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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)

UPDATE ON PROGRESS OF FULFILLMENT OF RESUMPTION CONDITIONS

This announcement is made by Weiqiao Textile Company Limited (the “**Company**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 20 June 2017, in relation to the conditions (the “**Resumption Conditions**”) imposed by the Stock Exchange on the Company in respect of the resumption of trading in the shares of the Company on the Stock Exchange. The board of directors of the Company (the “**Board**”) would like to provide an update to the shareholders and potential investors of the Company in relation to the latest progress on fulfilling the Resumption Conditions.

UPDATE ON PROGRESS OF AUDIT WORK

SHINEWING (HK) CPA Limited (the “**ShineWing (HK)**”) has been formally appointed as the international auditor of the Company and has conducted the audit work orderly on the consolidated financial statement of the Company for the year ended 31 December 2016. Based on the information available to the Company, the relevant audit work is in review process. The Company will publish the relevant announcement in respect of the consolidated financial statement of the Company for the year ended 31 December 2016 as soon as possible.

UPDATE ON PROGRESS OF INTERNAL CONTROL REVIEW

As was disclosed in the Company's announcement dated 28 June 2017, the Company has engaged ZHONGHUI ANDA Risk Services Limited (the "**Internal Control Adviser**") as the internal control adviser of the Company. The Internal Control Adviser has been engaged to review the financial reporting procedures and internal control systems of the Company (the "**Internal Control Review**").

Based on the information available to the Company, the Internal Control Review is at the follow-up review stage. The Company will coordinate with the Internal Control Adviser to finalize the report of Internal Control Review as soon as possible.

The Company is doing its best to fulfill the Resumption Conditions and will make further announcement(s) on any material development on the above matters as and when appropriate.

CONTINUAL SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, 22 March 2017 and will remain suspended until further notice.

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

27 July 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.

* *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).*