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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)**

## **VOLUNTARY ANNOUNCEMENT**

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

Reference is made to the announcements of the Company dated 28 October 2013 and 12 November 2014 in relation to the domestic corporate bonds issued by the Company. On 30 April 2017, the Company published its audited financial report for the year ended 31 December 2016 prepared under the PRC generally accepted accounting principles (“**PRC GAAP**”). Details of such report are available on [www.sse.com.cn](http://www.sse.com.cn).

For the convenience of the shareholders and potential investors of the Company, the Company would like to present the consolidated balance sheet as at 31 December 2016 and the consolidated income statement for the year ended 31 December 2016, which were prepared under PRC GAAP. The board of directors of the Company would like to remind the investors that the financial information set out in this announcement was prepared under PRC GAAP and as of the date of this announcement, the audited financial statement of the Company (the “**HKFRSs Audit Report**”) under Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants is in preparation. Therefore, the financial information set out in this announcement may differ from the HKFRSs Audit Report. Upon the completion of preparation of the HKFRSs Audit Report, the audit committee of the Company will review the HKFRSs Audit Report.

**CONSOLIDATED BALANCE SHEET (PREPARED UNDER PRC GAAP)**

31 December 2016

Unit: RMB

Items	Balance as at the end of the year	Balance as at the beginning of the year
<b>Current assets:</b>		
Monetary capital	<b>11,383,414,574.70</b>	12,090,854,864.00
Clearing settlement funds		
Placement to banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivables		
Receivables	<b>437,277,616.45</b>	254,269,786.85
Prepayments	<b>53,268,487.60</b>	13,509,900.50
Premiums receivable		
Receivables from reinsurers		
Reinsurance funds receivable under reinsurance contracts		
Interest receivable	<b>160,000.00</b>	151,000.00
Dividend receivable		
Other receivables	<b>2,947,139,044.00</b>	59,650,762.59
Financial assets held under resale agreements		
Inventories	<b>3,099,067,378.94</b>	4,257,634,924.22
Assets classified as held for sale	<b>15,466,661.30</b>	25,962,930.07
Non-current assets expire within a year		
Other current assets	<b>419,616,380.41</b>	130,745,864.04
<b>Total current assets</b>	<b>18,355,410,143.40</b>	16,832,780,032.27

<b>Items</b>	<b>Balance as at the end of the year</b>	Balance as at the beginning of the year
<b>Non-current assets:</b>		
Loans and advances to customers		
Available-for-sale financial assets		1,298,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	<b>72,000,288.31</b>	74,476,624.58
Investment properties	<b>22,994,416.17</b>	23,770,255.90
Fixed assets	<b>12,748,558,225.36</b>	10,018,738,428.67
Construction in progress	<b>86,545,299.63</b>	3,548,407.76
Construction materials	<b>120,900.20</b>	
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	<b>357,291,355.87</b>	262,089,339.36
Development costs		
Goodwill		
Long-term unamortized expenditures		
Deferred income tax assets	<b>148,709,069.33</b>	268,030,257.12
Other non-current assets		300,000,000.00
<b>Total non-current assets</b>	<b>13,436,219,554.87</b>	12,248,653,313.39
<b>Total assets</b>	<b>31,791,629,698.27</b>	29,081,433,345.66

<b>Items</b>	<b>Balance as at the end of the year</b>	Balance as at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	<b>3,744,500,000.00</b>	1,260,850,144.00
Borrowings from the central bank		
Absorption of deposits and inter-bank deposits		
Borrowing funds		
Financial liabilities at fair value and whose changes are included in the profit or loss of the current period		
Derivative financial liabilities		
Notes payables		
Accounts payables	<b>942,357,298.87</b>	904,415,443.69
Receipts in advance	<b>158,915,527.27</b>	119,006,002.94
Gain on disposal of repurchased financial assets		
Fees and commissions payable		
Salary payable to employees	<b>687,379,775.04</b>	693,852,946.80
Tax payables	<b>1,018,669,435.43</b>	772,017,318.76
Interest payables	<b>74,518,847.60</b>	79,531,624.25
Dividends payables		
Other payables	<b>176,330,796.73</b>	161,889,867.71
Reinsurance accounts payable		
Provision for insurance contracts		
Acting sale of securities		
Acting underwriting of securities		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	<b>80,000,000.00</b>	468,000,000.00
Other current liabilities	<b>18,321,551.18</b>	38,289,297.82
<b>Total current liabilities</b>	<b>6,900,993,232.12</b>	4,497,852,645.97

<b>Items</b>	<b>Balance as at the end of the year</b>	Balance as at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings	<b>934,500,000.00</b>	1,314,500,000.00
Bond payables	<b>5,991,666,666.67</b>	5,972,063,093.17
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term salary payable to employees		
Special payables		
Anticipated liabilities		
Deferred income	<b>180,457,267.53</b>	198,281,387.52
Deferred income tax liabilities	<b>3,275,000.00</b>	3,552,500.00
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>7,109,898,934.20</b>	7,488,396,980.69
<b>Total liabilities</b>	<b>14,010,892,166.32</b>	11,986,249,626.66
<b>Equity attributable to the owners:</b>		
Share capital	<b>1,194,389,000.00</b>	1,194,389,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	<b>6,664,644,940.00</b>	6,664,644,940.00
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	<b>1,690,525,686.43</b>	1,586,202,296.00
Provision for general risk		
Undistributed profits	<b>8,165,434,832.42</b>	7,579,710,852.00
<b>Total equity attributable to shareholders of the parent</b>	<b>17,714,994,458.85</b>	17,024,947,088.00
Minority interests	<b>65,743,073.10</b>	70,236,631.00
<b>Total equity attributable to shareholders</b>	<b>17,780,737,531.95</b>	17,095,183,719.00
<b>Total liabilities and equity attributable to shareholders</b>	<b>31,791,629,698.27</b>	29,081,433,345.66

## CONSOLIDATED INCOME STATEMENT (PREPARED UNDER PRC GAAP)

For the year of 2016

Unit: RMB

Items	Amount for the current year	Amount for the prior year
<b>I. Total operating income</b>	<b>14,373,960,145.74</b>	12,613,290,064.00
Including: Operating income	<b>14,373,960,145.74</b>	12,613,290,064.00
Interest income		
Insurance premium earned		
Fees and commission income		
<b>II. Total operating costs</b>	<b>13,014,131,122.08</b>	11,420,190,572.00
Including: Operating costs	<b>11,930,254,085.28</b>	10,177,475,972.00
Interest expenses		
Fees and commissions expenses		
Surrenders		
Net compensation expenses		
Allocations to net provision for insurance contracts		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	<b>149,303,606.00</b>	58,427,238.00
Sales expenses	<b>165,378,779.83</b>	132,682,547.00
Management expenses	<b>287,727,028.19</b>	327,570,193.00
Finance cost	<b>465,577,077.40</b>	551,502,562.00
Assets impairment loss	<b>15,890,545.38</b>	172,532,060.00
Add: Gains from changes in fair value (“-” for loss)		
Investment gains (“-” for loss)	<b>88,585,804.11</b>	54,264,138.00
Of which: Investment gains on associates and jointly-controlled entities	<b>1,648,297.25</b>	4,538,248.00
Exchange gains (“-” for loss)		

Items	Amount for the current year	Amount for the prior year
<b>III. Operating profit (“-” for loss)</b>	<b>1,448,414,827.77</b>	1,247,363,630.00
Add: Non-operating income	<b>70,320,623.86</b>	80,840,133.00
Including: Gains on disposal of non-current assets	<b>8,355,932.51</b>	11,625,310.00
Less: Non-operating expenses	<b>4,077,980.73</b>	939,667.00
Including: Loss on disposal of non-current assets	<b>2,272,028.60</b>	
<b>IV. Total profits (“-” for total loss)</b>	<b>1,514,657,470.90</b>	1,327,264,096.00
Less: Income tax expenses	<b>526,445,485.35</b>	349,653,976.00
<b>V. Net profit (“-” for net loss)</b>	<b>988,211,985.55</b>	977,610,120.00
Net profit attributable to shareholders of the parent	<b>992,705,543.45</b>	979,347,007.00
Minority interests	<b>-4,493,557.90</b>	-1,736,887.00
<b>VI. Other comprehensive income, net of tax</b>		
Other comprehensive income attributable to owners of the parent, net of tax		
(I) Other comprehensive income that may not be reclassified subsequently to profit or loss		
1. Changes as a result of remeasurement of net liability or asset under defined benefit plans		
2. Shares of other comprehensive income of the investees which cannot be reclassified to profit or loss under the equity method		
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		
1. Shares of other comprehensive income of the investees which will be reclassified to profit or loss under the equity method		
2. Gains or losses from changes in fair value of available-for-sale financial assets		
3. Profit or loss from held-to-maturity investments reclassified as available-for-sale financial assets		
4. Effective portion of cash flow adjusted for hedging gains or losses		
5. Differences on translation of foreign currency statements		
6. Others		
Other comprehensive income attributable to minority interests, net of tax		

Items	Amount for the current year	Amount for the prior year
<b>VII.Total comprehensive income</b>	<b>988,211,985.55</b>	977,610,120.00
Total comprehensive income attributable to shareholders of the parent	<b>992,705,543.45</b>	979,347,007.00
Total comprehensive income attributable to minority interests	<b>-4,493,557.90</b>	-1,736,887.00
<b>VIII.Earnings per share:</b>		
(I) Basic earnings per share	<b>0.83</b>	0.82
(II) Diluted earnings per share	<b>0.83</b>	0.82

By order of the Board  
**Weiqiao Textile Company Limited\***  
**Zhang Jinglei**  
*Executive Director and Company Secretary*

2 May 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.*

\* *For identification purpose 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).*