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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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited interim results of the Group for the six months ended 30 June 2012 are expected to record a significant loss as compared to a profit for the same period in 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Jilin Qifeng Chemical Fiber Co., Ltd. (the “**Company**”, together with its subsidiary, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the unaudited interim results of the Group for the six months ended 30 June 2012 are expected to record a significant loss as compared to a profit for the same period in 2011. The expected loss was primarily due to the decrease in sales volume and average selling price of the acrylic fibre products of the Group and Jilin Jimont Acrylic Fiber Co., Ltd., an entity jointly controlled by the Company, as a result of the adverse market conditions.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited management accounts of the Group as the interim results of the Group for the six months ended 30 June 2012 have not yet been finalised as at the date of this announcement. Further details of the Company's performance will be disclosed when the interim results of the Company for the six months ended 30 June 2012 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Jilin Qifeng Chemical Fiber Co., Ltd.*
Wang Jinjun
Chairman

Jilin, the PRC, 24 July 2012

** The Company is registered as an oversea company under Part XI of the Company Ordinance (Chapter 32 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 of the Company are Mr. Wang Jinjun, Mr. Yang Xuefeng and Mr. Wang Changsheng, the non-executive directors are Ms. Pang Suetmei, Mr. Sun Haichao, Mr. Jiang Junzhou and Mr. Ma Jun, and the independent non-executive directors are Mr. Ye Yongmao, Mr. Mao Fengge, Mr. Lee Ka Chung, J.P. and Ms. Zhu Ping.