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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)

Profit Warning

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors in the Company that adjustments in PRC macro-economic policies, the accelerated appreciation of the RMB versus the USD, the increase in energy and material prices, and the influence of other factors, have resulted in an increase in the Group’s operating costs. As selling prices of the products have not increased correspondingly, these factors have led to stable sales incomes but an obvious decrease in profits in the interim results of the Group for the six months ended 30 June 2008.

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 the subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

For the six months ended 30 June 2008, as a result of the adjustment of PRC macro-economic policy, the accelerated appreciation of the RMB versus the USD, the increase in the energy and material prices, the increase in labor costs and the influence of other factors, the Group’s operating costs have increased. At the same time, the cotton spinning market remained depressed in conjunction with an increase in competition. To insure market share and labor force stability, the Group’s management has not increased the selling prices of the products correspondingly, despite substantial increase in costs, leading to stable sales income but an obvious decrease in profits.

The Board considers that the overall operations of the Group as a whole remain sound and healthy and the financial condition remain stable and healthy.

As the Company is still in the process of finalizing the Group's unaudited interim results for the six months ended 30th June, 2008, the Company has not yet quantified the amount of decrease. The information contained in this announcement is only a preliminary assessment by the management of the Company and it is not based on any figures or information which has been audited or reviewed by the Company's auditor. Investors are advised to read carefully the unaudited interim results announcement of the Company for the six months ended 30th June, 2008 which is expected to be published before the end of September 2008.

Shareholders 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, 22 July 2008

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 Wenyong and Mr. George Chan Wing Yau as independent non-executive Directors.

* *The Company is registered in Hong Kong as an oversea company under the English name "Weiqiao Textile Company Limited".*