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JILIN TOP TRADING CO. LTD.*
*(Incorporated in the People's Republic of China
with limited liability)*
and
**its subsidiary JILIN FIBER CO.,
LIMITED**
(Incorporated in Hong Kong with limited liability)

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)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL OFFER
BY SOMERLEY CAPITAL LIMITED
ON BEHALF OF
JILIN FIBER CO., LIMITED
FOR ALL THE ISSUED H SHARES IN
JILIN QIFENG CHEMICAL FIBER CO., LTD.* (OTHER THAN THOSE ALREADY
HELD BY JILIN FIBER CO., LIMITED AND PARTIES ACTING IN CONCERT
WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY JILIN TOP TRADING CO. LTD.*
FOR ALL THE ISSUED DOMESTIC SHARES IN
JILIN QIFENG CHEMICAL FIBER CO., LTD.* (OTHER THAN THOSE ALREADY
HELD BY JILIN TOP TRADING CO. LTD.* AND PARTIES ACTING IN CONCERT
WITH IT)**

**VOLUNTARY CONDITIONAL OFFER
BY JILIN FIBER CO., LIMITED
FOR ALL THE ISSUED NON-H FOREIGN SHARES IN
JILIN QIFENG CHEMICAL FIBER CO., LTD.* (OTHER THAN THOSE ALREADY
HELD BY JILIN FIBER CO., LIMITED AND PARTIES ACTING IN CONCERT
WITH IT)**

**PROPOSED WITHDRAWAL OF
LISTING OF THE H SHARES OF
JILIN QIFENG CHEMICAL FIBER CO., LTD.***

AND

**RESUMPTION OF TRADING IN H SHARES OF JILIN QIFENG CHEMICAL
FIBER CO., LTD.***

Financial adviser to the Offerors



SOMERLEY CAPITAL LIMITED

** For identification purpose only*

1. INTRODUCTION

Reference is made to the Rule 3.7 Announcement of Qifeng dated 18 October 2016. On 25 November 2016 (after trading hours), the Offerors informed the Board that:

- (a) Somerley Capital, on behalf of Jilin Fiber, will make a voluntary conditional offer to acquire all of the issued H Shares (other than those already held by Jilin Fiber, Jilin Chemical Fiber Group and parties acting in concert with any of them);
- (b) Subject to the H Share Offer becoming unconditional in all respects:
 - (i) Top Trading will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them); and
 - (ii) Jilin Fiber will make a voluntary conditional offer to acquire all of the issued Non-H Foreign Shares.

2. CONSIDERATION FOR THE H SHARE OFFER

The H Share Offer will be made by Somerley Capital on behalf of Jilin Fiber on the following basis:

For each H Share HK\$1.097 in cash

The Offerors will not increase the consideration for the H Share Offer as set out above.

3. CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the passing of a resolution approving the Delisting at the H Share Class Meeting to be convened for this purpose by the Independent H Shareholders, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and

- (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a resolution approving the Delisting at the EGM to be convened for this purpose by the Independent Qifeng Shareholders, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the Qifeng Shares held by the Independent Qifeng Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the Qifeng Shares held by the Independent Qifeng Shareholders;
- (c) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body or court or institution in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (d) all necessary third party consents in relation to the H Share Offer required pursuant to any agreement to which any member of Qifeng Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of Qifeng Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the H Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the H Share Offer (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Offerors to proceed with or consummate the H Share Offer);

- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the H Share Offer or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the H Share Offer becomes unconditional;
- (g) no event having occurred which would make the H Share Offer or the acquisition of any of the H Shares void, unenforceable or illegal or which would prohibit the implementation of the H Share Offer or impose any additional material conditions or obligations with respect to the H Share Offer or any part thereof; and
- (h) since the date of this announcement and up to the Unconditional Date (both days inclusive), there having been no material adverse change in the business, financial or trading position of Qifeng Group, taken as a whole.

Jilin Fiber reserves the right to waive all or any of the conditions set out above (except for the conditions referred to in paragraphs (a), (b), (c), (e) and (g) above) in whole or in part. Qifeng does not have the right to waive any of the conditions.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. In accordance with Note 2 to Rule 30.1 of the Takeovers Code, Jilin Fiber will not invoke any condition, so as to cause the H Share Offer to lapse unless the circumstances which give rise to the right to invoke the condition are of material significance to Jilin Fiber in the context of the H Share Offer.

4. CONSIDERATION FOR THE DOMESTIC SHARE OFFER

The Domestic Share Offer will be made by Top Trading on the following basis:

For each Domestic Share RMB0.975 in cash

The Offerors will not increase the consideration for the Domestic Share Offer as set out above.

5. CONDITIONS OF THE DOMESTIC SHARE OFFER

The Domestic Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Domestic Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions.

The conditions set out in paragraphs (a) to (b) are incapable of being waived.

Given that the Domestic Share Offer is not interconditional with the H Share Offer and the Non-H Foreign Share Offer, the Offerors will apply to the Executive for a waiver from the requirement under Note 3 to Rule 14 of the Takeovers Code.

6. CONSIDERATION FOR THE NON-H FOREIGN SHARE OFFER

The Non-H Foreign Share Offer will be made by Jilin Fiber on the following basis:

For each Non-H Foreign Share HK\$1.097 in cash

The Offerors will not increase the consideration for the Non-H Foreign Share Offer as set out above.

7. CONDITIONS OF THE NON-H FOREIGN SHARE OFFER

The Non-H Foreign Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Non-H Foreign Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions.

Jilin Fiber reserves the right to waive all or any of the conditions set out above (except for the condition referred to in paragraph (a) above) in whole or in part. Qifeng does not have the right to waive any of the conditions.

The conditions set out in paragraphs (a) to (b) are incapable of being waived.

Given that the Non-H Foreign Share Offer is not interconditional with the H Share Offer and the Domestic Share Offer, the Offerors will apply to the Executive for a waiver from the requirement under Note 3 to Rule 14 of the Takeovers Code.

8. NO RIGHT OF COMPULSORY ACQUISITION

The Offerors have no rights under the laws of the PRC and the Articles of Association of Qifeng to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Qifeng may or may not continue to be subject to the Takeovers Code after the completion of the Offers depending on whether it remains as a public company thereafter.

The Offerors will apply to the Executive for a waiver from the requirement under Rule 2.2(c) of the Takeovers Code, which requires a resolution of the independent shareholders to approve a delisting to be made subject to the offeror(s) being entitled to exercise, and exercising, its/their rights of compulsory acquisition.

Once all of the conditions of the H Share Offer have been either satisfied or, waived by Jilin Fiber, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of at least 28 calendar days.

9. GENERAL INFORMATION

9.1 Shareholding structure of Qifeng

As at the date of this announcement:

- (a) Jilin Chemical Fiber Group, being the parent company holding the entire equity interest of Top Trading which in turn holds the entire equity interest in Jilin Fiber, holds 433,229,558 Domestic Shares (representing approximately 99.13% of the total issued Domestic Shares and 50.01% of the issued share capital of Qifeng); and
- (b) None of the Offerors, Jilin Chemical Fiber Group and the parties acting in concert with any of them legally or beneficially owns any H Share.

9.2 Independent committee of the Board

Under Rule 2.1 of the Takeovers Code, a board which receives an H Share Offer must establish an independent committee of the board to make a recommendation (i) as to whether the H Share Offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. Two non-executive directors of Qifeng, namely, Ms. Pang Suet Mui, and Mr. Wu Song, and all of the independent non-executive directors of Qifeng, namely, Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping, have been appointed as members of the independent committee of the Board in respect of the H Share Offer. Mr. Ma Jun and Mr. Jiang Junzhou, the other non-executive directors of Qifeng, will not serve as members of the independent committee of the Board because Mr. Ma Jun is also a director of Jilin Chemical Fiber Group and Mr. Jiang Junzhou is also a deputy general manager of Jilin Chemical Fiber Group, the parent company of the Offerors.

An independent financial adviser will be appointed, subject to the approval of the independent committee of the Board, to advise the independent committee of the Board in respect of the H Share Offer. A separate announcement will be made by Qifeng as soon as possible after the independent financial adviser has been appointed.

9.3 Future plans for Qifeng

The Offerors intend to continue with the existing business of Qifeng Group and do not intend to make any material changes to the current business operations of Qifeng Group following completion of the Offers. It is also the intention of the Offerors that there will not be any material changes in the management or employees of Qifeng Group as a result of the Offers.

10. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, Qifeng will make an application for the Delisting in accordance with Rule 6.12 of the Listing Rules. Qifeng Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the withdrawal of the Delisting will become effective.

11. RESUMPTION OF TRADING

At the request of Qifeng, trading in the H Shares on the Hong Kong Stock Exchange was halted from 9:00 a.m. on 28 November 2016 pending the release of this announcement. Applications have been made by Qifeng to the Hong Kong Stock Exchange for a resumption of trading in the H Shares with effect from 9:00 a.m. on 2 December 2016.

WARNING

The Offers are conditional upon the satisfaction of the conditions described in this announcement. Qifeng H Shareholders and/or potential investors should therefore exercise caution when dealing in the H Shares.

1. INTRODUCTION

Reference is made to the Rule 3.7 Announcement of Qifeng dated 18 October 2016. On 25 November 2016 (after trading hours), the Offerors informed the Board that:

- (a) Somerley Capital, on behalf of Jilin Fiber, will make a voluntary conditional offer to acquire all of the issued H Shares;
- (b) subject to the H Share Offer becoming unconditional in all respects:
 - (i) Top Trading will make a voluntary conditional offer to acquire all of the issued Domestic Shares (other than those already held by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them); and
 - (ii) Jilin Fiber will make a voluntary conditional offer to acquire all of the issued Non-H Foreign Shares.

2. THE H SHARE OFFER

2.1 Consideration for the H Share Offer

The H Share Offer will be made by Somerley Capital on behalf of Jilin Fiber on the following basis:

For each H Share HK\$1.097 in cash*

** equivalent of the offer price of the Domestic Share Offer based on the Exchange Rate*

The Offerors will not increase the consideration for the H Share Offer as set out above.

2.2 Comparison of value

The offer price under the H Share Offer represents:

- (a) a premium of approximately 6.50% over the closing price of HK\$1.030 per H Share as quoted on the Hong Kong Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 5.89% over HK\$1.036 which is the average closing price per H Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date;
- (c) a premium of approximately 11.71% over HK\$0.982 which is the average closing price per H Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 34.60% over HK\$0.815 which is the average closing price per H Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (e) a premium of approximately 45.68% over HK\$0.753 which is the average closing price per H Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 27.56% over the closing price of HK\$0.860 per H Share as quoted on the Hong Kong Stock Exchange on the last trading date prior to the publication of the Rule 3.7 Announcement;
- (g) a premium of approximately 33.13% over HK\$0.824 which is the average closing price per H Share as quoted on the Stock Exchange for the five trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;

- (h) a premium of approximately 49.66% over HK\$0.733 which is the average closing price per H Share as quoted on the Stock Exchange for the 30 trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;
- (i) a premium of approximately 54.94% over HK\$0.708 which is the average closing price per H Share as quoted on the Stock Exchange for the 90 trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;
- (j) a premium of approximately 57.16% over HK\$0.698 which is the average closing price per H Share as quoted on the Stock Exchange for the 180 trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement; and
- (k) a discount of approximately 0.1% to the unaudited consolidated net asset value per Qifeng Share of approximately RMB0.976 as at 30 June 2016.

2.3 Highest and lowest prices

During the 180 days up to and including the Last Trading Date, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$1.09 on 10 November 2016, and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$0.58 on 24 June 2016.

2.4 Consideration

Based on the offer price of HK\$1.097 per H Share and 259,875,000 H Shares in issue (representing the H Shares not already held by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them) as at the date of this announcement, the maximum value of the H Share Offer (assuming the H Share Offer is accepted in full and there is no change in the share capital of Qifeng) is approximately HK\$285,082,875.

The consideration payable under the H Share Offer was determined on the basis of the most recent published financial information of Qifeng and the Offerors' review of Qifeng's business. The consideration will be paid in cash.

2.5 Settlement of consideration

Settlement of consideration in respect of acceptances of the H Share Offer will be made as soon as possible but in any event within 7 business days of the date of receipt of a complete and valid acceptance in respect of the H Share Offer or of the Unconditional Date, whichever is later. For this purpose, business day refers to the day on which the Hong Kong Stock Exchange is open for transaction of business.

2.6 Confirmation of financial resources in respect of the H Share Offer

The Offerors will finance such cash consideration for the H Share Offer by funds made available from its internal resources.

Somerley Capital has been appointed as the financial adviser to the Offerors in respect of the H Share Offer. Somerley Capital is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the H Share Offer.

3. CONDITIONS OF THE H SHARE OFFER

The H Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the passing of a resolution approving the Delisting at the H Share Class Meeting to be convened for this purpose by the Independent H Shareholders, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a resolution approving the Delisting at the EGM to be convened for this purpose by the Independent Qifeng Shareholders, provided that:
 - (i) approval is given by at least 75% of the votes attaching to the Qifeng Shares held by the Independent Qifeng Shareholders that are cast either in person or by proxy; and

- (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all Qifeng Shares held by the Independent Qifeng Shareholders;
- (c) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the H Share Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions;
- (d) all necessary third party consents in relation to the H Share Offer required pursuant to any agreement to which any member of Qifeng Group is a party (where any failure to obtain a consent would have a material adverse effect on the business of Qifeng Group taken as a whole) having been obtained or waived by the relevant party(ies);
- (e) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the H Share Offer void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to, the H Share Offer (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Offerors to proceed with or consummate the H Share Offer);
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the H Share Offer or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the H Share Offer becomes unconditional;
- (g) no event having occurred which would make the H Share Offer or the acquisition of any of the H Shares void, unenforceable or illegal or which would prohibit the implementation of the H Share Offer or impose any additional material conditions or obligations with respect to the H Share Offer or any part thereof; and
- (h) since the date of this announcement up to the Unconditional Date (both days inclusive), there having been no material adverse change in the business, financial or trading position of Qifeng Group, taken as a whole.

Jilin Fiber reserves the right to waive all or any of the conditions set out above (except for the conditions referred to in paragraphs (a), (b), (c), (e) and (g) above) in whole or in part. Qifeng does not have the right to waive any of the conditions. As advised by the PRC legal advisors to the Offerors, the approval from the State-owned Assets Supervision and Administration Commission of Jilin Municipal Government (吉林省人民政府國有資產監督管理委員會) in respect of making the H Share Offer has been obtained and the filings with the PRC authorities with respect to the payment of consideration of the H Share Offer using onshore funds have been duly made. Save as aforesaid, the PRC legal advisors to the Offerors advised that no PRC regulatory approval is required for the making of the H Share Offer by the Offerors.

Save as disclosed above, as at the date of this announcement, the Offerors and Qifeng have not identified any governmental or regulatory approval required for the completion of the H Share Offer. Also, the Board confirms that as at the date of this announcement, no third party consent in relation to the H Share Offer is required pursuant to any agreement to which any member of Qifeng Group is a party.

The H Share Offer will be made in compliance with the Takeovers Code, which is administered by the Executive. In accordance with Note 2 to Rule 30.1 of the Takeovers Code, Jilin Fiber will not invoke any condition so as to cause the H Share Offer to lapse, unless the circumstances which give rise to the right to invoke the condition are of material significance to the Offerors in the context of the H Share Offer.

In addition to the conditions set out above, the H Share Offer is made on the basis that acceptance of the H Share Offer by any person will constitute a warranty by such person or persons to Jilin Fiber that the H Shares acquired under the H Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this announcement or subsequently becoming attached to them, and including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of this announcement.

4. THE DOMESTIC SHARE OFFER

4.1 Consideration for the Domestic Share Offer

The Domestic Share Offer will be made by Top Trading on the following basis:

For each Domestic Share RMB 0.975 in cash

The Offerors will not increase the consideration for the Domestic Share Offer as set out above.

4.2 Consideration

Based on the offer price of RMB0.975 per Domestic Share and 3,787,038 Domestic Shares in issue (representing the Domestic Shares not already held by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them) as at the date of this announcement, the maximum value of the Domestic Share Offer (assuming the Domestic Share Offer is accepted in full and there is no change in the share capital of Qifeng) is approximately RMB3,692,362.05.

The consideration payable under the Domestic Share Offer was determined on the basis of the most recent published financial information of Qifeng and the Offerors' review of Qifeng's business. The consideration will be paid in cash.

4.3 Confirmation of financial resources in respect of the Domestic Share Offer

Top Trading will finance such cash consideration for the Domestic Share Offer by funds made available from its internal resources.

Somerley Capital is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Domestic Share Offer.

5. CONDITIONS OF THE DOMESTIC SHARE OFFER

The Domestic Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Domestic Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions.

The conditions set out in paragraphs (a) to (b) are incapable of being waived.

Given that the Domestic Share Offer is not interconditional with the H Share Offer and the Non-H Foreign Share Offer, the Offerors will apply to the Executive for a waiver from the requirement under Note 3 to Rule 14 of the Takeovers Code.

6. THE NON-H FOREIGN SHARE OFFER

6.1 Consideration for the Non-H Foreign Share Offer

The Non-H Foreign Share Offer will be made by Jilin Fiber on the following basis:

For each Non-H Foreign Share HK\$1.097 in cash*

** equivalent of the offer price of the Domestic Share Offer based on the Exchange Rate*

The Offerors will not increase the consideration for the Non-H Foreign Share Offer as set out above.

6.2 Consideration

Based on the offer price of HK\$1.097 for each Non-H Foreign Share and 169,358,404 Non-H Foreign Shares in issue (representing the Non-H Foreign Shares not already held by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them) as at the date of this announcement, the maximum value of the Non-H Foreign Share Offer (assuming the Non-H Foreign Share Offer is accepted in full and there is no change in the share capital of Qifeng) is approximately HK\$185,786,169.19.

The consideration payable under the Non-H Foreign Share Offer was determined on the basis of the most recent published financial information of Qifeng and the Offerors' review of Qifeng's business. The consideration will be paid in cash.

6.3 Confirmation of financial resources in respect of the Non-H Foreign Share Offer

Jilin Fiber will finance such cash consideration for the Non-H Foreign Share Offer by funds made available from its internal resources.

Somerley Capital is satisfied that sufficient financial resources are available to Jilin Fiber to satisfy full acceptance of the Non-H Foreign Share Offer.

7. CONDITIONS OF THE NON-H FOREIGN SHARE OFFER

The Non-H Foreign Share Offer is subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) the H Share Offer becoming unconditional in all respects; and
- (b) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Non-H Foreign Share Offer having been obtained and remaining in full force and effect pursuant to the provisions of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions.

The conditions set out in paragraphs (a) to (b) are incapable of being waived.

Given that the Non-H Foreign Share Offer is not interconditional with the H Share Offer and the Domestic Share Offer, the Offerors will apply to the Executive for a waiver from the requirement under Note 3 to Rule 14 of the Takeovers Code.

8. NO RIGHT OF COMPULSORY ACQUISITION

The Offerors have no rights under the laws of the PRC and the Articles of Association of Qifeng to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the H Share Offer. Accordingly, the Independent H Shareholders are reminded that if they do not accept the H Share Offer and the H Share Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding securities that are not listed on the Hong Kong Stock Exchange. In addition, Qifeng may or may not continue to be subject to the Takeovers Code after the completion of the Offers depending on whether it remains as a public company thereafter.

The Offerors will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code, which requires a resolution of the independent shareholders to approve a delisting to be made subject to the offeror(s) being entitled to exercise, and exercising, its/their rights of compulsory acquisition.

Once all of the conditions of the H Share Offer have been either satisfied or, waived by the Offerors, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of at least 28 calendar days.

9. GENERAL INFORMATION

9.1 Information on the Offerors

The Offerors are indirectly wholly-owned subsidiaries of Jilin Chemical Fiber Group, which is a PRC state-owned enterprise. The principal activities of Jilin Chemical Fiber Group are production, commerce trade and export of chemical fibers.

9.2 Information on Qifeng

Qifeng was established in the PRC on 23 May 2005 as a foreign invested joint stock limited company whose H Shares are listed on the Hong Kong Stock Exchange. The principal activities of Qifeng are manufacturing and sales of acrylic fiber products.

Set out below is a summary of the audited consolidated results of Qifeng Group for each of the two financial years ended 31 December 2014 and 2015, as extracted from the accounts prepared in accordance with Hong Kong Financial Reporting Standards in Qifeng's 2015 annual report published by Qifeng on 28 April 2016 and the unaudited consolidated results of Qifeng Group extracted from the interim report for the six months ended 30 June 2016 of Qifeng Group:

	For the year ended		For the six
	31 December		months
	2014	2015	ended 30
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	1,895,910	1,787,074	751,184
Profit before tax	(18,082)	182,224	61,273
Profit attributable to the owners of Qifeng	(72,170)	132,180	51,487

9.3 Shareholding structure of Qifeng

As at the date of this announcement, the registered share capital of Qifeng comprises 259,875,000 H Shares, 437,016,596 Domestic Shares and 169,358,404 Non-H Foreign Shares.

The table below sets out the shareholding structure of Qifeng as at the date of this announcement:

	Class of Qifeng Shares	Number of Qifeng Shares held	Approximate % of total Qifeng Shares in issue
Offerors and parties acting in concert with them	Domestic Shares	433,229,558	50.01
Sub-total		433,229,558	50.01
Other holders of Domestic Shares	Domestic Shares	3,787,038	0.44
Holders of Non-H Foreign Shares	Non-H Foreign Shares	169,358,404	19.55
Qifeng H Shareholders	H Shares	<u>259,875,000</u>	<u>30.00</u>
Total		<u>866,250,000</u>	<u>100.0</u>

As at the date of this announcement:

- (a) Jilin Chemical Fiber Group, being the parent company holding the entire equity interest of Top Trading which in turn holds the entire equity interest in Jilin Fiber, holds 433,229,558 Domestic Shares (representing approximately 99.13% of the total issued Domestic Shares and 50.01% of the issued share capital of Qifeng); and
- (b) none of the Offerors, Jilin Chemical Fiber Group and the parties acting in concert with any of them legally or beneficially owns any H Share.

As at the date of this announcement, Qifeng does not have in issue any outstanding convertible securities, options, warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into the Domestic Shares, Non-H Foreign Shares or H Shares and/or rights over the Domestic Shares, Non-H Foreign Shares or H Shares in issue.

Save as aforesaid:

- (a) there is no existing holding of voting rights and rights over the Qifeng Shares which the Offerors own or over which it has control or direction;
- (b) there is no existing holding of voting rights and rights over the Qifeng Shares which is owned or controlled or directed by any of the persons who are parties acting in concert with the Offerors;
- (c) there is no existing holding of voting rights and rights over the Qifeng Shares in respect of which the Offerors or any of its concert parties has received an irrevocable commitment to accept the H Share Offer or to vote for or against the Delisting;
- (d) there is no existing holding of voting rights and rights over the Qifeng Shares in respect of which any of the Offerors or any of its concert parties holds convertible securities, warrants or options;
- (e) there is no outstanding derivative in respect of securities in Qifeng entered into by any of the Offerors or any of its concert parties;
- (f) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Qifeng Shares and which might be material to the Offers and/or the Delisting;
- (g) there is no agreement or arrangement to which any of the Offerors is a party which relates to the circumstances in which it may or may not invoke or seek to invoke the pre-condition, a condition to the Offers and the consequences of its doing so; and
- (h) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Qifeng which any of the Offerors or any of their concert parties has borrowed or lent.

The Offerors and the persons who are parties acting in concert with any of them have not dealt for value in any Qifeng Shares or any options, warrants, derivatives or securities convertible into Qifeng Shares during the period beginning six months prior to the date of this announcement.

9.4 Independent committee of the Board

Under Rule 2.1 of the Takeovers Code, a board which receives an H Share Offer must establish an independent committee of the board to make a recommendation (i) as to whether the H Share Offer is, or is not, fair and reasonable and (ii) as

to acceptance or voting. Two non-executive directors of Qifeng, namely, Ms. Pang Suet Mui, and Mr. Wu Song, and all of the independent non-executive directors of Qifeng, namely, Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping, have been appointed as members of the independent committee of the Board in respect of the H Share Offer. Mr. Ma Jun and Mr. Jiang Junzhou, the other non-executive directors of Qifeng, will not serve as members of the independent committee of the Board because Mr. Ma Jun is also a director of Jilin Chemical Fiber Group and Mr. Jiang Junzhou is also a deputy general manager of Jilin Chemical Fiber Group, the parent company of the Offerors.

An independent financial adviser will be appointed, subject to the approval of the independent committee of the Board, to advise the independent committee of the Board in respect of the H Share Offer. A separate announcement will be made by Qifeng as soon as possible after the independent financial adviser has been appointed.

9.5 Reasons for and benefits of the Offers and the Proposal

Recent financial performance and financial position of the Qifeng Group

Over the recent years, the Qifeng Group's revenue had shown a trend of deterioration. The Offerors are of the view that the recent improvement of the financial performance of Qifeng Group is neither due to the improvement of the overall market environment of the acrylic fiber products, nor the sales and operation improvement in the recent two years.

The Offerors noted that, as the Qifeng Group's current liabilities exceeded its current assets as shown in the consolidated financial statement of the Qifeng Group for the year ended 31 December 2015, the auditors of Qifeng expressed an audit opinion containing an emphasis of matter in respect of the existence of a material uncertainty which may cast significant doubt about the Qifeng Group's ability to continue as a going concern.

The Offerors consider that the Proposal, if successfully completed, will turn Qifeng into a company which is substantially-owned (or wholly-owned) by the Offerors and their ultimate sole shareholder Jilin Chemical Fiber Group. Given the state-owned background of the Offerors, the Offerors expect that the Proposal will lead to more support, commercially and financially, from the Offerors, so to enable the Qifeng Group to have greater flexibility to make timely strategic investment decisions and/or diversify its operations with new business opportunities. The Offerors are of the view that as such strategic investment decisions and/or business opportunities would involve uncertainties on the outlook and future financial performance of the Qifeng Group, the

Proposal gives the Qifeng H Shareholders an opportunity to realise their investment (as elaborated below) which would minimize the potential adverse effects of Qifeng's future development on Qifeng Shareholders' return on investment.

Share price performance of the H Shares

The Offerors consider that the depressed H Share price has had an adverse impact on Qifeng Group's reputation with customers, and therefore on its business, and also on employees' morale. The Offerors are of the view that the implementation of the Proposal could possibly eliminate this adverse impact.

In addition, maintaining the listing status of the H Shares requires Qifeng to incur administrative, compliance and other listing-related costs and expenses; if these costs and expenses are eliminated, the funds saved could be used for Qifeng Group's business operations.

Benefits to Qifeng H Shareholders

The Offerors believe that the H Share Offer provides a compelling opportunity for Qifeng H Shareholders to dispose of their H Shares, for the following reasons:

- **Premium valuation**

The H Share Offer price represents 56.7% premium of the average closing price of H Shares from 1 January 2016 to the last trading date prior to the publication of the Rule 3.7 Announcement on 18 October 2016 of approximately HK\$0.7 per H Share. The H Share Offer is intended to provide the Qifeng H Shareholders with an opportunity to realise their investment in Qifeng for cash at an attractive premium without having to suffer any illiquidity discount.

- **Certain and immediate value**

Given Qifeng has not distributed any dividend to Qifeng H Shareholders since 2007 and considering the low trading volume in the H Shares, the H Share Offer represents an opportunity for Qifeng H Shareholders to exit their investment for cash proceeds.

- **Avoid holding unlisted shares**

Assuming the H Share Offer will become unconditional, Qifeng will make an application for the listing of the H Shares to be withdrawn from the Hong

Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. If the H Shares are delisted from the Hong Kong Stock Exchange, the H Shares will become securities that are not listed or quoted on any stock exchange and the liquidity of the H Shares may be severely reduced.

9.6 Future plans for Qifeng Group

The Offerors intend to continue with the existing business of Qifeng Group and do not intend to make any material changes to the current business operations of Qifeng Group following completion of the Offers. It is also the intention of the Offerors that there will not be any material changes in the management or employees of Qifeng Group as a result of the Offers.

9.7 Further terms of the H Share Offer

Qifeng Shares

Under the terms of the H Share Offer, the H Shares will be acquired with all rights attached thereto as at the date of this announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Hong Kong Stamp Duty

Seller's ad valorem stamp duty for the H Shares which are registered with the Hong Kong branch register arising in connection with acceptance of the H Share Offer will be payable by each Qifeng H Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by Jilin Fiber for such person's H Shares and will be deducted from the cash amount due to such Qifeng H Shareholder under the H Share Offer. Jilin Fiber will pay the buyer's ad valorem stamp duty on its own behalf.

Closing Date of the H Share Offer

The H Share Offer will initially be opened for acceptances for at least 21 days from the date that the Composite Document is posted. Once all of the H Share Conditions have been either fulfilled, or, if permitted, waived by the Offerors, the H Share Offer will be declared unconditional and the H Share Offer will be extended for a subsequent period of at least 28 calendar days before the H Share Offer is closed by the Offerors in order to allow sufficient time for those Qifeng H Shareholders who have not accepted the H Share Offer to accept the H Share Offer.

9.8 General matters relating to the H Share Offer

Availability of the H Share Offer

The Offerors intend to make available the H Share Offer to all Qifeng H Shareholders, including those who are residents outside of Hong Kong, to the extent possible.

The making of the H Share Offer to the overseas Qifeng H Shareholders and/or their ability to participate in the H Share Offer may be subject to the laws of the relevant jurisdictions in which they are resident or domiciled. Overseas Qifeng H Shareholders should observe any applicable legal or regulatory requirements to which they may be subject including obtaining any governmental, exchange control or other consents, or filing and registration and the payment of any transfer or other taxes. It is the responsibility of the overseas Independent H Shareholders wishing to accept the H Share Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance of the H Share Offer by any Qifeng H Shareholder will be deemed to constitute a representation and warranty from such Qifeng H Shareholder to Jilin Fiber and Qifeng that all applicable legal and regulatory requirements to which they may be subject to have been complied with and that the H Share Offer can be extended to and/or accepted by such Qifeng H Shareholder lawfully under such requirements. Qifeng H Shareholders should consult their professional advisers if in doubt.

In the event that the despatch of the Composite Document to overseas Qifeng H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document will not be despatched to such overseas Qifeng H Shareholders. The Offerors will apply for such waivers as may be required pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Composite Document

The Composite Document for the H Share Offer will contain details of, among other things, the H Share Offer, the expected timetable relating to the H Share Offer, the recommendations of the independent committee of the Board in

respect of the H Share Offer, the letter of advice from the independent financial adviser in respect of the H Share Offer, notice of the H Share Class Meeting as well as other particulars required by the Takeovers Code and will be despatched to Qifeng H Shareholders within 21 days from the date of this announcement or such later date to which the Executive may consent.

Completion of the H Share Offer

If the H Share Conditions are not satisfied (or not waived where applicable) on or before the Closing Date, the H Share Offer will lapse.

If the H Share Conditions are satisfied (or, if permissible, waived), Qifeng Shareholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

Meetings

The H Share Class Meeting will be convened for the purpose of passing a resolution by way of poll to approve the Delisting by the Independent H Shareholders, and pursuant to Rule 2.2 of the Takeovers Code, such approval must be given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and the number of votes cast against the resolution is not more than 10% of the votes attaching to all of the H Shares held by the Independent H Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the H Share Class Meeting.

Furthermore, pursuant to Rule 2.2 of the Takeovers Code, the EGM will be convened by way of poll to approve the Delisting by the Independent Qifeng Shareholders, and such approval must be given by at least 75% of the votes attaching to the Qifeng Shares held by the Independent Qifeng Shareholders that are cast either in person or by proxy, and the number of votes cast against the resolution shall be no more than 10% of the votes attaching to all Qifeng Shares held by the Independent Qifeng Shareholders. The Offerors and their respective concert parties are required to abstain from voting at the EGM.

The Qifeng Shares beneficially owned by the Offerors and the parties acting in concert with any of them, will not, in compliance with the Takeovers Code, be voted at the H Share Class Meeting and/or the EGM.

Notices of the H Share Class Meeting and the EGM will be sent to the Qifeng Shareholders together with the Composite Document.

10. WITHDRAWAL OF LISTING OF THE H SHARES

Upon the H Share Offer becoming unconditional, Qifeng will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. Qifeng Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the H Shares and on which the Delisting will become effective.

11. RESUMPTION OF TRADING IN THE H SHARES

At the request of Qifeng, trading in the H Shares on the Hong Kong Stock Exchange was halted from 9:00 a.m. on 28 November 2016 pending the release of this announcement. Applications have been made by Qifeng to the Hong Kong Stock Exchange for a resumption of trading in the H Shares with effect from 9:00 a.m. on 2 December 2016.

WARNING

The Offers are conditional upon the satisfaction of the conditions described in this announcement. Qifeng Shareholders and/or potential investors should therefore exercise caution when dealing in the shares of Qifeng.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “parties acting in concert” shall be construed accordingly
“Associate”	has the meaning given to it in the Takeovers Code
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals required from the Relevant Authorities or third parties which are necessary for Qifeng to carry on its business
“Board”	the board of directors of Qifeng
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the H Share Offer or any subsequent closing date as may be announced by the Offerors and in compliance with the Takeovers Code

“Composite Document”	the composite offer and response document to be jointly issued by or on behalf of the Offerors and Qifeng in connection with, among other things, the detailed terms of the H Share Offer in accordance with the Takeovers Code and approved by the Executive
“Delisting”	the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange
“Domestic Share(s)”	the ordinary share(s) of RMB1 each in the share capital of Qifeng, which are not listed and traded on the Hong Kong Stock Exchange, subscribed by the PRC shareholders and credited as fully paid
“Domestic Share Offer”	the voluntary conditional offer to be made by Top Trading to acquire all of the issued Domestic Shares other than those already owned by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them
“EGM”	the extraordinary general meeting of Qifeng to be convened and held for the Independent Qifeng Shareholders to consider and approve the Delisting
“Exchange Rate”	the mid-price of RMB against HK\$ at RMB0.8891 as quoted from the People’s Bank of China as at the date of this announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“H Share(s)”	the overseas listed foreign invested ordinary share(s) in the share capital of Qifeng with a nominal value of RMB1 each, which are listed and traded on the Hong Kong Stock Exchange and credited as fully paid
“H Share Class Meeting”	the special general meeting of the Independent H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the Delisting

“H Share Conditions”	the conditions of the H Share Offer, as set out under the paragraph headed “3. Conditions of the H Share Offer” of this announcement
“H Share Offer”	the voluntary conditional offer to be made by Somerley Capital on behalf of Jilin Fiber to acquire all of the issued H Shares other than those already owned by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent H Shareholders”	Qifeng H Shareholders other than the Offerors, Jilin Chemical Fiber Group or parties acting in concert with any of them
“Independent Qifeng Shareholders”	Qifeng Shareholders, other than the Offerors, Jilin Chemical Fiber Group or parties acting in concert with any of them
“Jilin Chemical Fiber Group”	Jilin Chemical Fiber Group Co., Ltd.* (吉林化纖集團有限責任公司), a limited liability company incorporated in the PRC, being the parent company beneficially owns the entire equity interests of the Offerors
“Jilin Fiber”	Jilin Fiber Co., Limited (吉林纖維有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of Jilin Chemical Fiber Group
“Last Trading Date”	25 November 2016, being the last full trading day in the H Shares immediately before the trading in the H Shares was halted pending publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Non-H Foreign Share(s)”	the RMB-denominated ordinary share(s) in the share capital of Qifeng with a nominal value of RMB1 each, which are not listed and traded on the Hong Kong Stock Exchange, and are subscribed by persons other than PRC legal or natural persons and credited as fully paid
“Non-H Foreign Share Offer”	the voluntary conditional offer to be made by Jilin Fiber to acquire all of the issued Non-H Foreign Shares other than those already owned by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them
“Offerors”	Jilin Fiber and Top Trading
“Offers”	the H Share Offer, the Domestic Share Offer and the Non-H Foreign Share Offer
“PRC”	People’s Republic of China
“Proposal”	the proposed Delisting via voluntary conditional offers by the Offerors for all of the issued H Shares, Non-H Foreign Shares and Domestic Shares, other than those already owned by the Offerors, Jilin Chemical Fiber Group and parties acting in concert with any of them
“Qifeng”	Jilin Qifeng Chemical Fiber Co., Ltd.* (吉林奇峰化纖股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (stock code: 549)
“Qifeng Domestic Shareholder(s)”	holder(s) of the Domestic Shares
“Qifeng Group”	Qifeng and its subsidiary
“Qifeng H Shareholder(s)”	holder(s) of the H Shares
“Qifeng Non-H Foreign Shareholder(s)”	holder(s) of Non-H Foreign Shares
“Qifeng Shareholder(s)”	holder(s) of the Qifeng Shares
“Qifeng Shares”	the H Shares, the Domestic Shares and the Non-H Foreign Shares

“Relevant Authorities”	applicable governments or governmental bodies, regulatory bodies, courts or institutions including but not limited to the SFC and the Hong Kong Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 3.7 Announcement”	the announcement pursuant to Rule 3.7 of the Takeovers Code made by Qifeng dated 18 October 2016
“SFC”	Securities and Futures Commission
“Somerley Capital”	Somerley Capital Limited, a corporation licensed under the Securities and Futures Ordinance to provide Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the financial advisor to the Offerors in respect of the Offers
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers (as revised from time to time)
“Top Trading”	Jilin Top Trading Co. Ltd.* (吉林市拓普貿易有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Jilin Chemical Fiber Group
“Unconditional Date”	the date on which the H Share Offer becomes or is declared unconditional in all respects

** For identification purpose only*

By order of the board of
Jilin Top Trading Co. Ltd.*
Zhou Dongfu
Sole Director

By order of the board of
Jilin Fiber Co., Limited
Pei Haitao
Sole Director

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

Jilin, the PRC, 1 December 2016

The directors of the Offerors and Jilin Chemical Fiber Group jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to Qifeng, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by Qifeng, 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.

The directors of Qifeng jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Offerors, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by the Offerors, 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.

As at the date of this announcement, the sole director of Top Trading is Zhou Dongfu.

As at the date of this announcement, the sole director of Jilin Fiber is Pei Haitao.

As at the date of this announcement, the directors of Jilin Chemical Fiber Group are Song Dewu, Liu Hongwei, Liu Yanguang, Liu Hong, Hao Peijun, Ma Jun and Wang Fengli.

As at the date of this announcement, the executive directors of Qifeng are Mr. Song Dewu, Mr. Yang Xuefeng and Mr. Pan Xianfeng; the non-executive directors of Qifeng are Mr. Ma Jun, Mr. Jiang Junzhou, Ms. Pang Suet Mui and Mr. Wu Song; and the independent non-executive directors of Qifeng are Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping.

In accordance with Rule 3.8 of the Takeovers Code, the Associates of Qifeng or the Offerors (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Qifeng or the Offerors) are hereby reminded to disclose their dealings in any securities in Qifeng 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:

“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 HK\$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.”