantial acquisition which is **NOT** subject to reverse takeover rules.

INDEPENDENT BOARD COMMITTEE AND DESPATCH OF CIRCULAR

Pursuant to the Listing Rules, the Independent Board Committee comprising all the independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the terms of the Transaction Agreement, the transactions contemplated thereunder and the Whitewash Waiver.

As the Reorganisation was classified as an extreme very substantial acquisition, enhanced disclosure will be required in the Circular and as such, the Company is currently unable to estimate with certainty the date of despatch of the Circular. The Company shall issue further announcement(s) to notify the Shareholders of the expected date of despatch of the Circular when such date of despatch can be more accurately ascertained.

SUSPENSION AND RESUMPTION OF TRADING

The Shares were suspended from trading on the Stock Exchange with effect from 9:00 a.m. on 28 May 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 15 September 2014.

Completions of the Transaction Agreements are subject to the satisfaction and/or waiver of the conditions precedent therein and therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"A Share(s)"	domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
"Acquisition"	the transfer by Sinopec Group of the Incoming Equities to the Company pursuant to the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the share issuance and assets acquisition agreement between Sinopec Group and the Company dated 12 September 2014 in relation to the transfer by Sinopec Group of the Incoming Equities to the Company
"Articles of Association"	the articles of association of the Company
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	means a day on which licensed banks are generally opened for business in Hong Kong (excluding Saturdays)

"CASBE"	the China Accounting Standards for Business Enterprises
"Circular"	the circular to be issued by the Company giving further information about the Reorganisation, the Whitewash Waiver and such other information as required under the Listing Rules and/or by the Stock Exchange
"Company"	Sinopec Yizheng Chemical Fibre Company Limited, a joint stock company incorporated in the PRC with limited liability and the Shares are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration Shares"	a total of 9,224 million A Shares to be allotted and issued by the Company to Sinopec Group pursuant to the Acquisition Agreement as the Consideration of Acquisition at a price of RMB2.61 (equivalent to HK$3.24) per Share
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission
"Directors"	the directors of the Company
"Disposal"	the transfer by the Company of the Outgoing Business to Sinopec Corp. pursuant to the terms and conditions of the Disposal Agreement
"Disposal Agreement"	the assets disposal agreement between Sinopec Corp. and the Company dated 12 September 2014 in relation to the transfer by the Company of the Outgoing Business to Sinopec Corp.
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong, the HKD–RMB exchange rate as applied in this announcement is 0.8056
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Incoming Equities"	100% of the equity interests in the SOSC currently held by Sinopec Group
"Independent Board Committee"	the independent board committee comprising all the independent non-executive Directors, namely Mr. Shi Zhen-hua, Mr. Qiao Xu, Mr. Yang Xiong-sheng, Mr. Chen Fang-zheng, which has been established by the Company to advise the Independent Shareholders on the Transaction Agreements, the transactions contemplated thereunder and the Whitewash Waiver

"Independent Shareholders"	Shareholders who are not required to abstain from voting at the extraordinary general meeting to be convened for the purposes of approving the Reorganisation and the Whitewash Waiver under the Listing Rules
"Listing Committee"	the listing sub-committee of the directors of the Stock Exchange elected or appointed in accordance with the articles of association of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Last Trading Day"	27 May 2014
"Outgoing Business"	all the assets and liabilities owned by the Company as at the date of this announcement as more particular described in the section headed "Information on the Outgoing Business" of this announcement
"PRC"	the People's Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
"Proposed Subsequent A Share Placement"	the placement of A Shares to be considered by the Company after the completion of the Disposal, the Share Repurchase and the Acquisition
"Reorganisation"	the Disposal, the Share Repurchase, the Acquisition and the Proposed A Share Placement
"RMB"	Renminbi, the lawful currency of the PRC
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"Share(s)"	ordinary share(s) of RMB1.00 each in the share capital of the Company, including A share(s) and H share(s)
"Shareholder(s)"	holder(s) of Share(s)
"Share Repurchase"	the 40.25% of the Company's equity interests currently held by Sinopec Corp. to be repurchased by the Company in consideration for the Outgoing Business
"Share Repurchase Agreement"	the share repurchase agreement between Sinopec Corp. and the Company dated 12 September 2014 in relation to repurchase of shares held by Sinopec Corp. by the Company as consideration of the Disposal

“Sinopec Corp.”	China Petroleum & Chemical Corporation (中國石油化工股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“Sinopec Group”	China Petrochemical Corporation (中國石油化工集團公司), being the controlling shareholder of Sinopec Corp. and the beneficiary controlling Shareholder of the Company
“SOSC”	Sinopec Oilfield Service Corporation (中石化石油工程技術服務有限公司), a limited liability company established in the PRC as more particularly set out under the section headed “Information on the Incoming Equities” of this announcement
“SOSC Business”	the provision of engineering and technical services for oil and gas exploration & production and development of related industrial sectors worldwide; geophysical and geochemical prospecting; drilling and completion; well logging and under-well specialized operation; offshore oil engineering; oil field integrated service; engineering design and construction; research, development and manufacture of petroleum equipment and instruments as well as research, development and provision of other technologies and services in relation to oil and gas exploration & development
“SSE”	The Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Agreements”	the Disposal Agreement, the Share Repurchase Agreement and the Acquisition Agreement
“Whitewash Waiver”	the waiver by the Executive pursuant to Note 1 on the dispensations from Rule 26 of the Takeovers Code in respect of Sinopec Group to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities not already owned or agreed to be acquired by Sinopec Group as a result of the issue of the Consideration Shares
“%”	per cent

By order of the Board
Mr. Tom C. Y. Wu
Secretary to the Board

Nan Jing, 12 September 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. Shi Zhen-hua, Mr. Qiao Xu*, Mr. Yang Xiong-sheng*, Mr. Chen Fang-zheng*.*

* *Independent Directors*