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**ANNOUNCEMENT IN RELATION TO THE APPROVAL
AND CONSENT BY STATE-OWNED ASSETS SUPERVISION AND
ADMINISTRATION COMMISSION OF THE STATE COUNCIL
IN RESPECT OF THE PLAN ON MATERIAL ASSETS REORGANIZATION**

This announcement is made by Sinopec Yizheng Chemical Fibre Company Limited (“**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcements dated 12 September 2014 and 24 September 2014 of the Company (together, the “**Announcements**”) in connection with, among others, the very substantial acquisition, very substantial disposal, connected transactions and application for whitewash waiver. Unless otherwise stated, capitalised terms used herein shall have the same meaning as in the Announcements.

On 17 October 2014, Sinopec Group, the ultimate controller of the Company, received the reply (Guo Zi Chan Quan [2014] No.1015) on matters in relation to the Plan on Material Assets Reorganization and subsequent A Share Placement of the Company from State-owned Assets Supervision and Administration Commission of the State Council, the main contents of the reply are as follows:

1. It agreed in principle the Proposals regarding the Reorganization and subsequent A Share Placement of the Company.
2. Upon the completion of the Proposals regarding the Reorganization and subsequent A Share Placement, total shares of the Company will not exceed 15,108,178,236, of which 9,224,327,662 shares will be held by Sinopec Group, representing a percentage of no less than 61.06% of the total shares of the Company.

Please note that in compliance with the Listing Rules, the Company confirms and undertakes that the Proposed Subsequent A Share Placement has not happened and will not happen within the period from 12 September 2014 and ending on the 31st day immediately following the completion of the Reorganisation.

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

Nan Jing, 22 October 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*.*

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Sinopec Group accepts full responsibility for the accuracy of the information relating to the itself contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by Sinopec Group in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** Independent Directors*