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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

PROFIT WARNING

This announcement is made by Jilin Qifeng Chemical Fiber Co., Ltd. pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a material loss for the year ended 31 December 2013.

Shareholders and potential investors of the Company 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 subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a material loss for the year ended 31 December 2013. The expected loss was primarily due to the challenging market conditions and the slow development of the downstream carbon fiber market in the People's Republic of China (the “**PRC**”) during the period.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited management accounts of the Group and the information currently available to the Company. The results of the Group for the year ended 31 December 2013 have not yet been finalized and the same has not been confirmed, reviewed or audited by the auditors of the Company as at the date of this announcement. It is expected that the Group's results for the year ended 31 December 2013 will be announced in March 2014 in accordance with the Listing Rules.

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

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

Jilin, the PRC, 22 January 2014

** The Company is registered as an oversea company under Part XI of the Companies 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 are Mr. Song Dewu, Mr. Yang Xuefeng and Mr. Wang Changsheng, the non-executive Directors are Ms. Pang Suet Mui, 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.