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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)

**PROPOSED CHANGE OF SUPERVISORS,
TERMINATION OF MAJOR AND CONTINUING CONNECTED
TRANSACTIONS IN RELATION TO FUND COOPERATION FRAMEWORK
AGREEMENT AND FURTHER DELAY IN DESPATCH OF CIRCULAR**

PROPOSED CHANGE OF SUPERVISORS

The board of directors (the “**Board**”) of Weiqiao Textile Company Limited (the “**Company**”) announces that Ms. Fan Xuelian (范雪蓮女士) (“**Ms. Fan**”) and Ms. Bu Xiaoxia (卜曉霞女士) (“**Ms. Bu**”) have been nominated by the controlling shareholder of the Company as shareholder representative supervisors of the Company (the “**Supervisors**”).

According to the articles of association of the Company, the proposed appointment of shareholder representative Supervisors is subject to approval by the shareholders of the Company (the “**Shareholders**”) at the extraordinary general meeting to be held by the Company (the “**EGM**”). Ordinary resolutions will be proposed at the EGM to approve, among other things, the above proposed appointment of Ms. Fan and Ms. Bu as Supervisors.

The biographical details of each of Ms. Fan and Ms. Bu are set out below pursuant to the Rule 13.51 (2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”):

Ms. Fan Xuelian (范雪蓮女士), aged 47, graduated from Binzhou Area Supply and Marketing Staff Secondary School (濱州地區供銷職工中專學校) in December 1994 in Binzhou, Shandong, the People's Republic of China (the “**PRC**”), majoring in corporate management. She served as a yarn worker at Binzhou First Cotton Textile Plant (濱州第一棉紡織廠) from September 1988 to June 1989, and at Zouping County Weiqiao Cotton Textile Plant (鄒平縣位橋棉紡織廠) successively as a responsible person for doffing, an operating manager and the vice plant manager from June 1989 to April 1998. She also successively served as a vice plant manager and plant manager in the sub-branch

factory of the Company (including its predecessor) from April 1998 to August 2014. She has served at Shandong Weiqiao Chuangye Group Limited (山東魏橋創業集團有限公司) as the chairwoman of the labor union, the head of the party committee office, the head of the publicity department and a committee member of the C.P.C. since August 2014, and as the supervisor of Shandong Weiqiao Chuangye Group Company Limited since November 2012.

Ms. Fan was awarded as an excellent staff of labor union of Shandong Province (山東省優秀工會工作者) by the General Labor Union of Shandong Province (山東省總工會) in May 2008 and an advanced individual of establishment for harmonious labor relations enterprise work of Binzhou City and of Shandong Province by the General Labor Union of Binzhou City (濱州市總工會) in January 2009 and by the General Labor Union of Shandong Province (山東省總工會) in January 2009, respectively. She was also awarded as an advanced individual of labor union work of Binzhou City by the General Labor Union of Binzhou City (濱州市總工會) in January 2011.

Ms. Bu Xiaoxia (卜曉霞女士), aged 45, graduated from Shandong University (山東大學) in July 1994 in Jinan, Shandong, the PRC, majoring in corporate management. She served at the production technology division of Zouping County Weiqiao Cotton Textile Plant (鄒平縣位橋棉紡織廠) as an operation inspector from September 1994 to April 1998. She also served successively as an operation inspector, a section head, a deputy division head and a division head of the production technology division of the Company (including its predecessor) from April 1998 to May 2009. She has served as a deputy general manager of Zouping No. 3 Industrial Park (鄒平第三工業園) of the Company since May 2009.

Ms. Bu was awarded as a top 10 models of professional ethics of staffs in Binzhou City (濱州市職工職業道德十佳標兵) jointly by the General Labor Union of Binzhou City (濱州市總工會), the publicity department of the Binzhou Committee of the Communist Party (中國共產黨濱州市委員會), the Office of Commission for Guiding Cultural and Ethical Progress of Binzhou City (濱州市精神文明建設委員會辦公室) and the Office of Economic and Trade Commission of Binzhou City (濱州市經濟貿易委員會) in December 2009. She obtained Binzhou Fumin Xingbin Labor Medal (濱州市富民興濱勞動獎章) from the General Labor Union of Binzhou City (濱州市總工會) in December 2009. Ms. Bu was also awarded as a model worker of Binzhou City by the People's Government of Binzhou City in April 2013.

Upon the election of Ms. Fan and Ms. Bu as Supervisors by the Shareholders, the Company will enter into a service contract with each of them. The term of office of Ms. Fan and Ms. Bu as Supervisors will be effective from the date of the EGM for a term of three years. Pursuant to the articles of association of the Company, Ms. Fan and Ms. Bu will be subject to re-election upon the expiry of their term of office. The remuneration package of each of Ms. Fan and Ms. Bu will be determined by the Shareholders at the annual general meeting of the Company by taking into account, among other matters, her terms of reference, her duties and responsibilities in the Company.

As at the date of this announcement, each of Ms. Fan and Ms. Bu (i) has not held any other directorships in listed public companies in the last three years; (ii) does not have any relationship with any other directors, supervisors and senior management of the Company or substantial shareholders or

controlling shareholders; and (iii) was not interested in any shares of the Company as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). There is no other information in relation to the appointment of Ms. Fan and Ms. Bu which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

The Board further announces that (i) Mr. Lv Tianfu (律天夫先生), has resigned as a shareholder representative Supervisor as he has limited energy for serving the position of a Supervisor due to his age; and (ii) Ms. Wang Wei (王薇女士) has resigned as a Supervisor as she has limited energy for serving the position of a Supervisor due to her age. The resignation for each of Mr. Lv Tianfu and Ms. Wang Wei will take effect from the duly appointment of new Supervisors by the Company to fill the causal vacancy. Each of Mr. Lv Tianfu and Ms. Wang Wei has confirmed that he/she has no disagreement with the Board and/or the supervisory committee of the Company, nor is there any matter relating to his/her resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Company hereby extends its appreciation for the contributions of Mr. Lv Tianfu and Ms. Wang Wei to the Company during his/her tenure of office.

TERMINATION OF MAJOR AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FUND COOPERATION FRAMEWORK AGREEMENT

Reference is made to the announcements of the Company dated 10 November 2017 and 1 December 2017 (the “**Announcements**”), in relation to, among others, the Fund Cooperation Framework Agreement entered into between the Parent Company and the Company. Unless otherwise stated, capitalized terms used herein shall have the same meaning as those defined in the Announcements.

As disclosed in the Announcements, on 10 November 2017 (after trading hours), the Parent Company and the Company entered into the Fund Cooperation Framework Agreement, pursuant to which, the Company and the Parent Company agreed to provide short-term funds to each party thereunder to satisfy the demand for short-term funds of such party provided that it is in compliance with relevant laws and regulations, for a term commencing on 1 January 2018 and ending on 31 December 2020.

Pursuant to Rules 14.36 and 14A.35 of the Listing Rules, the Company announces that based on further negotiation between the Company and Parent Company and taking into consideration the expected demand of fund and financial resources available in the future for both parties thereunder, the Parent Company and the Company entered into a supplemental agreement on 29 December 2017 to terminate the Fund Cooperation Framework Agreement with immediate effect. The rights and obligations of each of the Company and the Parent Company under the Fund Cooperation Framework Agreement have ceased upon termination of the Fund Cooperation Framework Agreement. Upon such termination, neither party shall have any further obligations or liabilities towards each other nor any claims against each other in connection with the Fund Cooperation Framework Agreement.

The Board considers that the termination of the Fund Cooperation Framework Agreement will not have any material adverse impact on the existing business or the financial position of the Group. The Board confirmed that no Fund Transactions is expected to be conducted in the foreseeable future.

FURTHER DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcements, a Circular containing, among others, (i) further details of the Fund Cooperation Framework Agreement, the Fund Transactions contemplated thereunder and the Past Fund Transactions; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM, will be despatched to the Shareholders on or before 29 December 2017.

As a result of the above proposed appointment of Supervisors and the termination of the Fund Cooperation Framework Agreement, the EGM will be convened and held (i) for Shareholders to consider and, if thought fit, approve the proposed appointment of Supervisors; and (ii) for the Independent Shareholders to consider and, if thought fit, approve and ratify the Past Fund Transactions.

As additional time is required to finalize certain information to be included in the Circular, the Circular containing, among others, (i) the proposed appointment of Supervisors; (ii) further details of the Past Fund Transactions; (iii) the letter from the Independent Board Committee to the Independent Shareholders in relation to the Past Fund Transactions; (iv) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Past Fund Transactions; and (v) a notice of EGM, is expected to despatched to the Shareholders on or before 12 January 2018.

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

29 December 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 purposes only. 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).*