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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**

The Board wishes to inform the shareholders of the Company and potential investors that the Company is expected to record substantial losses for the year ended 31 December 2008 as compared with that for the corresponding financial year in 2007.

**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”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As stated in the Company’s interim results announcement dated 29 August 2008, the Company recorded a loss after tax of approximately RMB83.252 million for the six months ended 30 June 2008. The board of directors of the Company (the “Board”) wishes to inform the shareholders of the company and potential investors that the Company is expected to record further substantial losses for the second half of financial year 2008 thus the full year results of the financial year 2008 will be loss making, which was mainly due to the impact of the global financial crisis, as a result of which the textile and acrylic fiber industries have further deteriorated. The decreases in domestic and foreign demand have resulted in the slowdown of the downstream enterprises of the textile industry in China which led to a substantial decrease in demand for the Company’s acrylic fibre products.

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited management accounts on hands as the annual results of the Company for the year ended 31 December 2008 have not yet been finalized as at the date of this announcement. Further details of the Company’s performance will be disclosed when the annual results for the year ended 31 December 2008 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, 20 January 2009

*\* 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.*