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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Guidelines on Disclosure of Inside Information under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record certain increase in the consolidated profit attributable to shareholders of the Company for the year ending 31 December 2013 as compared with that for the corresponding period of 2012.

The information contained in this announcement is only based on a preliminary assessment by the Board according to the information currently available, including the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2013, which are not based on any information nor figures audited or reviewed by the auditor of the Company.

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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Guidelines on Disclosure of Inside Information under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

* *For identification purpose only*

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and the potential investors that, based on the unaudited management accounts of the Group for the eleven months ended 30 November 2013, the Group recorded a significant increase in the consolidated profit as compared with that for the corresponding period of 2012 and it has surpassed the consolidated profit recorded for the year ended 31 December 2012 while the Group’s operation results is expected to remain stable for the six months from July 2013 to December 2013 in comparison with that for the six months ended 30 June 2013. Therefore, the Group is expected to record certain increase in the consolidated profit attributable to shareholders of the Company for the year ending 31 December 2013.

Driven by slow recovery of the overall demand in the textile market from January to November of 2013, the Group recorded an increase in the sales volume of the grey fabric and denim while the book value of finished goods in inventory remained stable as compared with that as at 30 June 2013, though the gaps between domestic and overseas cotton prices remained noticeable as a result of the cotton trade and storage policies in China. Despite the decrease in the average selling price of the Group’s products, the consolidated gross profit margin increased for the eleven months ended 30 November 2013 in comparison with that for the corresponding period of 2012. Meanwhile, the gross profit from the sales of electricity increased on lower costs as compared with the corresponding period of 2012, mainly due to the weak coal prices.

The information contained in this announcement is only based on a preliminary assessment by the Board according to the information currently available, including the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2013, and the information contained in this announcement is not based on any information nor figures that have been audited or reviewed by the auditor of the Company. The Directors wish to emphasize that the results of the Group for the year ending 31 December 2013 will be affected by many factors, including the significant fluctuation of the market prices of the cotton and cotton textile products. The final results announcement of the Company for the year ending 31 December 2013 is expected to be released in March 2014.

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
Wei qiao Textile Company Limited
Zhang Hongxia
Chairman

10 December 2013
Shandong, 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. 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 “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).*