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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)

DISCLOSEABLE TRANSACTION

ANNOUNCEMENT OF ENTERING INTO ASSET MANAGEMENT AGREEMENT

The Board is pleased to announce that on 22 April 2015, the Company entered into the Asset Management Agreement as the Assets Trustor, with CITIC-CP Asset Management as Assets Manager and CITIC Shanghai Branch as Assets Trustee in relation to the investment and management of the Entrusted Assets. The Company entrusted a total amount of RMB499 million on 22 April 2015 in accordance with the Asset Management Agreement.

As all of the applicable percentage ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transactions contemplated thereunder constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE ASSET MANAGEMENT AGREEMENT

The Board is pleased to announce that on 22 April 2015, the Company entered into the Asset Management Agreement as the Assets Trustor, with CITIC-CP Asset Management as Asset Manager and CITIC Shanghai Branch as Assets Trustee in relation to the management of the Entrusted Assets. The Company entrusted a total amount of RMB499 million on 22 April 2015 in accordance with the Asset Management Agreement.

* *For identification purposes only*

A summary of the principal terms of the Asset Management Agreement is set out as follows:

Date:

22 April 2015

Parties:

- (1) the Company as the Assets Trustor;
- (2) CITIC-CP Asset Management as the Assets Manager; and
- (3) CITIC Shanghai Branch as the Assets Trustee.

Investment Amount:

RMB499 million

Investment scope:

The Assets Manager shall manage and invest the Entrusted Assets in accordance with the instructions of the Assets Trustor. The investment scope of the Entrusted Assets shall be within the scope of (i) cash assets, such as cash, deposit, monetary fund, etc.; (ii) bonds financial assets, such as national debt traded on the exchanges or inter-bank, corporate bonds, etc.; and (iii) other financial assets with fixed income, such as asset securitization products, financial products, etc..

Fees:

The Company shall pay, among other fees and charges, an asset management fee of the investment amount under the Asset Management Agreement to CITIC-CP Asset Management and an asset trustee fee of the investment amount under the Asset Management Agreement to CITIC Shanghai Branch.

Designated account:

The investment amount under the Asset Management Agreement will be deposited in a designated account maintained with CITIC-CP Asset Management for investing in the investment products under the Asset Management Agreement.

Entrusted management period:

The entrusted management period will be from the completion date of first subscription to the expiration date of the last tranche, subject to other instructions from the Assets Trustor.

Expected annual rate of return:

The expected annual rate of return is 7%.

REASONS FOR AND BENEFITS OF THE TRANSACTION

By entering into the Asset Management Agreement and entrusting funds in according therewith, the Group intends to raise the utilization rate of its capital which can improve both the investment return and the profits of the Group. The Directors (including independent non-executive Directors) are therefore of the view that the terms of the Asset Management Agreement (and entrusting funds in accordance therewith) are fair and reasonable and are in the interests of the Group and its Shareholders as whole.

INFORMATION ON CITIC-CP ASSET MANAGEMENT

CITIC-CP Asset Management is a company incorporated in the PRC with limited liability and an asset management company approved by the China Security Regulatory Commission. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CITIC-CP Asset Management and its ultimate beneficial owners are Independent Third Parties. The principal business of CITIC-CP Asset Management includes establishment and issuance of certain asset management plans in relation to fund-raising activities.

INFORMATION ON CITIC SHANGHAI BRANCH

CITIC Shanghai Branch is one of the branches of CITIC Bank, a bank licensed and incorporated under the laws of the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CITIC Shanghai Branch and its ultimate beneficial owners are Independent Third Parties. The principal business of CITIC Shanghai Branch is to provide corporate and personal, treasury operations, investment banking, asset management and other financial services.

INFORMATION ON THE GROUP

The Group is principally engaged in the production, sale and distribution of cotton yarn, grey fabric and denim.

INFORMATION UNDER THE LISTING RULES

As all of the applicable percentage ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transactions contemplated thereunder constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

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| “Asset Management Agreement” | the asset management agreement dated 22 April 2015 entered into between the Company, CITIC-CP Asset Management and CITIC Shanghai Branch in relation to the investment and management of the Entrusted Assets |
| “Assets Manager” or “CITIC-CP Asset Management” | CITIC-CP Asset Management Co., Ltd.* (中信信誠資產管理有限公司) |
| “Assets Trustee” or “CITIC Shanghai Branch” | China CITIC Bank Corporation Limited, Shanghai Branch* (中信銀行股份有限公司上海分行) |
| “Board” | the board of Directors |
| “Company” or “Assets Trustor” | 魏橋紡織股份有限公司 (Weiqiao Textile Company Limited) |
| “Director(s)” | the director(s) of the Company |
| “Entrusted Assets” | the entrusted assets of initial RMB499 million under the Asset Management Agreement |
| “Group” | the Company and its subsidiaries from time to time |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Parties” | third parties independent from the Company and its connected persons |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | shareholder(s) of the Company |

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

22 April 2015
Shandong
The People’s Republic of China

As at the date of this announcement, the Board 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. George Chan Wing Yau and Mr. Chen Shuwen as independent non-executive directors.

* *The Company is registered in Hong Kong as a non-Hong Kong company under the English name “Wei qiao Textile Company Limited” and the Chinese name of the Company under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*