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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;

\* *For identification purpose only*

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;
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.

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
- (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;

“**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.

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
- (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.
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.
- (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  
**Weiqiao Textile Company Limited**  
**Zhang Jinglei**  
*Executive Director and Company Secretary*

12 April 2012  
Shandong  
The People's Republic of China

*As at the date of this announcement, the board of directors of the Company comprises eleven 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.
- (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).*