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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)**

#### **CONTINUING CONNECTED TRANSACTIONS SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement (the “**Announcement**”) issued by Jilin Qifeng Chemical Fiber Co., Ltd. (the “**Company**”) on 7 July 2014. Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this announcement.

#### **Revision of Annual Cap for the New Jimont Sales Agreement**

As disclosed in the Announcement, Jimont entered into the New Jimont Sales Agreement with JCF Group Import Export, pursuant to which Jimont will sell Acrylic Fibre Products to JCF Group Import Export from 5 September 2014 to 31 December 2016. The New Jimont Sales Agreement was approved by the Shareholders at the extraordinary general meeting of the Company held on 5 September 2014 and the annual cap of RMB270 million for the year ending 31 December 2016 was also approved at the said extraordinary general meeting of the Company. The actual aggregate amount transacted under the New Jimont Sales Agreement for the two years ended 31 December 2014 and 2015 and the six months ended 30 June 2016 were approximately RMB2.6 million, RMB107.4 million and RMB184.0 million, respectively.

Due to the expected increase in demand from JCF Group Import Export for the Acrylic Fibre Products to be provided by Jimont under the New Jimont Sales Agreement in 2016 arising from the increase in the demand of Acrylic Fibre Products from third party customers, it is expected that the approved annual cap of RMB270 million will be exceeded before the end of 2016. Therefore the Board proposed to revise the annual cap for transactions under the New Jimont Sales Agreement for the year ending 31 December 2016 to RMB500 million (the “**2014 Jimont-JCF Import Export Sales Agreement Revised Cap**”).

Save as disclosed above, there are no other changes concerning the terms of the New Jimont Sales Agreement or the transactions contemplated thereunder as disclosed in the Announcement.

## **Listing Rules Implications**

Certain applicable percentage ratios (as defined in Rule 14A.07 of the Listing Rules) in respect of the 2014 Jimont-JCF Import Export Sales Agreement Revised Cap is expected to be greater than 5% and the annual consideration in respect of such transactions is expected to be greater than HK\$10.0 million.

Accordingly, the New Jimont-JCF Import Export Sales Agreement is subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 of the Listing Rules, due to the proposed revision of the annual cap in respect of the New Jimont Sales Agreement for the year ending 31 December 2016, the Company is required to re-comply with the announcement and shareholders' approval requirements in respect of the New Jimont Sales Agreement under Chapter 14A of the Listing Rules.

## **EXTRAORDINARY GENERAL MEETING**

Reference is also made to the announcement of the Company dated 1 September 2016 (the "**September 2016 Announcement**"). As disclosed in the September 2016 Announcement, an extraordinary general meeting will be convened at which ordinary resolutions will be proposed for the independent shareholders of the Company to consider and, if thought fit, approve certain continuing connected transactions, annual caps and revisions to certain annual caps (the "**EGM**"). At the EGM, ordinary resolutions will also be proposed for the independent shareholders to consider and, if thought fit, approve the 2014 Jimont-JCF Import Export Sales Agreement Revised Cap. The independent board committee of the Directors as disclosed in the September 2016 Announcement (the "**IBC**") will advise the independent shareholders in respect of the 2014 Jimont-JCF Import Export Sales Agreement Revised Cap. First Shanghai Capital Limited has been appointed as the independent financial adviser to advise the IBC, the connected transaction committee of the Directors and the independent shareholders in respect of the 2014 Jimont-JCF Import Export Sales Agreement Revised Cap.

The circular as referred to in the September 2016 Announcement will contain, among other things, further information on the 2014 Jimont-JCF Import Export Sales Agreement Revised Cap, and will be despatched to the Shareholders on or before 5 October 2016.

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

Jilin, the PRC, 4 October 2016

*\*The Company is registered as a non-Hong Kong company under Part 16 of the Company 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 and Mr. Wu Song, and the independent non-executive Directors are Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping.*