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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
POSITIVE PROFIT ALERT**

This announcement is made by Jilin Qifeng Chemical Fiber Co., Ltd. pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that the Company is expected to record a substantial increase in profit for the six months ended 30 June 2016 as compared to the same period in the previous year.

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

This announcement is made by Jilin Qifeng Chemical Fiber Co., Ltd. (the “**Company**” pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Company is expected to record a substantial increase in profit for the six months ended 30 June 2016 (the “**Period**”) as compared to a profit of approximately RMB6.0 million for the same period in 2015. The substantial increase in profit for the Period was primarily due to the fact that the Company has disposed of its former business in carbon fiber manufacturing in 2015, and as a result, the loss derived from the Company's discontinued carbon fiber business and the Company's disposal of the carbon fiberbusiness during the six months ended 30 June 2015 amounting to approximately RMB43.0 million did not recur during the six months ended 30 June 2016.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited management accounts of the Company and the information currently available to the Company. The interim results of the Company for the six months ended 30 June 2016 have not yet been finalized and the same has not been confirmed or reviewed by the auditors of the Company as at the date of this announcement. It is expected that the Group's results for the six months ended 30 June 2016 will be announced in August 2016 in accordance with the Listing Rules.

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

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

Jilin, the PRC, 5 August 2016

* *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 of the Company are Mr. Song Dewu, Mr. Yang Xuefeng and Mr. Pan' Xianfeng, the non-executive directors of the Company are Mr. Jiang Junzhou, Mr. Ma Jun, Ms. Pang Suet Mui and Mr. Wu Song, and the independent non-executive directors of the Company are Mr. Li Yanxi, Ms. Zhu Ping, Mr. Lv Xiaobo and Mr. Jin Jie.