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山東魏橋紡織科技有限公司
**Shandong Weiqiao Textile
Technology Company Limited***
*(a company incorporated in the People's
Republic of China with limited liability)*

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)

JOINT ANNOUNCEMENT
**(1) POLL RESULTS OF THE EXTRAORDINARY
GENERAL MEETING AND THE H SHAREHOLDERS'
CLASS MEETING RELATING TO
PROPOSED PRIVATISATION OF THE COMPANY BY THE
OFFEROR BY WAY OF MERGER BY ABSORPTION**
**(2) PROPOSED WITHDRAWAL OF LISTING AND
LAST DAY OF TRADING**
AND
**(3) INFORMATION REGARDING EXERCISE OF
RIGHT OF DISSENTING SHAREHOLDERS**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Reference is made to (i) the announcement jointly published by the Offeror and the Company dated 4 December 2023 in relation to, among others, the Merger Agreement and the Merger; (ii) the announcement published by the Company dated 7 December 2023 in relation to the appointment of the Independent Financial Adviser; (iii) the announcement jointly published by the Offeror and the Company dated 22 December 2023 in relation to, among others, the delay in despatch of the Composite Document; (iv) the announcement jointly published by the Offeror and the Company dated 17 January 2024 in relation to, among others, the fulfilment of the Pre-Conditions; (v) the composite document jointly issued by the Offeror and the Company dated 23 January 2024 in relation to, among others, the Merger Agreement and the Merger (the “**Composite Document**”); (vi) the announcement jointly published by the Offeror and the Company dated 23 January 2024 in relation to the despatch of the Composite Document; and (vii) the announcement jointly published by the Offeror and the Company dated 28 February 2024 in relation to, among others, the irrevocable undertaking from Prudence Investment Management (Hong Kong) Limited to the Offeror and Weiqiao Chuangye. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Composite Document.

RESULTS OF THE EGM AND THE H SHAREHOLDERS’ CLASS MEETING

The sole director of the Offeror and the Board hereby announce that the proposed resolutions set out in the notice of EGM and the notice of H Shareholders’ Class Meeting were voted by way of poll and all of them were duly passed on 8 March 2024.

The EGM and the H Shareholders’ Class Meeting were held at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the PRC at 9:00 a.m. and immediately following the conclusion of the EGM, respectively, on Friday, 8 March 2024. The EGM and the H Shareholders’ Class Meeting were chaired by Mr. Liu Yanzhao, an independent non-executive Director.

In compliance with the requirements of the Listing Rules and Rule 2.9 of the Takeovers Code, Computershare Hong Kong Investor Services Limited, the H Share registrar of the Company, acted as the scrutineer for the vote-taking at the EGM and the H Shareholders’ Class Meeting.

The poll results in respect of the EGM and the H Shareholders' Class Meeting are as follows:

(i) The poll results in respect of the EGM

| No. | Special Resolution | Number of votes cast (%) | | |
|-----|---|--|---|---|
| | | For | Against | Abstained |
| 1. | <p>(a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 4 December 2023 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement.</p> <p>(b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he/she may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement.</p> | <p>986,046,006 (99.97%) (Note 1)</p> | <p>316,000 (0.03%) (Note 1)</p> | <p>20,500 (0.002%) (Note 1)</p> |

Notes:

1. Based on the total number of the votes attaching to all the Shares held by the Shareholders cast in person or by proxy at the EGM.
2. The percentage figures included in the poll results in respect of the EGM above have been subject to rounding adjustments.

As at the date of the EGM, the total number of issued Shares is 1,194,389,000, comprising 780,770,000 Domestic Shares and 413,619,000 H Shares.

As disclosed in the Composite Document, Shares held by any member of the CICC group acting in the capacity of an exempt principal trader connected with the Offeror or the Company shall not be voted at the EGM or the H Shareholders' Class Meeting in accordance with the requirement of Rule 35.4 of the Takeovers Code, and the Shares held by any member of the CICC group in the capacity of an exempt principal trader for and on behalf of non-discretionary investment clients (that are not the Offeror or any person who is acting in concert with the Offeror) shall not be voted at the EGM or the H Shareholders' Class Meeting unless otherwise confirmed with the Executive. Each member of the CICC group which is an exempt principal trader did not exercise the voting rights attached to the Shares held in its name in the context of the Merger at the EGM.

The number of Shares entitling the holders to attend the EGM and to vote for or against the above resolution at the EGM was 1,194,389,000. There was no Share entitling the Shareholder to attend and abstain from voting in favour of the resolutions at the EGM as set out in Rule 13.40 of the Listing Rules. No Shareholder was required under the Listing Rules to abstain from voting. No Shareholder had previously stated his/her/its intention in the Composite Document to vote against or to abstain from voting on the resolution proposed at the EGM.

The Shareholders and authorized proxies holding an aggregate of 986,382,506 Shares, representing approximately 82.58% of the total issued share capital of the Company, were present at the EGM. All Directors attended the EGM in person or by electronic means.

With respect to the special resolution at the EGM, since more than two-thirds of the votes attaching to the Shares held by the Shareholders present in person or by proxy at the EGM were cast in favour of the resolution, the special resolution was passed by way of poll at the EGM in accordance with the requirements of the PRC Laws and the Articles.

(ii) The poll results in respect of the H Shareholders' Class Meeting

| No. | Special Resolution | Number of votes cast (%) | | |
|-----|--|--|---------------------------------------|--------------------------------------|
| | | For | Against | Abstained |
| 1. | (a) To consider and, if thought fit, to approve, confirm and ratify the Merger Agreement dated 4 December 2023 entered into between the Company and the Offeror and the Merger and the transactions contemplated under the Merger Agreement. | 203,518,506 (99.83%) <i>(Note 1)</i> | 316,000 (0.16%) <i>(Note 1)</i> | 20,500 (0.01%) <i>(Note 1)</i> |
| | (b) To consider and, if thought fit, to approve that any Director be authorised to do all such acts and things, to sign and execute all such other documents, deeds and instruments, to make applications to the relevant regulatory authorities and to take such steps as he/she may consider necessary, appropriate, expedient and in the interest of the Company to give effect to and in connection with any transactions contemplated under the Merger Agreement. | | 316,000 (0.08%) <i>(Note 2)</i> | |

Notes:

- 1. Based on the total number of the votes attaching to all the H Shares held by the Independent H Shareholders cast in person or by proxy at the H Shareholders' Class Meeting.*
- 2. Based on the total number of the votes attaching to all the H Shares held by the Independent H Shareholders.*
- 3. The percentage figures included in the poll results in respect of the H Shareholders' Class Meeting above have been subject to rounding adjustments.*

The total number of H Shares entitling the Independent H Shareholders to attend and vote for or against the resolution at the H Shareholders' Class Meeting was 411,047,500 H Shares.

As disclosed in the Composite Document, Shares held by any member of the CICC group acting in the capacity of an exempt principal trader connected with the Offeror or the Company shall not be voted at the EGM or the H Shareholders' Class Meeting in accordance with the requirement of Rule 35.4 of the Takeovers Code, and the Shares held by any member of the CICC group in the capacity of an exempt principal trader for and on behalf of non-discretionary investment clients (that are not the Offeror or any person who is acting in concert with the Offeror) shall not be voted at the EGM or the H Shareholders' Class Meeting unless otherwise confirmed with the Executive. Each member of the CICC group which is an exempt principal trader did not exercise the voting rights attached to the H Shares held in its name in the context of the Merger at the H Shareholders' Class Meeting.

The Offeror and the parties acting in concert with it (including Weiqiao Chuangye (HK), Mr. Zhang Bo, Ms. Zhang and Ms. Zhang Yanhong), who held an aggregate of 2,571,500 H Shares as at the date of the H Shareholders' Class Meeting, were required to, and did, abstain from voting at the H Shareholders' Class Meeting in accordance with the Takeovers Code. There was no H Share entitling the Independent H Shareholders to attend and abstain from voting in favour of the resolutions at the H Shareholders' Class Meeting as set out in Rule 13.40 of the Listing Rules. No Independent H Shareholder was required under the Listing Rules to abstain from voting. No Independent H Shareholder has stated his/her/its intention in the Composite Document to vote against or to abstain from voting on the resolutions proposed at the H Shareholders' Class Meeting.

The Independent H Shareholders and authorized proxies holding an aggregate of 203,855,006 H Shares, representing approximately 49.59% of the total number of votes attaching to all the H Shares held by the Independent H Shareholders, were present at the H Shareholders' Class Meeting. All Directors attended the H Shareholders' Class Meeting in person or by electronic means.

With respect to the special resolution at the H Shareholders' Class Meeting, since more than 75% of the votes attaching to the H Shares held by the Independent H Shareholders present in person or by proxy at the H Shareholders' Class Meeting were cast in favour of the resolution and the number of votes cast against the resolution amounted to not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders, the special resolution was passed by way of poll at the H Shareholders' Class Meeting in accordance with the requirements of Rule 6.15(2) of the Listing Rules and Rule 2.10 of the Takeovers Code.

FULFILLMENT OF THE CONDITIONS TO EFFECTIVENESS

As at the date of this joint announcement, the Conditions to effectiveness have been fulfilled. Accordingly, the Merger Agreement has become effective.

The Shareholders and investors are reminded that the implementation of the Merger shall be subject to the fulfilment of the Conditions to implementation (unless waived, as applicable). As at the date of this joint announcement, none of the Conditions to implementation has been satisfied or waived (as applicable).

The Offeror and the Company will jointly issue an announcement stating whether the Conditions to implementation have been fulfilled or waived (as applicable) on or before Tuesday, 19 March 2024.

PROPOSED WITHDRAWAL OF LISTING OF THE H SHARES OF THE COMPANY AND LAST DAY OF TRADING

The Company has obtained approval from the Stock Exchange for the withdrawal of the listing of the H Shares on the Stock Exchange, which is subject to the Merger becoming effective, in accordance with Rule 6.15(2) of the Listing Rules.

It is currently expected that (i) the last day for dealings in the H Shares on the Stock Exchange will be Monday, 11 March 2024; and (ii) the withdrawal of listing of the H Shares on the Stock Exchange would occur at 4:00 p.m. on Tuesday, 19 March 2024.

On the assumption that the Conditions to implementation have been fulfilled (or waived, as applicable) on Tuesday, 19 March 2024, the cheques for payment of the Cancellation Price will be despatched to the Shareholders on or before Thursday, 28 March 2024. The H Shareholders will be notified by way of an announcement if there are any additional developments.

EXERCISE OF RIGHT OF DISSENTING SHAREHOLDERS

Reference is made to the section headed “3. *PRINCIPAL TERMS OF THE MERGER AGREEMENT – Right of a Dissenting Shareholder*” in the “*LETTER FROM THE BOARD*” of the Composite Document.

As no vote was cast against Special Resolution 1 at the EGM by the Domestic Shareholders, the Domestic Shareholders will not be entitled to exercise the right to request the Company and/or the Consenting Shareholders to acquire its Shares at a “fair price” (the “**Right**”), and only H Shareholders which satisfy the relevant criteria and entitlement conditions will be entitled to exercise the Right.

Any Dissenting Shareholder holding H Shares and wishing to exercise the Right should on or before the expiry date of the Declaration Period (which is expected to be Monday, 25 March 2024), collect the documents containing information on the procedure and the Required Document (as defined below) for exercising the Right (together as the “**Procedure Documents**”) at the registered address of the Company at No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the PRC or alternatively at the principal place of business in Hong Kong at Unit 5105 51/F, Cheung Kong Center, 2 Queen’s Road Central, Central, Hong Kong. The documents requested for in the Procedure Documents (the “**Required Documents**”) include, but are not limited to (i) exercise notice(s) with information filled in; and (ii) declaration and proof in respect of satisfaction of criteria and entitlement conditions to exercise such right. For a Dissenting Shareholder whose H Shares are deposited in CCASS, additional documents and proof will be required in respect of beneficial ownership and nominee relationship (if any). The Required Documents must be submitted by hand or by post to the addresses as stated above during the Declaration Period (which is from Tuesday, 19 March 2024 to Monday, 25 March 2024).

Pursuant to the Merger Agreement, if any Dissenting Shareholder is to exercise the Right to request the Company and/or other Consenting Shareholders (or the Offeror, if so elected by the Company and/or the Consenting Shareholders) to acquire its Shares at a “fair price” during the Declaration Period, the Dissenting Shareholder must refund the Cancellation Price (if received) to the Offeror in order to be entitled to exercise the Right, failing which the Dissenting Shareholder will be deemed to have waived, and will no longer be able to exercise, the Right. The Offeror (if so elected by the Company and/or the Consenting Shareholders) will make the payment separately upon agreement on matters regarding the Right. For the Dissenting Shareholders who exercise the Right to require acquisition of their H Shares, Hong Kong stamp duty is payable at the rate of 0.1% of the consideration by each of the seller and the buyer. The stamp duty payable by the seller will be deducted from the cash received by the relevant Dissenting Shareholders who exercise the Right. For the avoidance of doubt, regardless of when the Dissenting Shareholder exercises the Right, the Dissenting Shareholder will be deemed to have ceased to have any right in respect of the Shares (other than the right to request for consideration pursuant to exercise of the Right) after payment of the Cancellation Price is made to the Shareholders by or on behalf of the Offeror.

There is no applicable PRC law or guidance with respect to how the “fair price” will be determined from the PRC law perspective nor does the Articles set out any guidance or procedures as to how the “fair price” will be determined. No assurance can be given as to any favourable results to the Dissenting Shareholders who have validly exercised the Right and costs may be incurred by the Dissenting Shareholders in the process of exercising the Right and determining the “fair price”. Under the Articles, in the event of any dispute or claim between a holder of overseas listed shares and the Company, between a holder of overseas listed shares and a director, supervisor, manager or other senior executive, and between a holder of overseas listed shares and a holder of domestic shares arising from rights and obligations specified in the Articles, the PRC Company Law and other relevant laws and administrative regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration at either the China International Economic and Trade Arbitration Commission or Hong Kong International Arbitration Centre.

For the avoidance of doubt, if the Merger does not complete, the Dissenting Shareholders will not be entitled to exercise the Right as described above.

GENERAL

Immediately before the commencement of the Offer Period (being 4 December 2023), save that the Offeror and the parties acting in concert with it held, controlled or directed (i) 780,770,000 Domestic Shares, representing all the Domestic Shares in issue and approximately 65.37% of the total issued Shares; and (ii) 2,571,500 H Shares, representing in aggregate approximately 0.62% of the H Shares in issue and approximately 0.22% of the total issued Shares, none of the Offeror and the parties acting in concert with it held, controlled or directed any Shares or rights over Shares. None of the Offeror and the parties acting in concert with it had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares during the Offer Period.

As at the date of this joint announcement, neither the Offeror nor the parties acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

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 Composite Document being satisfied or waived, as applicable. Neither the Offeror nor the Company provides any assurance that any or all Conditions to implementation can be satisfied, and thus the Merger Agreement 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, the implementation of the Merger, and the exercise of the Right).

By order of the sole director of
**Shandong Weiqiao Textile Technology
Company Limited***
Zhang Xiaoqiao
Sole Director

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

Shandong, the PRC
8 March 2024

As at the date of this joint announcement, the Offeror's sole director is Ms. Zhang Xiaoqiao. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Company) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the board of directors of Weiqiao Chuangye comprises nine directors, namely Mr. Zhang Bo, Ms. Zhang Hongxia, Ms. Zhang Yanhong, Mr. Yang Congsen, Ms. Zhao Suwen, Mr. Deng Wenqiang, Mr. Xu Xiangzhong, Mr. Zhang Jinglei and Ms. Zhang Ruilian. The directors of Weiqiao Chuangye jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint 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 joint announcement (other than those in relation to the Offeror, Weiqiao Chuangye and any party acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror and the directors of Weiqiao Chuangye) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint 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).*