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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

MONTHLY PROGRESS UPDATE ON THE POSSIBLE VOLUNTARY GENERAL OFFER TO ACQUIRE ALL THE ISSUED H SHARES IN THE CAPITAL OF THE COMPANY

Reference is made to (i) the announcement (the “**Joint Announcement**”) dated 1 December 2016 jointly issued by Jilin Top Trading Co. Ltd., Jilin Fiber Co., Limited and Jilin Qifeng Chemical Fiber Co., Ltd. (“**Qifeng**”) in relation to, among others, the voluntary conditional offer by Somerley Capital Limited on behalf of Jilin Fiber Co., Limited for all the issued H Shares in Qifeng (other than those already held by the Offerors and parties acting in concert with them); (ii) the announcement dated 22 December 2016 jointly issued by Jilin Top Trading Co. Ltd., Jilin Fiber Co., Limited and Qifeng in relation to the delay in despatch of the Composite Document; and (iii) the announcement dated 13 January 2017 jointly issued by Jilin Top Trading Co. Ltd., Jilin Fiber Co., Limited and Qifeng in relation to the further delay in despatch of the Composite Document; (iv) the announcement dated 27 January 2017 jointly issued by Jilin Top Trading Co. Ltd., Jilin Fiber Co., Limited and Qifeng in relation to the further delay in despatch of the Composite Document (the “**3rd Delay Announcement**”).

Unless otherwise stated, terms defined in the Joint Announcement and the 3rd Delay Announcement shall have the same meanings when used in this announcement.

Reasons for delay of despatch of the Composite Document

As disclosed in the 3rd Delay Announcement, Qifeng has made an application to the Executive for consent to further extend the deadline for the despatch of the Composite Document to 3 April 2017. In relation to the extended deadline for despatch of the Composite Document, Qifeng would like to further inform its shareholders and

potential investors that it is in the process of finalizing its financial information for the year ended 31 December 2016 (the “**2016 Accounts**”) and expects to publish the announcement of its final results for the year ended 31 December 2016 between 29 March 2017 to 31 March 2017. Accordingly, the period during which directors of Qifeng are prohibited from dealing in any securities of Qifeng commenced from 28 January 2017 and will end on the publication date of the said final results (both dates inclusive) (the “**Blackout Period**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”). The issue of the Composite Document will constitute a “dealing” in the shares of Qifeng within the meaning of such term as defined under the Model Code. Mr. Song Dewu, an executive director and the chairman of Qifeng, is also the chairman of the board of the directors and the general manager of Jilin Chemical Fiber Group, the parent company of the Offerors and the Company. By virtue of the roles of Mr. Song Dewu in Qifeng, it is expected that he will have access to drafts of the 2016 Accounts from time to time during the Blackout Period which may constitute inside information. In addition, as the parent company and a controlling shareholder of the Company, Jilin Chemical Fiber Group exercises a significant degree of control over Qifeng. Accordingly, the Offerors decided to postpone the despatch of the Composite Document until after the Blackout Period in order to ensure compliance with the Securities and Futures Ordinance and the Model Code. The Executive has granted the consent requested.

Progress Update

Qifeng is in the process of finalizing its 2016 Accounts and its final results for the year ended 31 December 2016, which are to be reflected in the Composite Document. In addition, the draft valuation report to be contained in the Composite Document is being updated to comply with the requirements under the Takeovers Code in light of the delay in the despatch of the Composite Document.

Further announcement(s) setting out the progress of the said possible voluntary general offer will be made as and when necessary in accordance with the Listing Rules and the Takeovers Code and on a monthly basis until the despatch of the Composite Document.

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

** For identification purpose only*

By order of the board of Jilin Top Trading Co. Ltd.* Zhou Dongfu <i>Sole Director</i>	By order of the board of Jilin Fiber Co., Limited Pei Haitao <i>Sole Director</i>	By order of the Board of Jilin Qifeng Chemical Fiber Co., Ltd* Song Dewu <i>Chairman</i>
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Jilin, the PRC, 27 February 2017

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, Sun Yujing 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.