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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)**

## **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, for the reasons mentioned in the profit warning announcement of the Company dated 8 July 2019, despite that the electricity business of the Group maintained stable operation during the first half of 2019, as the global economy experienced sluggish growth with weakened market consumption due to several adverse factors such as the emerging trade protectionism, the overall textile industry was under great pressure due to sluggish market demands in the Chinese cotton textile product market, imposing negative impacts on the gross profit and gross profit margin of the Group. Although the electricity business of the Group continued to remain stable in the second half of 2019, due to the continuous decline in the price of cotton, downstream customers generally adopt a wait-and-see attitude, and demand for cotton textile products remains low, resulting in further pressure on the sales prices of cotton textile products, which has further reduced the gross profit and gross profit margin of the Group's cotton textile products. The Group is expected to record a larger year-on-year decrease in the net profit for the second half of 2019 as compared to that for the first half of 2019.

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 ending 31 December 2019, 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  
20 December 2019

*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).*