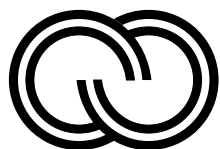


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中國石化儀征化纖股份有限公司

SINOPEC YIZHENG CHEMICAL FIBRE COMPANY LIMITED

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

(Stock Code: 1033)

CLARIFICATION ANNOUNCEMENT

The board of directors (the "Board") of Sinopec Yizheng Chemical Fibre Company Limited (the "Company") noted that on 11 May 2005, there was media report on the misappropriation of the Company's funds by an employee of the Company (the "Incident"). In connection with the media report, the Company clarifies the matter as follows:—

1. In the course of delivery of employees' duties in late April this year, the Company suspected that an employee working in the finance section of the sales department was involved in the misappropriation of the Company's funds. The Company immediately liaised with the local judicial authority to commence investigation into the Incident and to apprehend the suspect. As the Incident is of criminal nature, and the judicial authority is still in the process of investigation, the Company is unable to ascertain the amount involved and the loss caused by the Incident. The Company will comply with the relevant rules and make further disclosure once the investigation is concluded.
2. At the moment, the production and operation of the Company remain stable and the daily operation of the Company is carried out as usual.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to rule 13.10 of the Rules Governing the Listing of Securities on the Stock Exchange.

Investors shall exercise caution when dealing in the shares of the Company.

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

Nanjing, 11 May 2005

As at the date of this announcement, the Company's directors include Mr. Xu Zheng-ning, Ms. Sun Zhi-hong, Mr. Qian Heng-ge, Mr. Xiao Wei-zhen, Ms. Long Xing-ping, Mr. Zhang Hong , Mr. Guan Diao-sheng, Mr. Shen Xi-jun, Mr. Cao Yong, Mr. Li Zhen-feng, Ms. Li Zhong-he, Mr. Wang Hua-cheng*, Ms. Yi Ren-ping* and Ms. Qian Zhi-hong*.*

** Independent director*

“Please also refer to the published version of this announcement in South China Morning Post.”