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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 (Chapter 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 a slight increase in the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2016 as compared to that for the corresponding period of 2015.

The information contained in this announcement is only based on the unaudited management account of the Group for the six months ended 30 June 2016 and the information currently available to the Group.

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 (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, base on the currently available information, the Group is expected to record a slight increase in the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2016 as compared to that for the corresponding period of 2015.

From January to June in 2016, the sales price of China's textile products remained low as affected by the sluggish demand of textile products and the weak market of China's textile products due to weak recovery of the global economy. At the meantime, the Group undersold part inventory products in the first half of 2016. As a result, the gross profit of textile products of the Group decreased significantly. Despite of the above, the profits from the sales of electricity recorded substantive increase due to the significant decrease of unit power generation cost benefited from the existing own thermal power plants and the completion of the acquisition of thermal power assets in May 2016. Therefore, the Group is expected to record a slight increase in the consolidated profit attributable to shareholders of the Company for the six months ended 30 June 2016 as compared to that for the of the six months ended 30 June 2015.

The information contained in this announcement is only based on the unaudited management account of the Group for the six months ended 30 June 2016 and the information currently available to the Group. The financial results for the six months ended 30 June 2016 which will be reviewed by the auditors of the Company will be disclosed as and when the interim results of the Group for the six months ended 30 June 2016 are announced.

Shareholders of the Company and potential investors are advised to read the reviewed interim results announcement of the Group carefully when it is published.

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
Weiqiao Textile Company Limited*
Zhang Jinglei
Executive Director and Company Secretary

Shandong, the PRC
12 July 2016

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 "Weiqiao Textile Company Limited" and the Chinese name of the Company under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*