

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**魏橋紡織股份有限公司**  
**Weiqiao Textile Company Limited\***

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 2698)**

**PROFIT WARNING ANNOUNCEMENT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that there would be a significant decrease in the profit of the Group for the six months ending 30 June 2012 as compared to a profit for the six months ended 30 June 2011.

As the first half of 2012 is yet to end, the unaudited consolidated interim results of the Group for the six months ending 30 June 2012 are still not available to the Company. The information contained in this announcement should only be deemed as a preliminary assessment made by the Board based on the information currently available to the Group, and such information is subject to adjustment according to the review to be carried out internally later on. The information contained in this announcement is not based on any figures or information that have been audited or reviewed by the auditors of the Company.

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

This announcement is made by Weiqiao Textile Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and the potential investors that it is expected that there would be a significant decrease in the profit of the Group for the six months ending 30 June 2012 as compared to a profit for the six months ended 30 June 2011. The significant decrease in the profit for the six months ending 30 June 2012 was mainly due to:

- (i) the overall decrease in the demand for textile products from the continued weak textile market both domestically and overseas in the first half of 2012; and
- (ii) the fact that domestic cotton price has been remained at low level since September 2011; meanwhile, the international cotton price has substantially decreased. Against this backdrop, it has been relatively more difficult to increase the price of cotton textiles, which in turn has resulted in a significant decrease in the Group’s profit.

The Board considers that the overall operations of the Group remain sound and intact. According to the Group’s management account as at 31 May 2012, the sales volume of cotton yarn, grey fabric and denim recorded a year-on-year growth while inventory decreased as compared with that as of 31 December 2011. As at 31 May 2012, the value of cash and cash equivalents of the Group stood at approximately RMB2,800 million. Thus, the Group’s overall financial position remains sound.

As the first half of 2012 is yet to end, the unaudited consolidated interim results of the Group for the six months ending 30 June 2012 are still not available to the Company. The information contained in this announcement should only be deemed as a preliminary assessment made by the Board based on the information currently available to the Group, and such information is subject to adjustment according to the review to be carried out internally later on. The information contained in this announcement is not based on any figures or information that have been audited or reviewed by the auditors of the Company. The interim results announcement of the Company for the six months ending 30 June 2012 is expected to be released in August 2012.

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

By Order of the Board  
**Wei qiao Textile Company Limited**  
**Zhang Jinglei**  
*Executive Director and Company Secretary*

15 June 2012  
Shandong, the People’s Republic of China

*As at the date of this announcement, the board of directors of the Company comprises nine directors, namely Ms. Zhang Hongxia, Ms. Zhao Suwen, Ms. Zhang Yanhong and Mr. Zhang Jinglei as executive directors, Mr. Zhang Shiping and Ms. Zhao Suhua as non-executive directors and Mr. Wang Naixin, Mr. Xu Wenyong and Mr. George Chan Wing Yau as independent non-executive directors.*

\* *The Company is registered in Hong Kong as a non-Hong Kong company under the English name “Weiqiao Textile Company Limited” and the Chinese name of the Company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).*