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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)

**TERMINATION OF THE PLACING OF NEW SHARES UNDER
SPECIFIC MANDATE**

Reference is made to the announcement of Jilin Qifeng Chemical Fiber Co., Ltd (the “**Company**”) dated 29 September 2015 (the “**Announcement**”) and the circular dated 27 November 2015 (the “**Circular**”) in respect of the placing of new shares under Specific Mandate (the “**Placing**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

The Board announces that the Placing Agreement for the Placing, on a best endeavour basis, of up to 600,000,000 Placing Shares, to not more than six Placees (who and whose beneficial owners are Independent Third Parties) through the Placing Agent has lapsed as the conditions of the Placing Agreement have not been satisfied or waived on or before 31 July 2016. As such, the Placing has been terminated. The Company will not expand its business into the medical and healthcare industry and introduce Jilin Railway Investment as a strategic partner subsequent to the termination of the Placing.

The Board considers that the termination of the Placing will not have any material adverse impact on the business, operation and financial position of the Company.

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

Jilin, the PRC, 1 August 2016

** The Company is registered as a non-Hong Kong 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. Pan Xianfeng, the non-executive Directors are Mr. Ma Jun, Mr. Jiang Junzhou, Ms. Pang Suet Mui, and Mr. Wu Song, and the independent non-executive Directors are Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping.