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吉林奇峰化纖股份有限公司
JILIN QIFENG CHEMICAL FIBER CO., LTD.*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 549)

ANNOUNCEMENT

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AND CHIEF FINANCIAL OFFICER**
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RESIGNATION OF EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

The board (the “**Board**”) of directors (the “**Directors**”) of Jilin Qifeng Chemical Fiber Co., Ltd. (the “**Company**”) announces that Mr. Wang Changsheng (“**Mr. Wang**”) has tendered his resignation as an executive director and chief financial officer of the Company with immediate effect. Mr. Wang resigned due to his retirement.

Mr. Wang has confirmed that he has no disagreements with the Board and there are no matters relating to his resignation as an executive director that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Board would like to take the opportunity to thank Mr. Wang for his contribution to the Company.

PROPOSED ELECTION OF EXECUTIVE DIRECTOR

It is proposed that Mr. Pan Xianfeng (“**Mr. Pan**”) be elected as an executive Director of the fourth session of the Board by the Shareholders at the upcoming extraordinary general meeting (“**EGM**”). The term of office of the fourth session of the Board is for a term of three years commencing from the conclusion of the annual general meeting of the Company on 30 June 2014. If elected, Mr. Pan’s appointment will take effect immediately upon the conclusion of the EGM.

The biographical details of Mr. Pan required to be disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) are set out below.

Mr. Pan Xianfeng (潘險峰), aged 45, is currently the director of the finance department of the Company. Mr. Pan joined the workforce in November 1987, and has held positions as the deputy director of the finance department of Jilin Chemical Fiber Co., Ltd. (吉林化纖股份有限公司), deputy director of the finance department of the Company, and the director of the finance department of Jilin Jimont Acrylic Fiber Co., Ltd. (吉林吉盟腈綸有限公司). Mr. Pan graduated from Jilin Agricultural College (吉林省農業學校) with a degree in accounting and statistics. He also obtained a master’s degree in business administration from Jilin University (吉林大學) in 2001 and is a qualified accountant in the PRC.

It is proposed that subject to the Shareholders’ approval, Mr. Pan will enter into a service contract with the Company for his appointment as an executive Director for a term from the date of the EGM up to the end of the term for the fourth session of the Board. Mr. Pan is currently entitled to a basic salary of RMB65,000 per annum as the director of the finance department of the Company, which is determined by reference to, among other things, his duties, experience and expertise and the market range of salaries of similar positions. Pursuant to the proposed service contract as a Director, Mr. Pan will not be entitled to any director’s fees as an executive director of the Company.

Save as disclosed above, Mr. Pan does not hold any other position with the Company or other members of the Group. Save as disclosed above, Mr. Pan does not and has not, in the past three years, held any directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas. Save as disclosed herein, Mr. Pan does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. Mr. Pan does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information relating to Mr. Pan to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Ye Yongmao (“**Mr. Ye**”) has tendered his resignation as an independent non-executive Director with immediate effect. Mr. Ye resigned as he no longer has the necessary energy to attend the affairs of the Group due to his age.

Mr. Ye has also ceased to be the member of the audit committee, chairman and member of the remuneration committee, chairman and member of the nomination committee and member of the connected transactions committee of the Company with effect from the same date thereof.

Mr. Ye has confirmed that he has no disagreements with the Board and there are no matters relating to his resignation as an independent non-executive Director that need to be brought to the attention of the Shareholders.

Following the resignation of Mr. Ye, the number of the independent non-executive Directors and the members of the audit committee will fall below the minimum number required under Rule 3.10A and Rule 3.21 of the Listing Rules. Further, the positions of the chairman of the remuneration committee and nomination committee of the Company will be left vacant, and the number of independent non-executive Directors of the remuneration committee and nomination committee of the Company will fall below the majority required under Rule 3.25 of the Listing Rules and Code Provision A.5.1 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

The Company has commenced the search for suitable candidate with relevant experience and is committed to fill the vacancies as soon as practicable. The Company expects a replacement will be appointed within three months from the date of Mr. Ye's resignation pursuant to Rule 3.11 of the Listing Rules. The Company will make further announcement as and when appropriate.

The Board would also like to take the opportunity to thank Mr. Ye for his contribution to the Company.

PROPOSED CHANGE OF AUDITORS

The Board also announces that BDO Limited had resigned as the Hong Kong auditors of the Company with effect from 2 December 2014, and it is proposed that Moore Stephens CPA Limited to be appointed as the Hong Kong auditors of the Company by Shareholders at the upcoming EGM.

The PRC auditors of the Company is Da Hua Certified Public Accountants (“**Da Hua**”). Since September 2013, Da Hua has joined the network of Moore Stephens International Limited. The Board believes that the appointment of a member from the same accountant network as Da Hua will facilitate the consistency of the audit work and improve the efficiency of the audit services, which is in the best interests of the Company and the Shareholders as a whole. Therefore, the Board has proposed to appoint Moore Stephens CPA Limited as the Hong Kong auditors of the Company.

The Board and the audit committee of the Company have confirmed that there are no other matters in respect of the change of auditors that need to be brought to the attention of the Shareholders. BDO Limited has also confirmed that there are no matters in connection with their cessation as Hong Kong auditors of the Company that need to be brought to the attention of the Shareholders.

The Board would like to express its appreciation for the services of BDO Limited provided to the Company.

The Board has confirmed that Moore Stephens CPA Limited would be ready to accept the appointment of Hong Kong auditors of the Company, subject to the Shareholders' approval at the upcoming EGM.

GENERAL

A circular in relation to, among other things, the proposed election of executive Director, the proposed change in auditors and notice of the EGM to be convened will be despatched to the Shareholders in due course.

By order of the Board
Jilin Qifeng Chemical Fiber Co., Ltd.
Song Dewu
Chairman

Jilin, the PRC, 2 December 2014

** The Company is registered as an oversea company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) under the English name "Jilin Qifeng Chemical Fiber Co., Ltd."*

As at the date of this announcement, the executive Directors are Mr. Song Dewu, Mr. Yang Xuefeng and Mr. Wang Changsheng, the non-executive Directors are Mr. Jiang Junzhou, Mr. Ma Jun, Ms. Pang Suet Mui and Mr. Sun Haichao, and the independent non-executive Directors are Mr. Ye Yongmao, Ms. Zhu Ping, Mr. Li Yanxi and Mr. Jin Jie.