

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)

ANNOUNCEMENT
PRICE SENSITIVE INFORMATION
PROPOSED ASSETS DISPOSAL

This announcement is made by the Company 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 plans to dispose certain Assets.

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 Weiqiao Textile Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities of 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 in an effort to increase operating efficiency, the Company plans to dispose certain low efficiency and obsolete machines and equipments (majority of them being obsolete weaving looms) and plants (“**Assets**”). The Assets are located in the first production area of the Group’s production base in Weiqiao Town, Zouping County, Shandong. As at 28 February 2010, the total net asset book value of the Assets is approximately RMB165 million. The Company plans to sell such machines and equipments to independent third parties. The Company will dismantle the plants where such machines and equipments are located and terminate the lease for the lands on which the plants are located in the first production area. The Company will relocate other useable equipments from such production area to the Group’s production base located in Zouping County, and introduce more advanced production facilities.

The disposal of machines and equipments will result in a decrease in the denim production capacity of the Group. The denim production capacity of the machines and equipments accounts for approximately 33% of the total denim production capacity. But since the income from denim only accounts for 9.4% of the Group's total income for the first half of 2009, it is expected therefore that the disposal of the Assets will not have any material impact on the operation of the Group.

The disposal of Assets by the Group subsequent to the balance sheet date, i.e. 31 December 2009, will affect the estimation of the recoverable amounts of the fixed assets as at 31 December 2009. If the recoverable amounts are less than the net carrying amounts, the difference will be recognized as impairment losses in the income statement for the year ended 31 December 2009.

As at the date of this announcement, the Company has not entered into any agreement with any third party relating to the disposal of machines and equipments. The disposal of machines and equipments may constitute a notifiable transaction under Chapter 14 of the Listing Rules, the Company will therefore comply with relevant requirements under the Listing Rules for the disposal of the equipment.

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

On behalf of the Board
Weiqiao Textile Company Limited
Zhao Suwen
Executive Director and Company Secretary

Shandong, People's Republic of China
9 March 2010

As at the date of this announcement, the board of directors of the Company comprises 11 directors, namely Ms. Zhang Hongxia, Mr. Qi Xingli, Ms. Zhao Suwen and Ms. Zhang Yanhong as executive directors, Mr. Zhang Shiping, Mr. Wang Zhaoting, Ms. Zhao Suhua and Ms. Wang Xiaoyun as non-executive directors and Mr. Wang Naixin, Mr. Xu Wenying 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 "Wei-qiao 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).*