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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

PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE AND INSIDE INFORMATION IN RELATION TO A POSSIBLE VOLUNTARY GENERAL OFFER TO ACQUIRE ALL THE ISSUED H SHARES IN THE CAPITAL OF THE COMPANY AND RESUMPTION OF TRADING

This announcement is made by Jilin Qifeng Chemical Fiber Co., Ltd (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”). Reference is made to the announcement of the Company dated 17 October 2016 in respect of the trading halt in the shares of the Company (the “**Shares**”) pending the publication of an announcement pursuant to the Takeovers Code which constitutes an inside information of the Company.

Possible voluntary general offer which if proceeded with, could result in the privatisation and delisting of the Company from the Stock Exchange

The Company has been informed that the controlling shareholder of the Company (the “**Controlling Shareholder**”), Jilin Chemical Fiber Group Co., Ltd, is in the preliminary phase of considering to, by itself or through any of its subsidiary(ies), make a voluntary general offer for the H Shares which, if proceeded with, could result in the privatisation and delisting of the Company from the Stock Exchange. Since such preliminary consideration is still in progress at the date of this

announcement, there is no certainty that the voluntary general offer, privatisation and delisting will proceed. Consideration is also being given as to whether and how to proceed, subject to relevant laws and regulations, with an offer for holders of domestic Shares and non-H foreign Shares.

Shares in issue

As at the date of this announcement, the Company has a total issued share capital of 259,875,000 H Shares, 437,016,596 domestic Shares and 169,358,404 non-H foreign Shares. Other than these H Shares, domestic Shares and non-H foreign Shares, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement. As at the date of this announcement, the Controlling Shareholder is interested in 433,229,558 domestic shares of the Company, representing approximately 50.01% of the Company's total issued shares.

Disclosure of dealings in Shares

Associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of the relevant securities of the Company) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Updates

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the possible voluntary general offer for the H Shares which may result in the privatisation and delisting of the Company from the Stock Exchange will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with such a transaction. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: The possible voluntary general offer for the H Shares which may result in the privatisation and delisting of the Company from the Stock Exchange may or may not proceed and so there is no assurance that the possible transactions mentioned in this announcement will materialise or eventually be consummated. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the H Shares.

Resumption of trading

At the request of the Company, the trading in H Shares on the Stock Exchange halted from 9:06 a.m. on 17 October 2016 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in H Shares with effect from 9:00 a.m. on 19 October 2016.

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

Jilin, the PRC, 18 October 2016

* *The Company is registered as a non-Hong Kong company under Part XI of the Company Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014 under the English name “Jilin Qifeng Chemical FiberCo.,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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.