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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)

Inside Information

Expected loss for the annual results for the twelve months ended 31 December, 2012

The board of directors of the Company announces that according to preliminary calculations, the operational results of the Company is estimated to suffer loss for the year of 2012, with net loss attributable to equity shareholders of the Company of about RMB 360 million in accordance with the PRC Accounting Standards for Business Enterprises.

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

This announcement is made by Sinopec Yizheng Chemical Fibre Company Limited (“**the Company**”) pursuant to Rule 13.09 (2)(a) 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.

The board of directors of the Company announces expected loss of the Company as follows:

1. Estimated results for the year of 2012

(1) Period of estimated results: from 1 January 2012 to 31 December 2012.

(2) Estimated results: According to the preliminary calculations of the Company's accounting department, it is estimated that the operational results of the Company will suffer loss for the year of 2012, and net loss attributable to the equity shareholders of the Company will be about RMB360 million in accordance with the PRC Accounting

Standards for Business Enterprises.

(3) The above estimates have not been reviewed or audited by any certified accountants.

2. Results for the corresponding period of the previous year

	Under the PRC Accounting Standards for Business Enterprises
Net profit attributable to equity shareholders of the Company	RMB 839,040,000
Earnings per share	RMB 0.210

3. Explanation for the expected loss

In 2012, the recovery of the international economy was weak, the growth rate of Chinese economy decreased, the growth rate of China textile and clothes export significantly slowed down, and domestic and overseas demand for the polyester products continued to decline, resulting in a significant decrease in the profit margin of domestic polyester products. Meanwhile, owing to rapid increase in domestic polyester production capacity, the over-supply situation of domestic polyester capacity further aggravated, competition in the polyester industry became more intensified. Though the Company has made great efforts in further streamlining management, optimizing production and operations, endeavoring to further reduce costs and expenses, and optimizing the products structure, it is estimated that by the accounting department of the Company that the operational results of the Company will suffer loss for the year of 2012, with net loss attributable to the equity shareholders of the Company will be about RMB 360 million in accordance with the PRC Accounting Standards for Business Enterprises according to the preliminary calculations of the Company's accounting department.

The above estimated data only belong to preliminary calculations, specific financial information in the audited annual report for 2012 to be formally disclosed by the Company shall prevail. **Shareholders and investors of the Company are advised to exercise caution when dealing in securities of the Company.**

For and on behalf of the Board of Directors

Tom C. Y. Wu

Company Secretary

Nanjing, PRC, 10 January 2013

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

** Independent Directors*