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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 forms 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 DIVIDEND,  
PROPOSED RE-ELECTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR,  
PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE SHARES,  
PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE H SHARES,  
AND  
NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

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A letter from the Board is set out on pages 3 to 10 of this circular.

Notices convening the Annual General Meeting and the Class Meetings to be convened and held at 9:00 a.m. and immediately after the conclusion of the Annual General Meeting on Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the People's Republic of China are set out on pages 15 to 29 of this circular. Whether or not you are able to attend the above meetings, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return them to the Company's branch H Shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or to the office of the secretary to the Board, Room 412, Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping City, Shandong Province, The PRC (for holders of Domestic Shares) as soon as possible and in any event not less than 24 hours before the time for holding the above meetings or the time appointed for taking the poll. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the Annual General Meeting and the Class Meetings or any adjournment thereof if you so wish.

9 April 2020

\* 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 Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Class Meetings”	the class meeting for holders of H Shares to be held immediately after the conclusion of the Annual General Meeting and the class meeting for holders of Domestic Shares to be held immediately after the conclusion of the said class meeting for holders of H Shares, the respective notices of which or any adjournment thereof respectively are set out on pages 22 to 29 of this circular
“Company”	魏橋紡織股份有限公司 (Weiqiao Textile Company Limited)
“CSRC”	China Securities Regulatory Commission
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Company
“Domestic Shares”	domestic shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for in RMB
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	2 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Mandatory Provisions”	《到境外上市公司章程必備條款》 (the Mandatory Provisions for the Articles of Association of the Companies to be Listed Overseas) issued on 27 August 1994 by the State Council Securities Policy Committee and the State Commission for Restructuring the Economic System of the PRC
“Nomination Committee”	the nomination committee under the Board
“PRC”	People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the Annual General Meeting and the Class Meetings, the general mandate to be granted to the Board to exercise the power of the Company to repurchase H Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of H Shares in issue of the Company as at the date of the passing of the relevant resolution as set out in the notices of the Annual General Meeting and the Class Meetings
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC and its competent local branches
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	include Domestic Shares and H Shares
“Shareholder(s)”	registered holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent

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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:*

Ms. Zhang Hongxia (*Chairman*)  
Ms. Zhang Yanhong (*Vice Chairman*)  
Ms. Zhao Suwen  
(*Chief Financial Officer, Authorized Representative*)  
Mr. Zhang Jinglei  
(*Company Secretary, Authorized Representative*)

*Non-executive Directors:*

Ms. Zhao Suhua

*Independent Non-executive Directors:*

Mr. George Chan Wing Yau  
Mr. Chen Shuwen  
Mr. Liu Yanzhao

*Registered Office:*

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

*Principal Place of Business in the PRC:*

No. 1, Wei Fang Road  
Zouping Economic Development Zone  
Zouping City  
Shandong Province  
The PRC

*Principal Place of Business in Hong Kong:*

Suite 5109  
The Center, 99th Queen's Road Central  
Central  
Hong Kong

*To the Shareholders*

Dear Sir/Madam,

**PROPOSED DECLARATION OF FINAL DIVIDEND,  
PROPOSED RE-ELECTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR,  
PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE SHARES,  
PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE H SHARES,  
AND  
NOTICES OF ANNUAL GENERAL MEETING AND CLASS MEETINGS**

**A. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting and the Class Meetings relating to the proposed declaration of final dividend,

\* For identification purposes only.

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## LETTER FROM THE BOARD

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the proposed re-election of an independent non-executive Director and the proposed renewal of general mandate to allot, issue and deal with the Shares and the proposed renewal of general mandate to repurchase H Shares and to give you the notices of the Annual General Meeting and the Class Meetings.

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

As disclosed in the announcement of annual results of the Company for the year ended 31 December 2019 dated 13 March 2020, it was proposed by the Board for the payment of a final dividend for the year ended 31 December 2019 of RMB0.064 (including tax) per Share on Friday, 26 June 2020 to the Shareholders whose names appear on the register of members of the Company on Friday, 12 June 2020.

The proposed payment of final dividend for the year ended 31 December 2019 will be subject to the approval by the Shareholders at the Annual General Meeting.

### **C. PROPOSED RE-ELECTION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR**

An ordinary resolution will be proposed to re-elect Mr. Chen Shuwen (陳樹文) (“**Mr. Chen**”) as an independent non-executive Director at the Annual General Meeting.

In order to allow the Shareholders to make an informed decision in respect of the proposed reelection, the biographical details of Mr. Chen are set out below pursuant to Rule 13.74 of the Listing Rules:

Mr. Chen, aged 65, graduated from Dongbei University of Finance and Economics (東北財經大學) with a bachelor degree in economics in 1982 and obtained a master degree and a PhD in economics from Jilin University (吉林大學) in 1988 and 1996, respectively. Mr. Chen has taught for ten years in Jilin University from January 1982 to February 1992. Mr. Chen has substantial management and leadership experience serving in the PRC government. Mr. Chen commenced his career as the deputy county chief of the Benxi Manchu Autonomous County, Liaoning Province, the PRC, in March 1992 and was the deputy director of the Benxi City Commission for Restructuring the Economic Systems (本溪市經濟體制改革委員會) from September 1995 to January 1998. He was the director general of the Benxi City Foreign Trade & Economic Cooperation Committee (本溪市對外經濟貿易合作委員會) from February 1998 to February 2001. Mr. Chen was the professor and the tutor for doctorate students at the Faculty of Management and Economics of Dalian University of Technology (大連理工大學管理學院) from December 2003 to September 2010 as well as the dean at the Department of Public Administration and Law of Dalian University of Technology (大連理工大學公共管理與法學學院) from October 2010 to January 2015. Mr. Chen served as an independent director of Dalian Huarui Heavy Industry Group Co., Ltd. (大連華銳重工集團股份有限公司) (which is listed on the Shenzhen Stock Exchange, stock code: 002204) from December 2012 to February 2015, an independent director of Yingkou Port Liability Co., Ltd. (營口港務股份有限公司) (which is listed on the Shanghai Stock Exchange, stock code: 600317) from October 2006 to April 2013, an independent director of Dalian Dafu Enterprises Holdings Co., Ltd. (大連大福控股股份有限公司) (formerly known as Dalian Daxian Enterprises Holdings Co., Ltd. (大連大顯控股股份有限公司) (which was listed on the Shanghai Stock Exchange and delisted in December 2019, stock code: 600747)) from September 2008 to August 2013 and from July 2015 to March 2020, respectively, and an independent director of Zhangzidao Group Co., Ltd. (獐子島集團股份有限公司) (which is listed on the Shenzhen Stock Exchange, stock code: 002069) from May 2013 to May 2019. Mr. Chen was a practicing lawyer at Liaoning Tianhe Law Firm (遼寧天合律師事務所) from March 2003 to March 2019. Mr. Chen is currently the

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## LETTER FROM THE BOARD

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professor and the tutor for doctorate students at the Faculty of Humanities and Social Sciences of Dalian University of Technology (大連理工大學人文與社會科學學部) (since October 2010), as well as an independent non-executive director of Sinofortune Financial Holdings Limited (華億金控集團有限公司) (which is listed on the Stock Exchange, stock code: 8123. HK) (since September 2011) and an independent director of Yingkou Port Liability Co., Ltd. (營口港務股份有限公司) (which is listed on the Shanghai Stock Exchange, stock code: 600317) (since February 2020). He has served as an independent non-executive Director since May 2014.

Save as disclosed above and as at the Latest Practicable Date, Mr. Chen (i) has not held any other directorships in listed public companies in the last three years; (ii) does not have any relationship with any Directors, supervisors or senior management of the Company or substantial shareholders or controlling shareholders of the Company; and (iii) 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. There is no information in relation to the re-election of Mr. Chen as an independent non-executive Director which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The nomination of Mr. Chen for re-election as an independent non-executive Director has been considered and approved by the Nomination Committee and the Board. In approving such nomination, the Nomination Committee has considered the past performance of Mr. Chen, the independence confirmation he has furnished to the Company pursuant to Rule 3.13 of the Listing Rules and his skills, knowledge and experience. Mr. Chen has served as an independent non-executive Director for nearly six years and is familiar with the Company's business. He has proved his ability to provide independent, fair and objective opinions on the affairs of the Company. The Nomination Committee is of the view that Mr. Chen will continue to bring to the Board his own perspective, skills and experience, as described in his biographical details above. Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Mr. Chen can contribute to the diversity of the Board in various aspects, including culture, knowledge, educational background, experience and skills, in particular, with his professional experience in legal affairs. Mr. Chen does not held seven or more listed company directorship, thus he can give sufficient time and attention to the Company's affairs. The Board is of the view that Mr. Chen meets the independence guidelines set out in Rule 3.13 of the Listing Rules and therefore, with the recommendation of the Nomination Committee, has nominated Mr. Chen for re-election as an independent non-executive Director at the Annual General Meeting.

In accordance with the Articles of Association, Mr. Chen's appointment will be for a term of three years with effect from the conclusion of the Annual General Meeting and until the convening of the annual general meeting of the year 2022 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. Chen will enter into a letter of appointment with the Company for a term of three years.

The fixed portion of the annual salary of Mr. Chen shall be RMB150,000 (including tax). The Company may provide Mr. Chen with other benefits which it may determine from time to time.

Save as disclosed above and as at the Latest Practicable Date, there are no other matters in relation to the re-election of Mr. Chen as an independent non-executive Director that need to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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### D. PROPOSED RENEWAL OF GENERAL MANDATE TO ISSUE SHARES

- (1) There be granted to the Board, 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 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 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 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 in issue at the date of passing this resolution, in each case as of the date of this resolution;
  - (c) the Board shall only exercise its power under such mandate in accordance with the Company Law of the PRC, the Securities Law of the PRC and relevant laws and regulations, and the Listing Rules (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 resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board 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



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## LETTER FROM THE BOARD

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- (vii) in the case of an offer or allotment of shares to the Shareholders, exclude Shareholders who are resident outside the PRC or Hong Kong on account of prohibitions or requirements under overseas laws or regulations or for some other reason(s) which the Board 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 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 RMB 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 in a general meeting of the Company.

### **E. PROPOSED RENEWAL OF GENERAL MANDATE TO REPURCHASE H SHARES**

#### **Repurchase Mandate**

The Company Law, the Mandatory Provisions and the Articles of Association provide for certain restrictions on share repurchase which are applicable to all classes of Shares of the Company.

In order to increase the flexibility and efficiency in operation of the Company, the Board proposes a special resolution to grant to the Directors a general mandate to repurchase H Shares of the Company not exceeding 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of such special resolution.

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## LETTER FROM THE BOARD

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The Company Law (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC may not repurchase its shares unless such repurchase is effected for the purpose of (a) reducing its registered capital; (b) in connection with a merger between itself and another entity that holds its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagrees with shareholders' resolutions in connection with a merger or division. The Mandatory Provisions, which the Company has incorporated in the Articles of Association, provide that subject to obtaining the approval of the relevant PRC regulatory authorities and in compliance with the Articles of Association, the Company may repurchase its issued Shares for the purpose of reducing its share capital or in connection with a merger between itself and another entity that holds its Shares or in circumstances permitted by laws or administrative regulations.

The Listing Rules permit the shareholders of a PRC joint stock limited company to grant a general mandate to its directors to repurchase shares of such company that is listed on the Stock Exchange. Such mandate is required to be given by way of a special resolution passed by its shareholders in general meeting and special resolutions passed by holders of domestic shares and holders of overseas listed foreign shares at separate class meetings.

H Shares are traded on the Stock Exchange in Hong Kong dollars. Therefore, the repurchase of H Shares by the Company is subject to the approval of the SAFE (or its successor authority), and the price payable by the Company upon any repurchase of H Shares will be paid in Hong Kong dollars.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company. In addition, the Company Law provides that the shares repurchased by a company will have to be cancelled and the registered capital of that company will therefore be reduced by an amount equivalent to the aggregate nominal value of the shares so cancelled. In the event of a reduction of registered capital, the Company shall inform its creditors by way of written notice and announcement within a prescribed period after the passing of the relevant resolutions approving such reduction.

### **Conditions to repurchase H Shares**

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any H Shares (including where such repurchase may lead to an enhancement of the net asset value per Share and/or the earnings per Share), approval is proposed to be sought from the Shareholders for the grant of the Repurchase Mandate to the Directors. In accordance with the legal and regulatory requirements described above, the Directors give notices to convene the Annual General Meeting and the Class Meetings. At each such meeting, a special resolution will be proposed to grant to the Directors the Repurchase Mandate which is a conditional general mandate to repurchase H Shares in issue on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of such special resolution.

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## LETTER FROM THE BOARD

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The Repurchase Mandate will be conditional upon (a) the special resolution for approving the grant of the Repurchase Mandate being passed at each of the Annual General Meeting and the Class Meetings; and (b) the approvals of SAFE (or its successor authority) and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate. If the above conditions are not fulfilled, the Repurchase Mandate will not be exercisable by the Directors.

The Repurchase Mandate would expire on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of a period of twelve months following the passing of the relevant resolution at the Annual General Meeting and the Class Meetings; or (c) the date on which the authority conferred by the special resolution is revoked or varied by a special resolution of the Shareholders in a general meeting of the Company or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.

The H Shares which may be repurchased by the Company pursuant to the Repurchase Mandate shall not exceed 10% of the aggregate nominal value of H Shares in issue of the Company as at the date of passing of the resolution approving the Repurchase Mandate at the Annual General Meeting and the Class Meetings.

An explanatory statement giving certain information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

### **F. ANNUAL GENERAL MEETING AND CLASS MEETINGS**

The notices convening the Annual General Meeting and the Class Meetings to be held at 9:00 a.m. on Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the PRC, are set out on pages 15 to 29 of this circular for the purpose of considering and if thought fit, passing the resolutions set out therein.

Pursuant to Rule 13.39(4) of the Listing Rules, voting at the Annual General Meeting and the Class Meetings 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 and the Class Meetings.

Forms of proxy for use at the Annual General Meeting and the Class Meetings are accompanied with this circular. Whether or not you are able to attend the Annual General Meeting and the Class Meetings, you are requested to complete the forms of proxy in accordance with the instructions printed thereon and return them to the Company's branch H Shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or to the office of the secretary to the Board, Room 412, Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping City, Shandong Province, the PRC (for holders of Domestic Shares) as soon as possible and in any event not less than 24 hours before the time for holding the above meetings or the time appointed for taking the poll. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the Annual General Meeting and the Class Meetings or any adjournment thereof if you so wish.

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## LETTER FROM THE BOARD

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The reply slips for the Annual General Meeting and the Class Meetings are also enclosed with this circular. You are reminded to complete and sign the reply slips and return the signed reply slips to the office of the secretary to the Board at Room 412, Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the PRC, no later than Saturday, 9 May 2020 in accordance with the instructions printed thereon.

### G. BOOK CLOSURE

The Company's register of members will be closed from Wednesday, 29 April 2020 to Friday, 29 May 2020 (both dates inclusive), during which no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 29 April 2020 are entitled to attend and vote at the Annual General Meeting and the Class Meetings. In order to qualify for attending and voting at the Annual General Meeting and the Class Meetings, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 April 2020.

The Company's register of members will be closed from Monday, 8 June 2020 to Friday, 12 June 2020 (both dates inclusive), during which no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 12 June 2020 are entitled to the proposed final dividend. 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 in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 June 2020.

### H. RECOMMENDATIONS

The Directors believe that all the resolutions proposed for consideration and approval by the Shareholders at the Annual General Meeting and the Class Meetings 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 and the Class Meetings.

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

Shandong, the PRC  
9 April 2020

*\* For identification purposes only.*

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase Mandate to the Directors.*

## **LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below. The Company is empowered by the Articles of Association to repurchase its own securities.

## **REGISTERED CAPITAL**

As at the Latest Practicable Date, the registered capital of the Company was 1,194,389,000 shares, comprising 780,770,000 Domestic Shares and 413,619,000 H Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the Annual General Meeting and the Class Meetings, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 41,361,900 H Shares, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution.

## **REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders.

## **FUNDING OF REPURCHASES**

In repurchasing the H Shares, the Company may only apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC, including but not limited to surplus funds and undistributed profits of the Company.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with its position as at 31 December 2019 as disclosed in the Company's latest published audited financial statements contained in the annual report for the year ended 31 December 2019. However, the Directors do not intend to make any repurchases to such an extent as, in the circumstances, has a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time

appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

#### STATUS OF REPURCHASED H SHARES

The Listing Rules provide that all the H Shares repurchased by the Company shall automatically be cancelled and the relevant share certificates shall be cancelled and destroyed. Under the PRC laws, the H Shares repurchased by the Company will be cancelled and the Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled.

#### H SHARE PRICES

The highest and lowest prices at which the H Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

Month	H Shares	
	The Highest Price (HKD)	The Lowest Price (HKD)
<b>In 2019</b>		
April	3.30	3.15
May	3.16	2.71
June	2.72	2.45
July	2.56	2.28
August	2.28	1.94
September	2.20	1.97
October	2.15	2.04
November	2.16	2.06
December	2.36	2.13
<b>In 2020</b>		
January	2.32	2.02
February	2.10	2.01
March	2.06	1.37
April (up to the Latest Practicable Date)	1.47	1.44

#### SHARES REPURCHASED BY THE COMPANY

No repurchase of Shares has been made by the Company within 6 months preceding the date of this circular (whether on the Stock Exchange or otherwise).

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

**DISCLOSURE OF INTERESTS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their close associates, have any present intention to sell to the Company any of the H Shares in the Company if the Repurchase Mandate is approved at the Annual General Meeting and the Class Meetings.

No core connected person has notified the Company that he or she or it has a present intention to sell any H Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved and exercised.

If a Shareholder's proportionate interest in the voting rights of the Company increases upon the exercise by the Company of its powers to repurchase H Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Company has a total of 1,194,389,000 Shares. To the best knowledge and belief of the Directors, 山東魏橋創業集團有限公司 (Shandong Weiqiao Chuangye Group Company Limited) (the "**Holding Company**") was the controlling shareholder (as defined under the Listing Rules) of the Company, and held 757,869,600 Domestic Shares (representing approximately 97.07% of the total Domestic Shares of the Company) and 2,571,500 H Shares (representing approximately 0.62% of the total H Shares of the Company), representing approximately 63.67% of the registered capital of the Company. On the basis that 1,194,389,000 Shares was in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased by the Company on or prior to the date of the Annual General Meeting and the Class Meetings, if the Repurchase Mandate is exercised in full,

- (a) the percentage interests in the Company of the Holding Company (in terms of Domestic Shares only) would remain as approximately 97.07% of the total Domestic Shares of the Company. To the best knowledge and belief of the Directors, the repurchase of H Shares will not give rise to an obligation to make a mandatory offer under the Takeovers Code; and
- (b) the percentage interests in the Company of the Holding Company would increase to approximately 65.95% of the then registered capital of the Company. To the best knowledge and belief of the Directors, such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors are not aware of any consequences which will arise under either or both of the Takeovers Code and/or any similar applicable law as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make share repurchase on the Stock Exchange if such repurchase would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.



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## NOTICE OF 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 (the “**Annual General Meeting**”) of Weiqiao Textile Company Limited (the “**Company**”) for the year ended 31 December 2019 will be held at 9:00 a.m. on Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the People’s Republic of China (the “**PRC**”) for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. to consider and approve the report of the board of directors of the Company (the “**Board**”) and the report of the supervisory committee of the Company for the year ended 31 December 2019;
2. to consider and approve the consolidated audited financial statements of the Company and its subsidiaries for the year ended 31 December 2019;
3. 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 2019;
4. to consider and approve the report of the final accounts of the Company and the report of the international auditor for the year ended 31 December 2019;
5. to consider and approve the re-election of Mr. Chen Shuwen (陳樹文) as an independent non-executive director of the Company;
6. to consider and approve the annual remuneration proposal for the Company’s directors and supervisors for the year ending 31 December 2020;
7. to consider and approve the re-appointment of ShineWing Certified Public Accountants as the Company’s domestic auditor for the year ending 31 December 2020 and SHINEWING (HK) CPA Limited as the Company’s international auditor for the year ending 31 December 2020 and the granting of the authorization to the Board to determine their remuneration; and
8. to consider and approve other business, if any.

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## NOTICE OF 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

9. **“THAT:**

- (1) there be granted to the Board, 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 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 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 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 in issue at the date of passing this resolution, in each case as of the date of this resolution; and
  - (c) the Board shall only exercise its power under such mandate in accordance with the Company Law of the PRC, the Securities Law of the PRC and relevant laws and regulations, 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 China Securities Regulatory Commission and/or other relevant PRC governmental authorities are obtained; and
- (2) contingent on the Board resolving to issue shares pursuant to sub-paragraph (1) of this resolution, the Board 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 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 RMB 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 of the Company.”

10. **“THAT:**

There be granted to the Board, a general mandate to repurchase H Shares subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period of all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the Annual General Meeting to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and the H shareholders class meeting and domestic shareholders class meeting of the Company to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and
  - (ii) the approval of the State Administration of Foreign Exchange of the PRC or its competent branches and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the articles of association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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 RMB 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 of the Company or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.”

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

9 April 2020  
Shandong, the PRC

*As at the date of this notice, the Board comprises eight directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen and Mr. Zhang Jinglei as executive directors, Ms. Zhao Suhua as non-executive director and Mr. George Chan Wing Yau, Mr. Chen Shuwen and Mr. Liu Yanzhao as independent non-executive directors.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (A) The Company's register of members will be closed from Wednesday, 29 April 2020 to Friday, 29 May 2020 (both dates inclusive), during which no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 29 April 2020 are entitled to attend and vote at the Annual General Meeting. In order to qualify for attending and voting at the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 April 2020.

The Company's register of members will be closed from Monday, 8 June 2020 to Friday, 12 June 2020 (both dates inclusive), during which no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Friday, 12 June 2020 are entitled to the proposed final dividend. 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 in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 5 June 2020.

- (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 not later than 20 days before the date of the Annual General Meeting, i.e. no later than Saturday, 9 May 2020.

Details of the office of the secretary to the Board are as follows:

Room 412, Fourth Floor  
Company Office Building  
No. 1 Wei Fang Road  
Zouping Economic Development Zone  
Zouping City  
Shandong Province  
The PRC

Postal Code: 256200  
Tel: (86) 543 416 2222  
Fax: (86) 543 416 2000

- (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 2019.
- (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, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the Annual General Meeting or any adjournment thereof.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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, 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.
- \* *For identification purposes only. The Company is registered in Hong Kong as a non-Hong Kong company under the English name "Weiqiao Textile Company Limited" and the Chinese name of the Company under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*

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## NOTICE OF H SHAREHOLDERS CLASS 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 H SHAREHOLDERS CLASS MEETING

**NOTICE IS HEREBY GIVEN** that an H shareholders class meeting (the “**H Shareholders Class Meeting**”) of Weiqiao Textile Company Limited (the “**Company**”) will be held at 9:00 a.m. on Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the People’s Republic of China (the “**PRC**”) for the following purpose:

#### SPECIAL RESOLUTION

1. “**THAT:**

There be granted to the board of directors of the Company (the “**Board**”), a general mandate to repurchase H Shares subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period of all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting of the Company to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and the H Shareholders Class Meeting and domestic shareholders class meeting of the Company to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and



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## NOTICE OF H SHAREHOLDERS CLASS MEETING

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- (ii) the approval of the State Administration of Foreign Exchange of the PRC or its competent branches and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
- (i) make such amendments to the articles of association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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 RMB 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

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## NOTICE OF H SHAREHOLDERS CLASS MEETING

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- (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 of the Company or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.”

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

9 April 2020  
Shandong, the PRC

*As at the date of this notice, the Board comprises eight directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen and Mr. Zhang Jinglei as executive directors, Ms. Zhao Suhua as non-executive director and Mr. George Chan Wing Yau, Mr. Chen Shuwen and Mr. Liu Yanzhao as independent non-executive directors.*

*Notes:*

- (A) The Company’s register of members will be closed from Wednesday, 29 April 2020 to Friday, 29 May 2020 (both dates inclusive), during which no transfer of shares will be registered. Holders of H Shares whose names appear on the register of members of the Company on Wednesday, 29 April 2020 are entitled to attend and vote at the H Shareholders Class Meeting. In order to qualify for attending and voting at the H Shareholders Class Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 28 April 2020.
- (B) Holders of H Shares, who intend to attend the H Shareholders Class Meeting, must complete the reply slips for attending the H Shareholders Class Meeting and return them to the office of the secretary to the Board not later than 20 days before the date of the H Shareholders Class Meeting, i.e. no later than Saturday, 9 May 2020.

Details of the office of the secretary to the Board are as follows:

Room 412, Fourth Floor  
Company Office Building  
No. 1 Wei Fang Road  
Zouping Economic Development Zone  
Zouping City  
Shandong Province  
The PRC

Postal Code: 256200  
Tel: (86) 543 416 2222  
Fax: (86) 543 416 2000

- (C) Each holder of H Shares who has the right to attend and vote at the H Shareholders Class 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 H Shareholders Class Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

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## NOTICE OF H SHAREHOLDERS CLASS MEETING

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- (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, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time for holding the H Shareholders Class Meeting or any adjournment thereof.
- (F) If a proxy attends the H Shareholders Class 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 H Shareholders Class 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 H Shareholders Class 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.
- (G) The H Shareholders Class Meeting is expected to last for half a day. Shareholders attending the H Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.

\* *For identification purposes only. The Company is registered in Hong Kong as a non-Hong Kong company under the English name "Weiqiao Textile Company Limited" and the Chinese name of the Company under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*

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## NOTICE OF DOMESTIC SHAREHOLDERS CLASS 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 DOMESTIC SHAREHOLDERS CLASS MEETING

**NOTICE IS HEREBY GIVEN** that a domestic shareholders class meeting (the “**Domestic Shareholders Class Meeting**”) of Weiqiao Textile Company Limited (the “**Company**”) will be held at 9:00 a.m. on Friday, 29 May 2020 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Zouping Economic Development Zone, Zouping City, Shandong Province, the People’s Republic of China (the “**PRC**”) for the following purpose:

#### SPECIAL RESOLUTION

1. “**THAT:**

There be granted to the board of directors of the Company (the “**Board**”), a general mandate to repurchase H Shares subject to the following conditions:

- (a) subject to paragraphs (b) and (c) below, the exercise by the Board during the Relevant Period of all the powers of the Company to repurchase H Shares in issue on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Stock Exchange or of any other governmental or regulatory body be and is approved;
- (b) the aggregate nominal value of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of H Shares in issue as at the date of the passing of this special resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the annual general meeting of the Company to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and the H shareholders class meeting and Domestic Shareholders Class Meeting of the Company to be held on Friday, 29 May 2020 (or on such adjourned date as may be applicable); and

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## NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

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- (ii) the approval of the State Administration of Foreign Exchange of the PRC or its competent branches and/or any other regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate;
- (d) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H Shares being granted, the Board be hereby authorised to:
  - (i) make such amendments to the articles of association of the Company as it thinks fit so as to reduce the registered capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H Shares as contemplated in paragraph (a) above; and
  - (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC and to apply for registration with the relevant companies registration authorities in the PRC of the change of registered capital of the Company in accordance with all applicable laws, rules, regulations and/or requirements of the relevant governmental or regulatory body in the PRC.

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 RMB 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

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## NOTICE OF DOMESTIC SHAREHOLDERS CLASS MEETING

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- (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 of the Company or by a special resolution of holders of H Shares or holders of Domestic Shares at their respective class meetings.”

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

9 April 2020  
Shandong, the PRC

*As at the date of this notice, the Board comprises eight directors, namely Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen and Mr. Zhang Jinglei as executive directors, Ms. Zhao Suhua as non-executive director and Mr. George Chan Wing Yau, Mr. Chen Shuwen and Mr. Liu Yanzhao as independent non-executive directors.*

*Notes:*

- (A) The Company’s register of members will be closed from Wednesday, 29 April 2020 to Friday, 29 May 2020 (both dates inclusive), during which no transfer of shares will be registered. Holders of Domestic Shares whose names appear on the register of members of the Company on Wednesday, 29 April 2020 are entitled to attend and vote at the Domestic Shareholders Class Meeting after complying with the necessary registration procedures.
- (B) Holders of Domestic Shares, who intend to attend the Domestic Shareholders Class Meeting, must complete the reply slips for attending the Domestic Shareholders Class Meeting and return them to the office of the secretary to the Board not later than 20 days before the date of the Domestic Shareholders Class Meeting, i.e. no later than Saturday, 9 May 2020.

Details of the office of the secretary to the Board are as follows:

Room 412, Fourth Floor  
Company Office Building  
No. 1 Wei Fang Road  
Zouping Economic Development Zone  
Zouping City  
Shandong Province  
The PRC

Postal Code: 256200  
Tel: (86) 543 416 2222  
Fax: (86) 543 416 2000

- (C) Each holder of Domestic Shares who has the right to attend and vote at the Domestic Shareholders Class 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 Domestic Shareholders Class Meeting. A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

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- (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 office of the secretary to the Board, the address of which is set out in Note (B) above, not less than 24 hours before the time for holding the Domestic Shareholders Class Meeting or any adjournment thereof.
- (F) If a proxy attends the Domestic Shareholders Class 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 Domestic Shareholders Class 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 Domestic Shareholders Class 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.
- (G) The Domestic Shareholders Class Meeting is expected to last for half a day. Shareholders attending the Domestic Shareholders Class Meeting are responsible for their own transportation and accommodation expenses.

\* *For identification purposes only. The Company is registered in Hong Kong as a non-Hong Kong company under the English name "Weiqiao Textile Company Limited" and the Chinese name of the Company under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*