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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: 02698)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER IN RELATION TO PROPOSED PRE-CONDITIONAL PRIVATISATION OF THE COMPANY

Reference is made to the announcement jointly published by Shandong Weiqiao Textile Technology Company Limited (the “**Offeror**”) and Weiqiao Textile Company Limited (the “**Company**”) dated 4 December 2023 in relation to, among others, the Merger Agreement and the Merger (the “**Joint Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

The Company is pleased to announce that Elstone Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent H Shareholders in respect of (among other things) the Merger. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from Elstone Capital Limited in respect of the Merger will be included in the Composite Document.

The Pre-Conditions and the Conditions to effectiveness must be satisfied before the Merger Agreement becoming effective. The Merger Agreement becoming effective is therefore a possibility only. Further, Shareholders and potential investors in the securities of the Company should be aware that the Merger is subject to the Conditions to implementation set out in the Joint Announcement being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Pre-Conditions or Conditions can be satisfied, and thus the Merger Agreement may or may not become effective or, if effective, may or may not be implemented or completed. Shareholders and potential investors in the securities of the Company should therefore exercise caution when dealing in the securities of the Company.

Persons who are in doubt as to the action to take and the implications arising from the Merger should consult their stockbroker, bank manager, solicitor or other professional advisers (including tax adviser regarding the tax consequences of the cancellation of the H Shares and the implementation of the Merger).

By order of the Board
Wei qiao Textile Company Limited*
Zhang Hongxia
Chairman

Shandong, the PRC
7 December 2023

As at the date of this announcement, the Board comprises nine Directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Mr. Wei Jiakun, 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 Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in this announcement misleading.

** 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).*