

The Stock Exchange of Hong Kong Limited takes no responsibility for the content of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

The Board wishes to inform the shareholders of the Company and investors that it is expected that the interim results of the Company for the six months ended 30 June 2007 will record a net loss.

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

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Jilin Qifeng Chemical Fiber Co., Ltd. (the “Company”) wishes to inform the shareholders of the Company and investors that it is expected that the interim results of the Company for the six months ended 30 June 2007 will record a net loss, which was mainly due to:

1. the significant decrease in gross profit margin resulting from the continuing increase in the price of acrylonitrile, the principal raw material for the production of the Company’s acrylic fibre products; and
2. the share of loss of a jointly controlled entity, Jilin Jimont Acrylic Fiber Co., Ltd (“Jimont”), a sino-foreign equity joint venture in which the Company has 50% interest. Apart from the adverse impact brought by the rising costs of acrylonitrile, the financial performance of Jimont for the six months ended 30 June 2007 was also affected by the relatively high operation costs during the initial production period since its commencement of trial production in late 2006.

The interim results of the Company for the six months ended 30 June 2007 have not yet been finalized as at the date of this announcement. The Company will announce its interim results for the six month ended 30 June 2007 by the end of August 2007.

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, 10 August 2007

** 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. Wang Jinjun, Mr. Ma Jun, and Mr. Wang Changsheng, the non-executive Directors are Mr. Hao Peijun, Mr. Gong Jianzhong, Mr. Chen Jinkui, Mr. Jiang Junzhou and Mr. Zhang Yuchen, and independent non-executive Directors are Mr. Ye Yongmao, Mr. Mao Fengge and Mr. Lee Ka Chung, J.P.