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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)

CLARIFICATION ANNOUNCEMENT

This announcement is made by Weiqiao Textile Company Limited (the “**Company**”) pursuant to pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to refute and/or clarify the negative allegations in the negative report from Emerson Analytics Co. Ltd. (the “**Negative Report**”) and to rebut the attempt to undermine the confidence of the shareholders of the Company (the “**Shareholders**”) in business and financial condition of the Company.

The Negative Report alleged that the Company’s cash flows with Shandong Weiqiao Chuangye Group Co., Ltd.* (山东魏桥创业集团有限公司, “**Weiqiao Chuangye**”) resulted in cast doubts on the whole integrity of the Company's financial statements for the year ended 31 December 2016 and Weiqiao Chuangye has been plundering the Company's cash.

The directors of the Company (the “**Directors**”) are of the view that the allegations contained in the Negative Report are materially misleading, untrue and unfounded. The Company would like to clarify and refute that the relevant disclosure of the Company’s cash flows with Weiqiao Chuangye has been duly made in the financial statements of the Company for the year ended 31 December 2016 and the Company will seek the ratification and approval of the past fund transactions between the Company and Weiqiao Chuangye (the “**Past Fund Transactions**”) from the independent shareholders of the Company at the extraordinary general meeting of the Company. As at the date of this announcement, the Company is preparing relevant announcement and circular in relation to the Past Fund Transactions.

The Directors confirm that to the best of their knowledge, information and belief, save as disclosed above, there is no other material information that needs to be disclosed pursuant to any of the requirements set out in the Listing Rules, nor are there any other matters that need to be brought to

the attention of the Shareholders and potential investors of the Company, and the Directors are not aware of any other inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as at the date of this announcement.

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

By order of the Board
Weiqiao Textile Company Limited*
Zhang Jinglei
Executive Director and Company Secretary

22 August 2017
Shandong, the PRC

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. Chen Shuwen and Mr. George Chan Wing Yau as independent non-executive directors.

* *For identification purpose only. 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 the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*