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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)

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

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**”). Reference is made to the announcement of the Company dated 18 October 2016 (the “**Announcement**”) in relation to the possible voluntary general offer to acquire all the issued H shares in the capital of the Company (the “**Possible Transaction**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The board of the directors of the Company (the “**Board**”) wishes to update the shareholders of the Company and potential investors that, as advised by the Controlling Shareholder, as at the date of this announcement, the Controlling Shareholder is in the process of fulfilling certain preconditions for the Possible Transaction, including but not limited to, obtaining the necessary approvals from the relevant authorities in the PRC and arranging appropriate funding for the Possible Transaction.

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 an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the possible voluntary general offer is made.

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 Transaction 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.

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

Jilin, the PRC, 18 November 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 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. Ma Jun, Mr. Jiang Junzhou, Ms. Pang Suet Mui and Mr. Wu Song; and the independent non-executive directors of the Company are Mr. Li Yanxi, Mr. Jin Jie, Mr. Lv Xiaobo and Ms. Zhu Ping.

The Directors 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.