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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 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 (the “**Listing Rules**”) 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 of the Group for the year ended 31 December 2021 (the “**Year**”), it is expected that there would be an increase of approximately 200% in the net profit of the Group for the year ended 31 December 2021 as compared to the net profit recorded for the year ended 31 December 2020, the main reasons for which are as follows:

- (1) Driven by the overall increase in the demand for textile products as consumption in the domestic and overseas textile and apparel markets gradually recovered, the sales volume of the Group's main textile products recorded a year-on-year increase, and the sales price for the Year also increased as compared to that for year 2020; also, the net profit of the Group was at a low level for year 2020 due to the adverse impacts brought by the COVID-19 pandemic (the “**Pandemic**”) during that period; and
- (2) As to the electricity business of the Group, on one hand, the sales volume of electricity for the Year decreased as compared to that for year 2020 due to the decrease in demand for electricity by the downstream customers as a result of the Pandemic; on the other hand, the production costs of electricity lagged behind the timing of sales price of electricity adjusted according to the established electricity pricing mechanism due to the fluctuations in the prices of coal, which was used as main raw material, during the Year. Due to the combined effect of the aforesaid factors, the Group recorded a substantial decrease in the gross profit generated from sales of electricity for the Year as compared to that for year 2020, but still continued to maintain steady profitability.

The information contained in this announcement should only be deemed as a preliminary assessment made by the Board based on the information currently available to the Group. The information contained in this announcement is not based on any figures or data which have been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ended 31 December 2021, which will be published in due course pursuant to the requirements of the Listing Rules.

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
28 January 2022

As at the date of this announcement, the Board comprises nine directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen, Mr. Wei Jiakun 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).*