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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Weiqiao Textile Company Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED DECLARATION OF FINAL DIVIDENDS,  
PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES,  
PROPOSED ISSUE OF SHORT-TERM FINANCING BILLS AND/OR MEDIUM-TERM NOTES,  
PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS,  
PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS AND SUPERVISORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 2 to 12 of this circular.

A notice convening the Annual General Meeting to be convened and held at 9:00 a.m. on Tuesday, 29 May 2012 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People's Republic of China is set out on pages 24 to 34 of this circular. Whether or not you are able to attend the above meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for holding the above meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the above meeting should you so wish.

12 April 2012

\* For identification purposes only

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## DEFINITIONS

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*Unless the context requires otherwise, the following expressions shall have the following meanings in this circular:*

“Annual General Meeting”	the Annual General Meeting of the Company to be held at 9:00 a.m. on Tuesday, 29 May 2012 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People’s Republic of China
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	魏橋紡織股份有限公司 (Weiqiao Textile Company Limited)
“CSRC”	China Securities Regulatory Commission
“controlling shareholders”	has the meaning ascribed under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “Mainland”	People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Zhang Hongxia (*Chairman*)  
Zhang Yanhong  
Zhao Suwen  
Zhang Jinglei

*Registered Office:*

No. 34 Qidong Road  
Weiqiao Town  
Zouping County  
Shandong Province The PRC

*Non-executive Directors:*

Zhang Shiping  
Wang Zhaoting  
Zhao Suhua  
Wang Xiaoyun

*Principal place of business  
in Hong Kong:*

Room 2204  
22/F., Fu Fai Commercial Centre  
27 Hillier Street  
Hong Kong

*Independent Non-executive Directors:*

Wang Naixin  
Xu Wenying  
Chan Wing Yau, George

12 April 2012

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED DECLARATION OF FINAL DIVIDENDS,  
PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES,  
PROPOSED ISSUE OF SHORT-TERM FINANCING BILLS AND/OR MEDIUM-TERM NOTES,  
PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS,  
PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS AND SUPERVISORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**A. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the proposed declaration of final dividends, the proposed renewal of general mandates to allot, issue and deal with the Shares, proposed issue of

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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short-term financing bills and/or medium-term notes and proposed issue of domestic corporate bonds and the proposed election and re-election of Directors and Supervisors, and to seek your approval of the resolutions to these matters at the Annual General Meeting.

### **B. PROPOSED DECLARATION OF FINAL DIVIDENDS**

As disclosed in the announcement of annual results of the Company for the year ended 31 December 2011 dated 23 March 2012, it was also proposed by the Board for the payment of final dividends in cash for the year ended 31 December 2011 of RMB0.0594 per Share (including tax) on or before Thursday, 28 June 2012 to the Shareholders whose names appear on the Register of Members on Friday, 15 June 2012.

The proposed payment of final dividends for the year ended 31 December 2011 will be subject to the approval by the Shareholders of the Company at the Annual General Meeting.

### **C. PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES**

- (1) there be granted to the Board of Directors of the Company, an unconditional general mandate to allot, issue and deal with additional shares in the capital of the Company, whether Domestic Shares or H Shares, separately or at the same time, and make or grant offers, agreements or purchase options, subject to the following conditions:
  - (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
  - (b) the aggregate nominal amount of shares, whether Domestic Shares or H Shares, allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Board of Directors of the Company pursuant to such mandate, shall not exceed:
    - (i) in the case of Domestic Shares, 20 per cent of the aggregate nominal amount of Domestic Shares of the Company in issue at the date of passing this Resolution; and
    - (ii) in the case of H Shares, 20 per cent of the aggregate nominal amount of H Shares of the Company in issue at the date of passing this Resolution, in each case as of the date of this Resolution; and
  - (c) the Board of Directors of the Company shall only exercise its power under such mandate in accordance with the Company Law of the PRC and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals (if required) from the CSRC and/or other relevant PRC governmental authorities are obtained; and

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## LETTER FROM THE BOARD

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- (2) contingent on the Board of Directors of the Company resolving to issue shares pursuant to sub-paragraph (1) of this Resolution, the Board of Directors of the Company be authorised to:
- (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including (without limitation to):
    - (i) determine the class and number of shares to be issued;
    - (ii) determine the issue price of the new shares;
    - (iii) determine the opening and closing dates of the new issue;
    - (iv) determine the use of proceeds of the new issue;
    - (v) determine the class and number of new shares (if any) to be issued to the existing shareholders;
    - (vi) make or grant such offers, agreements and options as may be necessary in the exercise of such powers; and
    - (vii) in the case of an offer or allotment of shares to the shareholders of the Company, exclude shareholders who are resident outside the PRC or the Hong Kong Special Administrative Region of the PRC (“Hong Kong”) on account of prohibitions or requirements under overseas laws or regulations or for some other reason(s) which the Board of Directors of the Company considers necessary or expedient;
  - (b) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this Resolution, register the increased capital with the relevant authorities in the PRC and make such amendments to the Articles of Association of the Company as it thinks fit so as to reflect the increase in the registered capital of the Company; and
  - (c) make all necessary filings and registrations with the PRC, Hong Kong and/or other relevant authorities, and take any other required actions and complete any other procedures as required.

For the purposes of this Resolution:

“Domestic Shares” means domestic invested shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC investors;

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## LETTER FROM THE BOARD

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“H Shares” means the overseas listed foreign invested shares in the share capital of the Company, with a par value of RMB1.00 each, and which are subscribed for and traded in Hong Kong dollars; and

“Relevant Period” means the period from the passing of this Resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (b) the expiration of the 12-month period following the passing of this Resolution; or
- (c) the date on which the authority set out in this Resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.”

### **D. PROPOSED ISSUE OF SHORT-TERM FINANCING BILLS AND/OR MEDIUM-TERM NOTES**

To enable the Company to adjust its financing strategy in a timely manner based on the change in funding needs of the Company and secure the favorable opportunities of re-financing, it is proposed that the Board be authorised at the general meeting of the Company to issue short-term financing bills and/or medium-term notes within the Relevant Period. Detailed are as follows:

- (A) depending on the bond market conditions in China, the Company be authorised to issue short-term financing bills and/or medium-term notes pursuant to the following principal terms:

Issuer: the Company

Place of issue: China

Issue size: an aggregate principal amount of no more than RMB3 billion for short-term financing bills and/or medium-term notes, among which the Board be authorised to determine at its discretion the actual amount of short-term financing bills and/or medium-term notes in accordance with the relevant requirements of debt financing instrument in the inter-bank market, actual funding needs of the Company and market conditions. The short-term financing bills and/or medium-term notes may be registered in one batch and issued in one or more batches.

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## LETTER FROM THE BOARD

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- Term: the Board be authorised to determine at its discretion the term of short-term financing bills and/or medium-term notes in accordance with the relevant requirements of debt financing instrument in the inter-bank market, actual funding needs of the Company and market conditions.
- Rate: to be determined with the underwriter upon issue after taking into consideration of the prevailing market conditions and subject to approval by the relevant regulatory authorities in China (if required).
- Target investors: all financial market institutional investors in China.
- Use of proceeds: include but not limited to replenish the working capital of the Company and its subsidiaries and finance other funding needs.
- Precedent conditions to the issue:
- (i) shareholders' approval at the Annual General Meeting of the Company by way of special resolution to approve the issue of short-term Financing Bills and/or medium-term notes; and
  - (ii) National Association of Financial Market Institutional Investors' acceptance of the application for registration of short-term Financing Bills and/or medium-term notes of the Company.
- (B) any executive Director of the Company be authorised generally and unconditionally to deal with all matters relating to the proposed issue of short-term Financing Bills and/or medium-term notes, including but not limited to the following:
- (i) to determine the details of the issue of short-term Financing Bills and/or medium-term notes and formulate and adopt specific plans for the issue of short-term Financing Bills and/or medium-term notes, including but not limited to aggregate issue size of no more than RMB3 billion, batch issue of short-term Financing Bills and/or medium-term notes, amount and term of each batch, repayment term and method for principal and interests, rate of short-term Financing Bills and/or medium-term notes or its pricing mechanism, provision of guarantee, specific arrangements based on the actual use of the above proceeds and use of proceeds and selection of qualified professional parties to participate in the issue of short-term Financing Bills and/or medium-term notes;



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- (ii) to engage in all negotiations in connection with the issue of short-term Financing Bills and/or medium-term notes, sign on behalf of the Company and execute all the relevant agreements and other documents, and comply with information disclosure procedures in accordance with the requirements of the regulatory authorities and the Listing Rules (if necessary);
- (iii) to apply for approval from the relevant regulatory authorities for the issue of short-term Financing Bills and/or medium-term notes, and make adjustment as appropriate regarding the specific issue plans and terms of short-term Financing Bills and/or medium-term notes based on the advice given by the relevant regulatory authorities (if any); and
- (iv) to take all necessary actions that are in the interest of the Company, and make decision and arrangements in connection with all matters relating to the issue of short-term Financing Bills and/or medium-term notes.

any executive Director of the Company be authorised to deal with the above matters for a period of 24 months from the date on which the relevant resolutions are considered and approved at the annual general meeting.

### **E. PROPOSED ISSUE OF DOMESTIC CORPORATE BONDS**

In order to broaden the financing channels of the Company, satisfy the financing requirements of the Company, improve capital structure of the Company and reduce financing cost of the Company, the Company will, depending on the conditions, consider to issue the domestic corporate bonds with an aggregate principal amount of not more than RMB6 billion (the “Bond(s)”) in the PRC. Depending on the bond market conditions in China, the Company will be authorised to issue the domestic corporate bonds pursuant to the following principal terms:

1. Issue size: Not more than RMB6 billion and representing not more than 40% of the interests of the Group attributable to the owners of the parent as of 31 December 2011.
2. Bond maturity: 10 years or below (single maturity period or mixed maturity periods); the specific maturity shall be subject to the determination by the Board according to capital needs of the Company and market conditions as authorised by the Shareholders at the general meeting.
3. Interest rate or its method of determination: adopting the combination of both online and offline issue method while the annual nominal rate shall be negotiated between the Company and the main underwriter with reference to the offline market inquiry price based on the relevant requirements of the PRC.

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4. Issue method and target investors: Subject to the approval of CSRC, this issue will be implemented by ways of single issue or issue in installments, and the specific issue method shall be determined by the Board according to the market conditions and capital demand of the Company as authorised by the Shareholders at the general meeting. Target investors include eligible investors under applicable laws and regulations.
5. Use of proceeds: Repayment of bank loans, replenish operating capital of the Company and other purposes as permitted by applicable laws and regulations and the Listing Rules.
6. Placing arrangements available to the shareholders: The bonds will not be placed to the Shareholders.
7. Guarantee arrangement: Subject to the determination of the Board as authorised by the Shareholders at the general meeting.
8. Place of listing: Application for listing of and dealing in the bonds shall be filed with the Shanghai Stock Exchange following the completion of the Bond issue. The Bonds will also be listed on, and dealt in, other stock exchanges as permitted by applicable laws, subject to the approval of regulatory authorities.
9. Term of validity of resolution: The resolutions in respect of the corporate bond issue shall be valid for 24 months from the date of consideration and approval at the Annual General Meeting.
10. Matters to be authorised by the general meeting:

To assure the completion of the issue and listing of the corporate bonds, the Board is hereby authorised by the general meeting to deal with the following matters in relation to the issue of bonds of the Company, including, but not limited to:

- (1) to determine and confirm, to the extent permitted by laws and regulations and according to the Company's actual circumstances and the actual market conditions, all the matters related to the Bond issue, and make any changes and adjustments to the terms of the Bond issue, including but not limited to, issue amount, actual aggregate amount, bond maturity, bond type, bond rate and its determination method, timing of issue (whether the offer shall be made in installments and number of installments), guarantee plan, whether new terms such as repurchase and redemption mechanism shall be established, rating arrangement, guarantee, specific application and subscription method, specific placing arrangement, repayment of the principal and the interests, listing of bonds, and to determine all matters in relation to the issue of the Bonds including the specific use of proceeds within the scope of usage as permitted by the general meeting.

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- (2) to execute all the requisite procedures relating to the issue and listing of the corporate bonds (including, but not limited to, to sign all the necessary legal documents; to select and appoint different intermediate institutions involved; to determine the underwriting arrangement; to prepare and submit the relevant application documents to the relevant regulatory authorities; to obtain the approval from regulatory authorities; to select the bonds trustee manager and sign the entrusted bonds management agreement for the Bonds and formulate the rules on the meetings of the holders of the bonds; to handle other matters related to the corporate bond issue; and to determine and handle the listing of the Bonds pursuant to the relevant requirements of the stock exchanges following the completion of the bond issue and to make necessary information disclosure pursuant to the applicable regulatory rules) and to approve, confirm and ratify those procedures after the Board has executed those procedures for the issue and listing of Bonds.
- (3) to make adjustments to the matters related to specific issue plan of the bonds according to the opinions of the regulatory departments (if any) and to determine as to whether to continue the issue of corporate bonds according to the actual circumstances in the event of any changes in the regulatory departments' policies regarding the issue of corporate bonds or in the market conditions except the matters which are required to be voted again in a general meeting under the relevant laws and regulations and Articles of Associations of the Company.
- (4) In the event that the Company expects to fail to repay any amounts of principal or interest of the bonds on schedule or when such amounts fall due, the Company shall take a series of measures to guarantee the repayment according to the domestic laws and regulations of the PRC and the requirements of the relevant regulatory authorities, including but not limited to:
  - a. not to make any profit distribution to the Shareholders;
  - b. to postpone the implementation of capital expenditure projects such as material external investment, merger or acquisition;
  - c. to reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management;
  - d. not to approve any transfer or secondment of the primarily responsible staff.
- (5) to take all necessary actions to determine or deal with other matters relating to the issue and listing of corporate bonds.
- (6) The above authorisation shall be valid from the date of approval at the Annual General Meeting to the date on which the above authorisation is completed.

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Upon the signing of the above (1) to (6) and obtaining the approval and authorisation from the general meeting, it is hereby agreed that the Board shall delegate such authorisation to any executive Directors to handle specific matters related to the issue and listing of Bonds within in the scope of the above authorisation, which will become effective at the same.

11. The precedent conditions of the issue are, including, but not limited to:
- (1) the approval of the domestic corporate bond issue by the Shareholders at the Annual General Meeting of the Company by way of a special resolution; and
  - (2) the obtaining of the approval from the relevant regulatory authorities of the PRC, and the issue will be implemented within 24 months from the date of obtaining of the approval from the relevant regulatory authorities of the PRC.

### **F. PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS AND SUPERVISORS**

Ordinary resolutions will be proposed to re-elect Ms. Zhang Hongxia, Ms. Zhao Suwen, Ms. Zhang Yanhong, Mr. Zhang Jinglei as executive Directors and Mr. Zhang Shiping and Ms. Zhao Suhua as non-executive Directors and Mr. George Chan Wing Yau, Mr. Wang Naixin and Mr. Xu Wenying as independent non-executive Directors, respectively, at the Annual General Meeting. Mr. George Chan Wing Yau, Mr. Wang Naixin and Mr. Xu Wenying will be serving more than 9 years after their appointment of independent non-executive directors of the Company in the Annual General Meeting. The Board confirms that each of Mr. George Chan Wing Yau, Mr. Wang Naixin and Mr. Xu Wenying still meet the independence requirements set out in Rules 3.13. Mr. George Chan Wing Yau, Mr. Wang Naixin and Mr. Xu Wenying have relevant accounting or industrial experience and have a deep understanding of the Group's operation. Based on such, the Board believes that Mr. George Chan Wing Yau, Mr. Wang Naixin and Mr. Xu Wenying are independent of the Group and will continue to make contribution to the Company.

Ordinary resolutions will also be provided to elect Ms. Wang Xiaoyun and re-elect Mr. Lu Tianfu and Ms. Wang Wei as supervisors of the Company.

The biographical details of such re-electing and proposed Directors and supervisors as required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

### **G. ANNUAL GENERAL MEETING**

Set out on pages 24 to 34 of this circular is a notice convening the Annual General Meeting to be held at 9:00 a.m. on Tuesday, 29 May 2012 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People's Republic of China.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.39(4) of the Listing Rules, voting at the Annual General Meeting will be conducted by poll. The poll results will be published on the websites of the Company and of the Stock Exchange following the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is accompanied with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon, and in both cases in any event not later than 24 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so desire.

The reply slip for the Annual General Meeting is also enclosed with this circular. You are reminded to complete and sign the reply slip and return the signed reply slip to the office of the Secretary Office to the board of directors of the Company at Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People's Republic of China, no later than 9 May 2012 (Wednesday) in accordance with the instructions printed thereon.

### **H. BOOK CLOSURE**

The Company's H Share register of members will be closed from Monday, 30 April 2012 to Tuesday, 29 May 2012 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for attending to, and voting in, the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 27 April 2012.

The Company's H Share register of members will be closed from Monday, 11 June 2012 to Friday, 15 June 2012 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 8 June 2012.

### **I. RECOMMENDATIONS**

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

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**LETTER FROM THE BOARD**

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**J. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
By the order of the Board  
**Weiqiao Textile Company Limited\***  
**Zhang Hongxia**  
*Chairman and Executive Directors*

Shandong, the PRC, 12 April 2012

**DIRECTORS**

**Ms. Zhang Hongxia**, aged 40, is the Chairman and general manager of the Company. She graduated from Shandong Cadre Correspondence University (山東幹部函授大學) and obtained a professional diploma in financial accounting. She is a qualified political administrator. She obtained a Master degree in business administration for senior management from Dalian Polytechnic University (大連理工大學) on 7 July 2006, and is responsible for supervising the Group's general operation and formulating the Group's business strategies, as well as overseeing the Group's production, operation and marketing of the Group's products. She joined the Company in 1999. She was appointed and re-elected as a director at the Company's annual general meeting held on 1 June 2009. She has over 17 years of management experience in the cotton textile industry. She previously worked at Zouping County Weiqiao Cotton Spinning Factory (鄒平縣位橋棉紡織廠) as the deputy head and head of the technical division as well as the director of the production technical department. She had also been the deputy general manager and general manager of the Holding Company, director of Binzhou Weiqiao Property Company Limited (濱州魏橋置業有限公司), chairman of Shandong Weilian Printing and Dyeing Company Limited (山東魏聯印染有限公司) ("Weilian Print") and director and general manager of Shandong Huibin Dyeing Company Limited (山東慧濱棉紡漂染有限公司) ("Huibin Dyeing"). She is currently also a non-executive director of the Holding Company (from 2 May 2001 onward and as a director from 14 April 1998 to 1 May 2001), a director of Binzhou Industrial Park (from 26 November 2001), a director and general manager of Shandong Weiqiao Mianye Company Limited (山東魏橋棉業有限公司) ("Weiqiao Mianye") (from 30 September 2003), the chairman and general manager of Shandong Luteng Textile Company Limited (山東魯藤紡織有限公司) ("Luteng Textile") (from 12 September 2002), the chairman and general manager of Shandong Binteng Textile Company Limited (山東濱藤紡織有限公司) ("Binteng Textile") (from 12 March 2004), the chairman of Weihai Industrial Park (from 30 January 2004) as well as the chairman and executive director of Weiqiao Textile (Hong Kong) Trading Company Limited (魏橋紡織(香港)貿易有限公司) ("Weiqiao (Hong Kong)") (from 12 October 2011). Currently, Ms. Zhang is also the vice chairman of the 5th session of the Hong Kong General Chamber of Textiles Limited. Mr. Zhang Shiping is her father and Ms. Zhang Yanhong is her younger sister.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhang Hongxia directly holds 17,700,400 shares of the Company and was deemed to be interested in 5.73% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Ms. Zhang Hongxia was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Ms. Zhang Hongxia's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Zhang Hongxia will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Zhang Hongxia shall be RMB1,200,000 (subject to adjustment made by the Board). The Company may provide Ms. Zhang Hongxia with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Zhang Hongxia is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Zhang Hongxia that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Zhang Yanhong**, aged 36, graduated from Shandong University and obtained a professional diploma in computer and application. She further obtained a professional diploma in computer application from the Renmin University of China in 1996, a senior diploma in Innovative Management MIA from senior research class in Tsinghua University in 2006 and a Master degree in business administration for senior management from Dalian Polytechnic in July 2006. She was appointed and re-elected as a director at the Company's annual general meeting held on 1 June 2009. Ms. Zhang has over 11 years of management experience in the cotton textile industry. Ms. Zhang has been the general manager of Weihai Weiqiao since July 2001, and has been the general manager of Weihai Industrial Park from January 2004. Mr. Zhang Shiping and Ms. Zhang Hongxia are the father and elder sister of Ms. Zhang, respectively.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhang Yanhong was deemed to be interested in 1.63% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Ms. Zhang Yanhong was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Ms. Zhang Yanhong's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Zhang Yanhong will enter into a service contract with the Company for a term of three years. Such appointment will replace her earlier service period.

The fixed portion of the annual salary of Ms. Zhang Yanhong shall be RMB600,000 (subject to adjustment made by the Board). The Company may provide Ms. Zhang Yanhong with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Zhang Yanhong is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Zhang Yanhong that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.



**Ms. Zhao Suwen**, aged 38, is the chief financial officer of the Company. She graduated from Shandong Normal University (山東師範大學) and obtained a professional diploma in business administration. She is a qualified economist. Ms. Zhao obtained the chief financial officer (CFO) advanced study graduation certificate from School of Continuing Education, Tsinghua University on 11 October 2008. She oversees the Group's finance and accounting affairs. She joined the Company in 1999. She was appointed and re-elected as a director at the Company's annual general meeting held on 1 June 2009. She has over 18 years of experience in the cotton textile industry. She previously worked at Zouping County Weiqiao Cotton Spinning Factory (鄒平縣位橋棉紡織廠) as an accountant for about 5 years and as a finance manager of the Company. Ms. Zhao Suwen is the younger sister of Ms. Zhao Suhua.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhao Suwen was deemed to be interested in 0.38% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Ms. Zhao Suwen was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Ms. Zhao Suwen's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Zhao Suwen will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Zhao Suwen shall be RMB600,000 (subject to adjustment made by the Board). The Company may provide Ms. Zhao Suwen with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Zhao Suwen is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Zhao Suwen that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Zhang Jinglei**, aged 35, is the company secretary and an executive director of the Company. He graduated from Xi'an Engineering College (西安工程學院) and obtained the junior college diploma in proximate analysis in July 1997. He joined the Company (including its predecessor) in October 1997, and worked in the sales department of the Company from September 1998 to September 2000. He has successively worked at the securities office, production technology section and the securities department since October 2000. He has engaged in corporate governance of the Company for years and participated in relevant trainings provided by securities regulatory authorities at home and abroad. He was appointed as a director of the Company at the Company's annual general meeting held on 1 June 2010. He is currently a non-executive director of China Hongqiao Group Limited (中國宏橋集團有限公司) (stock code: 1378.HK).

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang Jinglei was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Zhang Jinglei's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Mr. Zhang Jinglei will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Mr. Zhang Jinglei shall be RMB300,000 (subject to adjustment made by the Board). The Company may provide Mr. Zhang Jinglei with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Zhang Jinglei is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Zhang Jinglei that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Zhang Shiping**, aged 65, graduated from Anhui College of Finance and Trading (安徽財貿學院) and obtained a professional diploma in cotton testing. He is a qualified senior economist. He joined the Company in 1999. He was appointed and re-elected as a director at the Company's annual general meeting held on 1 June 2009. He previously held the positions of workshop supervisor, head of the production division, deputy head and head of No. 5 Oil and Cotton Factory, party secretary and head of Zouping County Weiqiao Cotton Spinning Factory (鄒平縣位橋棉紡織廠), the general manager of the Holding Company, the Chairman of the Company, the chairman of Weilian Print, the chairman of Zouping County Daixi Shanzhuang Co., Ltd., the chairman of Binzhou Weiqiao Salt Industry Development Co., Ltd., the chairman of Shandong Weiqiao Tekuanfu Co., Ltd. ("Tekuanfu"), the chairman of Shandong Weiqiao Garment Co., Ltd., ("Weiqiao Garment"), the chairman of Binzhou Weiqiao Aluminum Technology Co., Ltd., the chairman of Shandong Weiqiao Elite Garment Co., Ltd. ("Elite Garment"), the director of Huibin Dyeing, the director of Binzhou Industrial Park (from 26 November 2001 to May 2010), the chairman of Weihai Weiqiao (from 25 July 2001 to May 2010) and the chairman of Profit Long Investment Limited (保恆俐投資有限公司). He is currently also the chairman of Shandong Hongqiao New Material Co., Ltd. ("Shandong Hongqiao") (山東宏橋新型材料有限公司) (from 27 July 1994), the party secretary of Zouping County Supply and Marketing Cooperation Union (鄒平縣供銷合作社聯合社) ("ZCSU") (from 8 March 1998), the chairman of the Holding Company (from 14 April 1998), chairman of Zouping Supply and Marketing Investment Company Limited (鄒平供銷投資有限公司), chairman of China Hongqiao Holdings Limited (中國宏橋控股有限公司), chairman of Weiqiao Pioneering (Hong Kong) Import & Export Company Limited (魏橋創業(香港)進出口有限公司), and chairman and executive director of China Hongqiao Group Limited (stock code: 1378.HK). Mr. Zhang Shiping was a representative of the Ninth and Tenth National People's Congress. He is the father of Ms. Zhang Hongxia and Ms. Zhang Yanhong.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang Shiping directly holds 5,200,000 shares of the Company and was deemed to be interested in 33.72% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Mr. Zhang Shiping was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Zhang Shiping's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Mr. Zhang Shiping will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Mr. Zhang Shiping shall be RMB100,000 (subject to adjustment made by the Board). The Company may provide Mr. Zhang Shiping with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Zhang Shiping is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Zhang Shiping that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Zhao Suhua**, aged 42, graduated from the Adult Education College of Qingdao University, and obtained a professional diploma on textile engineering management. She joined the Company in 1999. She has over 14 years of management experience in the cotton textile industry. She had been the supervisor of the production technical department and head of the production technical department of the Company (from May 2000 to February 2006), and is now the standing deputy general manager of the sales department of the Company (since February 2006). Ms. Zhao Suhua is the elder sister of Ms. Zhao Suwen.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhao Suhua was deemed to be interested in 3.09% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Ms. Zhao Suhua was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Ms. Zhao Suhua's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Zhao Suhua will enter into a service contract with the Company for a term of three years. Such appointment will replace her earlier service period.

The fixed portion of the annual salary of Ms. Zhao Suhua shall be RMB100,000 (subject to adjustment made by the Board). The Company may provide Ms. Zhao Suhua with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Zhao Suhua is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Zhao Suhua that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Chan Wing Yau, George**, aged 57, graduated from the Waterloo University in Canada and obtained a Bachelor degree in mathematics. Mr. Chan has been the executive director of China Golden Development Holdings Limited (中國金展控股有限公司), and has been the assistant vice president of William M. Mercer Ltd. (偉世服務顧問有限公司), director of Jardine Fleming Investment Services Ltd. (怡富投資服務有限公司), executive director of HSBC Asset Management Ltd. (匯豐投資管理有限公司), member of the Central Policy Unit of Hong Kong Government (香港政府中央政策組), member of the Consumers Litigation Fund Executive Committee (消費者訴訟基金執行委員會), president of the Rotary Club of Tsim Sha Tsui East (國際扶輪社香港尖沙咀東), director of Peregrine Asset Management Ltd. (百富勤資金管理有限公司), board member of Hong Kong Ocean Park (香港海洋公園董事局), chairman of Hong Kong Ocean Park Investment Committee (香港海洋公園投資委員會), and the director, general manager and chief investment officer of Dao Heng Fund Management Co., Ltd. (道亨基金管理有限公司), chairman of China Sub-Committee of the Hong Kong Investment Funds Association (香港投資基金會中國事務委員會), member of the Financial Committee of Hong Kong Trade Development Council (香港貿易發展局金融委員會), member of Sir McLehose Trust Fund Investment Committee (麥理浩爵士信託基金投資委員會). He is currently the chairman and chief executive officer of Capital Focus Asset Management Limited (匯駿資產管理有限公司). He is also the convener of Sir Robert Black Trust Fund Investment Committee (柏立基爵士信託基金投資委員會) and members of Police Children's Education Trust (警察子女教育信託基金) and Police Education and Welfare Trust (警察教育及福利信託基金). Mr. Chan is also the independent non-executive director of Infinity Chemical Holdings Company Limited (stock code: 640.HK). He was appointed as an independent non-executive director at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent non-executive director at the Company's annual general meeting held on 1 June 2009, with the term of his appointment effective from 1 June 2009.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Chan Wing Yau, George was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Chan Wing Yau, George's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Mr. Chan Wing Yau, George will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Mr. Chan Wing Yau, George shall be HK\$600,000 (subject to adjustment made by the Board). The Company may provide Mr. Chan Wing Yau, George with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Chan Wing Yau, George is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Chan Wing Yau, George that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Xu Wenying**, aged 60, graduated from Tianjin Institute of Light Industry (天津輕工業學院) and obtained a professional diploma in light and chemical industry machinery. He is a qualified professor level senior engineer and a State registered advisory engineer who is awarded special subsidy by the State Council as a specialist. He has been the engineer, deputy workshop director, technical section chief, deputy factory director and chief engineer in Huhehaote Inner Mongolia Chemical Fibre Factory (呼和浩特內蒙古化學纖維廠), deputy section chief of the technical transformation section of the planning department of the Ministry of Textile Industry (紡織工業部) (subsequently renamed as China General Chamber of Textile (中國紡織總會)), and deputy secretary general of China National Textile and Apparel Association (“CNTAC”) (中國紡織工業協會), the deputy director of the industry department of the CNTAC, an independent director of Black Peony (Group) Co. Ltd. (黑牡丹(集團)股份有限公司) (stock code: 600510.SH), the chairman of China Yarn Dyed Weaving Association (中國色織行業協會) and the chairman of China Cotton Textile Association (中國棉紡織行業協會). He is currently the vice-chairman of CNTAC, the honorary chairman of China Cotton Textile Association and director of the Textile Products Technological Improvement Consultation Services Centre (紡織企業技術進步諮詢服務中心). He is also the independent director of Jiangsu Lianfa Textile Co., Ltd. (江蘇聯發紡織股份有限公司) (stock code: 002394.SZ), Huafu Top Dyed Melange Yarn Co., Ltd. (華孚色紡股份有限公司) (stock code: 002042.SZ) and Jingwei Textile Machinery Co., Ltd. (經緯紡織機械股份有限公司) (stock code: 000666.SZ). He was appointed as an independent non-executive director at the Company’s general meeting held on 27 June 2003. He was appointed and re-elected as an independent non-executive director at the Company’s annual general meeting on 1 June 2009, with the term of his appointment effective from 1 June 2009.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Xu Wenying was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Xu Wenying’s appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders’ approval being obtained at the AGM. Mr. Xu Wenying will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Mr. Xu Wenying shall be RMB150,000 (subject to adjustment made by the Board). The Company may provide Mr. Xu Wenying with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Xu Wenying is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Xu Wenying that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Wang Naixin**, aged 60, graduated from Qufu Teachers College (曲阜師範學院) and obtained a professional diploma in politics. He is qualified as a professor. Since 1993, he has been teaching and researching on several areas, such as corporate management, sales and marketing as well as training in the textile industry. He is currently the party secretary in Binzhou Teacher's College (濱州師範專科學校) (from 8 February 2001). He was appointed as an independent non-executive director at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent non-executive director at the Company's annual general meeting held on 1 June 2009.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wang Naixin was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Wang Naixin's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Mr. Wang Naixin will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Mr. Wang Naixin shall be RMB150,000 (subject to adjustment made by the Board). The Company may provide Mr. Wang Naixin with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Wang Naixin is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Wang Naixin that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

## SUPERVISORS

**Ms. Wang Xiaoyun**, aged 47, graduated from the Adult Education College of Qingdao University, and obtained a professional diploma on textile engineering management. She joined the Company in 1999. She has over 17 years of management experience in the cotton textile industry. She had been a quality control officer, workshop supervisor, deputy factory head and factory head of the Company, deputy general manager of the production district of Zouwei Garden I (from January 2004 to February 2006) and is an non-executive director of the Company (from 30 May 2008 to present). She is now the head of the production technical department of the Company (since February 2006).

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Wang Xiaoyun was deemed to be interested in 0.25% of the equity interest of Chuangye Group, which in turn hold 744,937,600 shares of the Company.

Save as disclosed above, Ms. Wang Xiaoyun was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Ms. Wang Xiaoyun's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Wang Xiaoyun will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Wang Xiaoyun shall be RMB30,000 (subject to adjustment made by the Board). The Company may provide Ms. Wang Xiaoyun with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Wang Xiaoyun is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Wang Xiaoyun that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Mr. Lu Tianfu**, aged 77, graduated from Shanghai Dynamic Machinery Special School (上海動力機械專科學校) specializing in diesel engine. He is a qualified senior engineer. He has been a technician in Jinan Diesel Engine Factory (濟南柴油機廠), a supervisor of Educational Research Room of Shandong Supply and Marketing Cooperation School (山東供銷合作學校教研室), a technician, an engineer, a senior engineer, a department head, a manager and a deputy supervisor of Shandong Binzhou Supply and Marketing Cooperative (山東省濱州地區供銷合作社), committee member and deputy chief of Shandong Binzhou Local Intermediate Engineer Technician Assessment Committee (山東省濱州地區中級工程技術職稱評委會) as well as consultant to general manager of Shandong Bohai Oil & Grease Industry Co. (山東渤海油脂工業公司). He was appointed as an independent Supervisor at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent Supervisor at the Company's annual general meeting held on 1 June 2009. He does not currently hold any other position in the Group.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lu Tianfu was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

In accordance with the Articles of Association of the Company, Mr. Lu Tianfu's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Mr. Lu Tianfu will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Mr. Lu Tianfu shall be RMB30,000 (subject to adjustment made by the Board). The Company may provide Mr. Lu Tianfu with other benefits which it may determine from time to time.

Save as disclosed above, Mr. Lu Tianfu is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Mr. Lu Tianfu that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

**Ms. Wang Wei**, aged 71, graduated from Qingdao Weaving School (青島紡織專科學校) and obtained a professional diploma specializing in cotton spinning. She is a qualified senior engineer. She has been the workshop supervisor at Xinjiang Urumqi "July 1" First Cotton Weaving Plant (新疆烏魯木齊市「七一」第一棉紡織廠), workshop supervisor and engineer of Shandong Lingyi Cotton Weaving Factory (山東省臨沂棉紡織廠), engineer of Shandong Weaving Industrial Office Education Division (山東省紡織工業廳教育處), manager of Shandong Weaving Industrial Office Cotton Textile Dyeing and Printing Co. (山東省紡織工業廳棉紡織印染公司), supervisor of the coordinating office of the Shandong Weaving Industrial Office (山東省紡織工業廳協作辦), manager and senior engineer of Shandong Weaving Industrial Office Economy and Technology Development Co. (山東省紡織工業廳經濟技術開發公司), general manager and senior engineer of Shandong Weaving Industrial Office Weaving Industry Group Co. (山東省紡織工業廳紡織實業總公司) as well as head and chief engineer of the production technical division of Shandong Weaving Industrial Office (山東省紡織工業廳生產技術處). She was appointed as an independent Supervisor at the Company's extraordinary general meeting held on 12 February 2003. She was appointed and re-elected as an independent Supervisor at the Company's annual general meeting on 1 June 2009. She does not currently hold any other position in the Group.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Wang Wei was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.



In accordance with the Articles of Association of the Company, Ms. Wang Wei's appointment will be for a term of three years with effect from 29 May 2012 and until the convening of the annual general meeting of the year 2014 subject to Shareholders' approval being obtained at the AGM. Ms. Wang Wei will enter into a service contract with the Company for a term of three years. Such appointment will replace his earlier service period.

The fixed portion of the annual salary of Ms. Wang Wei shall be RMB30,000 (subject to adjustment made by the Board). The Company may provide Ms. Wang Wei with other benefits which it may determine from time to time.

Save as disclosed above, Ms. Wang Wei is not related to any Director, senior management or substantial or controlling Shareholders of the Company.

Save as disclosed above, there is no other information relating to the re-appointment of Ms. Wang Wei that is required to be disclosed pursuant to Rule 13.51(2) (h) to (w) of the Listing Rules. There are no other matters that need to be brought to the attention of the Shareholders.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of Weiqiao Textile Company Limited (the “**Company**”) for the year ended 31 December 2011 will be held at 9:00 a.m. on 29 May 2012 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People’s Republic of China (the “**PRC**”) for the following purposes:

#### ORDINARY RESOLUTIONS

1. to consider and approve the Consolidated Audited Financial Statements of the Company, the Report of the Board of Directors of the Company, the Report of the Supervisory Committee of the Company, the Report of the Final Accounts of the Company and the Report of the International Auditor, for the year ended 31 December 2011;
2. to consider and approve the profit distribution proposal of the Company and the relevant declaration and payment of a final dividend for the year ended 31 December 2011;
3. to consider and approve the annual remuneration proposal for the Company’s directors and supervisors for the year ending 31 December 2012;
4. to consider and approve the re-appointment of Ernst & Young Hua Ming as the Company’s domestic auditor for the year ending 31 December 2012 and Ernst & Young as the Company’s international auditor for the year ending 31 December 2012 and the granting of the authorisation to the Board of Directors of the Company to determine their remuneration;
5. to consider and approve the appointment of Ms. Zhang Hongxia as an executive director of the Company;
6. to consider and approve the appointment of Ms. Zhao Suwen as an executive director of the Company;

\* *For identification purpose only*

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## NOTICE OF THE ANNUAL GENERAL MEETING

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7. to consider and approve the appointment of Ms. Zhang Yanhong as an executive director of the Company;
8. to consider and approve the appointment of Mr. Zhang Jinglei as an executive director of the Company;
9. to consider and approve the appointment of Mr. Zhang Shiping as a non-executive director of the Company;
10. to consider and approve the appointment of Ms. Zhao Suhua as a non-executive director of the Company;
11. to consider and approve the appointment of Mr. George Chan Wing Yau as an independent non-executive director of the Company;
12. to consider and approve the appointment of Mr. Wang Naixin as an independent non-executive director of the Company;
13. to consider and approve the appointment of Mr. Xu Wenying as an independent non-executive director of the Company;
14. to consider and approve the appointment of Ms. Wang Xiaoyun as a supervisor of the Company;
15. to consider and approve the appointment of Mr. Lu Tianfu as an independent supervisor of the Company;
16. to consider and approve the appointment of Ms. Wang Wei as an independent supervisor of the Company;
17. to consider and approve other business, if any.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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In respect of special business, to consider and, if thought fit, to approve the following resolutions as special resolutions:

### SPECIAL RESOLUTIONS

18. **“THAT:**

- (1) there be granted to the Board of Directors of the Company, an unconditional general mandate to allot, issue and deal with additional shares in the capital of the Company, whether Domestic Shares or H Shares, separately or at the same time, or make or grant offers, agreements or purchase options, subject to the following conditions:
  - (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
  - (b) the aggregate nominal amount of shares, whether Domestic Shares or H Shares, allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Board of Directors of the Company pursuant to such mandate, shall not exceed:
    - (i) in the case of Domestic Shares, 20 per cent of the aggregate nominal amount of Domestic Shares of the Company in issue at the date of passing this Resolution; and
    - (ii) in the case of H Shares, 20 per cent of the aggregate nominal amount of H Shares of the Company in issue at the date of passing this Resolution, in each case as of the date of this Resolution; and
  - (c) the Board of Directors of the Company shall only exercise its power under such mandate in accordance with the Company Law of the PRC and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as the same may be amended from time to time) and only if all necessary approvals (if required) from the CSRC and/or other relevant PRC governmental authorities are obtained; and

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- (2) contingent on the Board of Directors of the Company resolving to issue shares pursuant to sub-paragraph (1) of this Resolution, the Board of Directors of the Company be authorised to:
- (a) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including (without limitation to):
    - (i) determine the class and number of shares to be issued;
    - (ii) determine the issue price of the new shares;
    - (iii) determine the opening and closing dates of the new issue;
    - (iv) determine the use of proceeds of the new issue;
    - (v) determine the class and number of new shares (if any) to be issued to the existing shareholders;
    - (vi) make or grant such offers, agreements and options as may be necessary in the exercise of such powers; and
    - (vii) in the case of an offer or allotment of shares to the shareholders of the Company, exclude shareholders who are resident outside the PRC or the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”) on account of prohibitions or requirements under overseas laws or regulations or for some other reason(s) which the Board of Directors of the Company considers necessary or expedient;
  - (b) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this Resolution, register the increased capital with the relevant authorities in the PRC and make such amendments to the Articles of Association of the Company as it thinks fit so as to reflect the increase in the registered capital of the Company; and
  - (c) make all necessary filings and registrations with the PRC, Hong Kong and/or other relevant authorities, and take any other required actions and complete any other procedures as required.

For the purposes of this Resolution:

“**Domestic Shares**” means domestic invested shares in the share capital of the Company, with a par value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC investors;

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“**H Shares**” means the overseas listed foreign invested shares in the share capital of the Company, with a par value of RMB1.00 each, and which are subscribed for and traded in Hong Kong dollars; and

“**Relevant Period**” means the period from the passing of this Resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or
- (b) the expiration of the 12-month period following the passing of this Resolution; or
- (c) the date on which the authority set out in this Resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting.”

19. “**THAT:**

- (A) depending on the bond market conditions in China, the Company be authorised to issue short-term financing bills and/or medium-term notes pursuant to the following principal terms:

Issuer: the Company

Place of issue: China

Issue size: an aggregate principal amount of no more than RMB3 billion for short-term financing bills and/or medium-term notes, among which the Board be authorised to determine at its discretion the actual amount of short-term financing bills and/or medium-term notes in accordance with the relevant requirements of debt financing instrument in the inter-bank market, actual funding needs of the Company and market conditions. The short-term financing bills and/or medium-term notes may be registered in one batch and issued in one or more batches.

Term: the Board be authorised to determine at its discretion the term of short-term financing bills and/or medium-term notes in accordance with the relevant requirements of debt financing instrument in the inter-bank market, actual funding needs of the Company and market conditions.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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Rate: to be determined with the underwriter upon issue after taking into consideration of the prevailing market conditions and subject to approval by the relevant regulatory authorities in China (if required).

Target investors: all financial market institutional investors in China.

Use of proceeds: include but not limited to replenish the working capital of the Company and its subsidiaries and finance other funding needs.

Precedent conditions to the issue: (i) shareholders' approval at the Annual General Meeting of the Company by way of special resolution to approve the issue of short-term Financing Bills and/or medium-term notes; and

(ii) National Association of Financial Market Institutional Investors' acceptance of the application for registration of short-term Financing Bills and/or medium-term notes of the Company.

(B) any executive Director of the Company be authorised generally and unconditionally to deal with all matters relating to the proposed issue of short-term Financing Bills and/or medium-term notes, including but not limited to the following:

(i) to determine the details of the issue of short-term Financing Bills and/or medium-term notes and formulate and adopt specific plans for the issue of short-term Financing Bills and/or medium-term notes, including but not limited to aggregate issue size of no more than RMB3 billion, batch issue of short-term Financing Bills and/or medium-term notes, amount and term of each batch, repayment term and method for principal and interests, rate of short-term Financing Bills and/or medium-term notes or its pricing mechanism, provision of guarantee, specific arrangements based on the actual use of the above proceeds and use of proceeds and selection of qualified professional parties to participate in the issue of short-term Financing Bills and/or medium-term notes;

(ii) to engage in all negotiations in connection with the issue of short-term Financing Bills and/or medium-term notes, sign on behalf of the Company and execute all the relevant agreements and other documents, and comply with information disclosure procedures in accordance with the requirements of the regulatory authorities and the Listing Rules (if necessary);

(iii) to apply for approval from the relevant regulatory authorities for the issue of short-term Financing Bills and/or medium-term notes, and make adjustment as appropriate regarding the specific issue plans and terms of short-term Financing Bills and/or medium-term notes based on the advice given by the relevant regulatory authorities (if any); and

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- (iv) to take all necessary actions that are in the interest of the Company, and make decision and arrangements in connection with all matters relating to the issue of short-term Financing Bills and/or medium-term notes.

any executive Director of the Company be authorised to deal with the above matters for a period of 24 months from the date on which the relevant resolutions are considered and approved at the annual general meeting.

20. **“THAT:**

Depending on the bond market conditions in China, the Company be authorised to issue the domestic corporate bonds pursuant to the following principal terms:

1. Issue size: Not more than RMB6 billion and representing not more than 40% of the latest unaudited interests of the Group attributable to the owners of the parent.
2. Bond maturity: 10 years or below (single maturity period or mixed maturity periods); the specific maturity shall be subject to the determination by the Board according to capital needs of the Company and market conditions as authorised by the Shareholders at the general meeting.
3. Interest rate or its method of determination: adopting the combination of both online and offline issue method while the annual nominal rate shall be negotiated between the Company and the main underwriter with reference to the offline market inquiry price based on the relevant requirements of the PRC.
4. Issue method and target investors: Subject to the approval of CSRC, this issue will be implemented by ways of single issue or issue in installments, and the specific issue method shall be determined by the Board according to the market conditions and capital demand of the Company as authorised by the Shareholders at the general meeting. Target investors include eligible investors under applicable laws and regulations.
5. Use of proceeds: Repayment of bank loans, replenish operating capital of the Company and other purposes as permitted by applicable laws and regulations and the Listing Rules.
6. Placing arrangements available to the shareholders: The bonds will not be placed to the Shareholders.
7. Guarantee arrangement: Subject to the determination of the Board as authorised by the Shareholders at the general meeting.
8. Place of listing: Application for listing of and dealing in the bonds shall be filed with the Shanghai Stock Exchange following the completion of the bond issue. The bonds will also be listed on, and dealt in, other stock exchanges as permitted by applicable laws, subject to the approval of regulatory authorities.



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9. Term of validity of resolution: The resolutions in respect of the corporate bond issue shall be valid for 24 months from the date of consideration and approval at the Annual General Meeting.
10. Matters to be authorised by the general meeting:

To assure the completion of the issue and listing of the corporate bonds, the Board is hereby authorized by the general meeting to deal with the following matters in relation to the issue of bonds of the Company, including, but not limited to:

- (1) to determine and confirm, to the extent permitted by laws and regulations and according to the Company's actual circumstances and the actual market conditions, all the matters related to the corporate bonds issue, and make any changes and adjustments to the terms of the bond issue, including but not limited to, issue amount, actual aggregate amount, bond maturity, bond type, bond rate and its determination method, timing of issue (whether the offer shall be made in installments and number in installments), guarantee plan, whether new terms such as repurchase and redemption mechanism shall be established, rating arrangement, guarantee, specific application and subscription method, specific placing arrangement, repayment of the principal and the interests, listing of bonds, and to determine all matters in relation to the issue of the Bonds including the specific use of proceeds within the scope of usage as permitted by the general meeting.
- (2) to execute all the requisite procedures relating to the issue and listing of the corporate bonds (including, but not limited to, to sign all the necessary legal documents; to select and appoint different intermediate institutions involved; to determine the underwriting arrangement; to prepare and submit the relevant application documents to the relevant regulatory authorities; to obtain the approval from regulatory authorities; to select the bonds trustee manager and sign the entrusted bonds management agreement for the Bonds and formulate the rules on the meetings of the holders of the bonds; to handle other matters related to the corporate bond issue; and to determine and handle the listing of the Bonds pursuant to the relevant requirements of the stock exchanges following the completion of the bond issue and to make necessary information disclosure pursuant to the applicable regulatory rules) and to approve, confirm and ratify those procedures after the Board has executed those procedures for the issue and listing of Bonds.
- (3) to make adjustments to the matters related to specific issue plan of the bonds according to the opinions of the regulatory departments (if any) and to determine as to whether to continue the issue of corporate bonds according to the actual circumstances in the event of any changes in the regulatory departments' policies regarding the issue of corporate bonds or in the market conditions except the matters which are required to be voted again in a general meeting under the relevant laws and regulations and Articles of Associations of the Company.

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- (4) In the event that the Company expects to fail to repay any amounts of principal or interest of the bonds on schedule or when such amounts fall due, the Company shall take a series of measures to guarantee the repayment according to the domestic laws and regulations of the PRC and the requirements of the relevant regulatory authorities, including but not limited to:
- a. not to make any profit distribution to the Shareholders;
  - b. to postpone the implementation of capital expenditure projects such as material external investment, merger or acquisition;
  - c. to reduce or discontinue the payment of salaries and bonuses of Directors and members of senior management;
  - d. not to approve any transfer or secondment of the primarily responsible staff.
- (5) to take all necessary actions to determine or deal with other matters relating to the issue and listing of corporate bonds.
- (6) The above authorisation shall be valid from the date of approval at the Annual General Meeting to the date on which the above authorisation is completed.

Upon the signing of the above (1) to (6) and obtaining the approval and authorisation from the general meeting, it is hereby agreed that the Board shall delegate such authorisation to any executive Directors to handle specific matters related to the issue and listing of Bonds within in the scope of the above authorisation, which will become effective at the same.

11. The precedent conditions of the issue are, including, but not limited to:
- (1) the approval of the domestic corporate bond issue by the Shareholders at the Annual General Meeting of the Company by way of a special resolution; and
  - (2) the obtaining of the approval from the relevant regulatory authorities of the PRC, and the issue will be implemented within 24 months from the date of obtaining of the approval from the relevant regulatory authorities of the PRC.

By behalf of the Board  
**Wei qiao Textile Company Limited**  
**Zhang Jinglei**  
*Executive Director and Company Secretary*

12 April 2012  
Shandong  
The People's Republic of China

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*As at the date of this announcement, the board of directors of the Company comprises 11 directors, namely Ms. Zhang Hongxia, Ms. Zhao Suwen, Ms. Zhang Yanhong and Mr. Zhang Jinglei as executive directors, Mr. Zhang Shiping, Mr. Wang Zhaoting, Ms. Zhao Suhua and Ms. Wang Xiaoyun as non-executive directors and Mr. Wang Naixin, Mr. Xu Wenying and Mr. George Chan Wing Yau as independent non-executive directors.*

Notes:

- (A) The Company's H Share register of members will be closed from Monday, 30 April 2012 to Tuesday, 29 May 2012 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for attending to, and voting in, the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 27 April 2012.

The Company's H Share register of members will be closed from Monday, 11 June 2012 to Friday, 15 June 2012 (both dates inclusive), during which no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 8 June 2012.

- (B) Holders of H Shares and Domestic Shares, who intend to attend the Annual General Meeting, must complete the reply slips for attending the Annual General Meeting and return them to the Office of the Secretary to the Board of Directors of the Company not later than 20 days before the date of the Annual General Meeting, i.e. no later than 9 May 2012.

Details of the Office of the Secretary to the Board of Directors of the Company are as follows:

Fourth Floor  
Company Office Building  
No. 1 Wei Fang Road  
Economic Development Zone  
Zouping County  
Shandong Province  
People's Republic of China  
Postal Code: 256200  
Tel: (86) 543 4162222  
Fax: (86) 543 4162000

- (C) Each holder of H Shares who has the right to attend and vote at the Annual General Meeting (or at any adjournment thereof) is entitled to appoint in writing one or more proxies, whether a shareholder of the Company or not, to attend and vote on his behalf at the Annual General Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll. Each shareholder who wishes to appoint one or more proxies should first review the annual report of the Company for the year ended 31 December 2011.
- (D) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified.

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (E) To be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a certified copy of that power of attorney or other authority (such certification to be made by a notary public), must be delivered to the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof in order for such documents to be valid.
- (F) Each holder of Domestic Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the Annual General Meeting. Notes (C) to (D) also apply to holders of Domestic Shares, except that the proxy form or other documents of authority must be delivered to the Office of the Secretary to the Board of Directors, the address of which is set out in Note (B) above, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment, thereof in order for such documents to be valid.
- (G) If a proxy attends the Annual General Meeting on behalf of a shareholder, he should produce his ID card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a legal person share shareholder attends the Annual General Meeting, such legal representative should produce his ID card and valid documents evidencing his capacity as such legal representative. If a legal person share shareholder appoints a representative of the company other than its legal representative to attend the Annual General Meeting, such representative should produce his ID card and an authorization instrument affixed with the seal of the legal person share shareholder and duly signed by its legal representative.
- (H) The Annual General Meeting is expected to last for half a day. Shareholders attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.

\* *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 Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).*