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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 Company is expected to record a substantial decrease in net profit for the year ended 31 December 2010 as compared with the net profit for the corresponding financial year in 2009.

**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 (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 Company is expected to record a substantial decrease in net profit for the year ended 31 December 2010 as compared with the net profit for the corresponding financial year in 2009. The expected decline is primarily due to (1) decreases in both production volume and sales volume of the Group's products, as a result of supply shortage in the Group's major raw material, acrylonitrile; (2) a decrease in price differential between the average selling price of the Group's products and the average purchase price of acrylonitrile, due to the increase in the average prices of acrylonitrile; (3) while a substantial amount of other gains was recognised in 2009, including the reversal of provision for impairment of property, plant and equipment and intangible assets of approximately RMB84.6 million in aggregate and the net gain associated with the recognised derivative financial instrument of approximately RMB20.8 million, no gains of the same nature were recognised in 2010; and (4) a substantial decrease in the Group's share of the profit generated by Jilin Jimont Acrylic Fiber Co., Ltd., an entity jointly controlled by the Group.

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 Group for the year ended 31 December 2010 have not yet been finalised as at the date of this announcement. Further details of the Group's performance will be disclosed when the annual results for the year ended 31 December 2010 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, 13 January 2011

\* *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 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.*