

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)

Profit Warning

This announcement is made by Weiqiao Textile Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the unaudited management account, it is expected that there would be a significant decrease in the interim results of the Group for the six months ended 30 June 2020 as compared to the corresponding period of 2019, the main reasons for which are as follows:

- (1) in the first half of 2020, under the adverse impact of the global COVID-19 epidemic (the “**Epidemic**”), the domestic and overseas textile markets continue to weaken, leading to an overall decline in the demand for textiles. The sales volume of the Group’s cotton textile products recorded a year-on-year decrease, and the sales prices also dropped as compared to the same period of last year; and
- (2) in the first half of 2020, despite maintaining profitability, the Group’s electricity business recorded a year-on-year decrease in the sales volume of electricity under the impact of the Epidemic.

The Board will watch closely the overall development of the Chinese textile industry during the second half of the year, and will make timely adjustments to our operation strategy according to the overall situation of the industry, fully utilize its characteristics and advantages, and continue to make great efforts in aspects including management innovation, cost reduction and efficiency improvement, investments in research and development activities and green intelligence, in order to enhance our competitiveness in domestic and overseas markets.

As the Company is still in the process of finalising the Group's unaudited interim results for the six months ended 30 June 2020, the Company has not yet quantified the amount of the decrease in the Group's profit. This profit warning announcement is only a preliminary assessment made by the management of the Company and it is not based on any figures or information which have been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the unaudited interim results announcement of the Company for the six months ended 30 June 2020, which is expected to be published before the end of August 2020.

Shareholders and potential investors of the Company should 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

Shandong, the PRC
6 July 2020

As at the date of this announcement, the Board comprises eight Directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen and Mr. Zhang Jinglei as executive directors; Ms. Zhao Suhua as non-executive director; and Mr. George Chan Wing Yau, Mr. Chen Shuwen and Mr. Liu Yanzhao 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 the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*