
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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魏橋紡織股份有限公司

Weiqiao Textile Company Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2698)

**PROPOSED DECLARATION OF FINAL DIVIDENDS,
PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES,
PROPOSED RE-ELECTION OF SOME DIRECTORS AND SUPERVISORS,
PROPOSED REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING
CONNECTED TRANSACTION (SUPPLY OF EXCESS ELECTRICITY)
AND
NOTICE OF ANNUAL GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and the Independent Shareholders**



First Shanghai Capital Limited

A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee is set out on pages 24 to 25 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 34 of this circular.

A notice convening the Annual General Meeting to be convened and held at 9:00 a.m. on Thursday, 28 May 2015 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People's Republic of China is set out on pages 41 to 46 of this circular. Whether or not you are able to attend the above meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for holding the above meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the above meeting should you so wish.

17 April 2015

* For identification purposes only

EXPECTED TIMETABLE

Register of members of the Company closes from 29 April 2015 to 28 May 2015

Latest time for lodging proxy forms in respect
of Annual General Meeting 4:30 p.m. 28 April 2015

Annual General Meeting 9:00 a.m. 28 May 2015

Register of members of the Company re-opens 29 May 2015

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DEFINITIONS

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

“Agreement”	the agreement dated 1 November 2013 and entered into between the Company and the Holding Company for a term of three years commencing on 1 January 2014 to 31 December 2016 (both dates inclusive) pursuant to which the Group will supply excess electricity to Parent Group
“Annual General Meeting”	the Annual General Meeting of the Company to be held at 9:00 a.m. on Thursday, 28 May 2015 at the conference hall 401 on the Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People’s Republic of China
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	魏橋紡織股份有限公司 (Weiqiao Textile Company Limited)
“controlling shareholders”	has the meaning ascribed under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued by the Company, with a Renminbi-denominated par value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are not tradable on the Stock Exchange
“Excess Electricity Supply Transaction”	the continuing connected transactions contemplated under the Agreement
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a Renminbi-denominated par value of RMB1.00 each, and which are subscribed for and traded in Hong Kong dollars on the Stock Exchange

DEFINITIONS

“Holding Company” or “Chuangye Group”	山東魏橋創業集團有限公司 (Shandong Weiqiao Chuangye Group Company Limited), a limited liability company established in the PRC, being the controlling shareholder of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Wang Naixin, Mr. Chen Shuwen and Mr. George Chan Wing Yau, established to give an opinion on the Revised Annual Caps for supply of excess electricity
“Independent Financial Adviser”	First Shanghai Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Revised Annual Caps for supply of excess electricity
“Independent Shareholders”	the shareholders of the Company other than Holding Company, Mr. Zhang Shiping and Ms. Zhang Hongxia
“Latest Practicable Date”	14 April 2015, 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
“Old Supply of Excess Electricity Agreement”	the supply of excess electricity agreement entered into between the Company and Holding Company on 4 November 2010 with a term of three years ending on 31 December 2013
“Original Annual Cap(s)”	the original annual cap amounts for the transactions under the Agreement for the two years ending 31 December 2015 and 2016 as disclosed in the announcement dated 1 November 2013 and the circular dated 12 November 2013
“Parent Group”	Holding Company, its subsidiaries and associates (excluding the Group)
“PRC” or “Mainland”	People’s Republic of China (excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region and Taiwan)

DEFINITIONS

“Revised Annual Cap(s)”	the revised annual cap amounts proposed by the Company in respect of the Agreement, being RMB2,905 million for each of the year ending 31 December 2015 and 2016
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	registered holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supply of Excess Electricity Agreement”	the supply of excess electricity agreement entered into between the Company and Holding Company on 1 November 2013 for the supply of electricity which are in excess of the actual electricity consumed by the Group to Parent Group for a term commencing from 1 January 2014 and ending on 31 December 2016 (both dates inclusive)
“Thermal Power Assets Swap Agreement”	the agreement dated 21 October 2014 and entered into between the Company and the Holding Company
“new Thermal Power Plant”	the thermal power plant located in Changshan Town, Zouping County, Shandong Province, the PRC, including the thermal power facilities and the land use rights for the land underneath, acquired by the Company from the Holding Company pursuant to the Thermal Power Assets Swap Agreement
“VAT”	value added tax
“Weiqiao Thermal Power Plants”	the four thermal power plants located in Weiqiao Town and Economic Development Zone of Zouping County, Shandong Province, the PRC, including the thermal power facilities then owned by the Company, that were disposed by the Company to the Holding Company pursuant to the Thermal Power Assets Swap Agreement
“%”	per cent

LETTER FROM THE BOARD



魏橋紡織股份有限公司

Weiqiao Textile Company Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2698)

Executive Directors:

Zhang Hongxia (Chairman)

Zhang Yanhong

Zhao Suwen

Zhang Jinglei

Registered Office:

No. 34 Qidong Road

Weiqiao Town

Zouping County

Shandong Province The PRC

Non-executive Directors:

Zhang Shiping

Zhao Suhua

Principal place of business

in Hong Kong:

Suite 5109, The Center

99th Queen's Road Central

Central

Hong Kong

Independent Non-executive Directors:

Wang Naixin

George Chan Wing Yau

Chen Shuwen

17 April 2015

To the Shareholders

Dear Sir/Madam,

**PROPOSED DECLARATION OF FINAL DIVIDENDS,
PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES,
PROPOSED RE-ELECTION OF SOME DIRECTORS AND SUPERVISORS,
PROPOSED REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING
CONNECTED TRANSACTION (SUPPLY OF EXCESS ELECTRICITY)
AND
NOTICE OF ANNUAL GENERAL MEETING**

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LETTER FROM THE BOARD

A. INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the proposed declaration of final dividends, the proposed renewal of general mandates to allot, issue and deal with the shares, the proposed re-election of some Directors and supervisors, the proposed revision of annual caps for existing continuing connected transactions (supply of excess electricity) and to seek your approval of the resolutions to these matters at the Annual General Meeting.

B. PROPOSED DECLARATION OF FINAL DIVIDENDS

As disclosed in the announcement of annual results of the Company for the year ended 31 December 2014 dated 20 March 2015, it was also proposed by the Board for the payment of final dividends for the year ended 31 December 2014 of RMB0.0773 (including tax) per share on or before Friday, 26 June 2015 to the Shareholders whose names appear on the register of members on Friday, 19 June 2015.

The proposed payment of final dividends for the year ended 31 December 2014 will be subject to the approval by the Shareholders of the Company at the Annual General Meeting.

C. PROPOSED RENEWAL OF GENERAL MANDATES TO ISSUE SHARES

- (1) there be granted to the Board, 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 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 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

LETTER FROM THE BOARD

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 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
 - (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 Renminbi by PRC investors;

LETTER FROM THE BOARD

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

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

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

D. PROPOSED RE-ELECTION OF SOME DIRECTORS AND SUPERVISORS

Ordinary resolutions will be proposed to re-elect Ms. Zhang Hongxia, Ms. Zhang Yanhong, Ms. Zhao Suwen and Mr. Zhang Jinglei as executive Directors and Mr. Zhang Shiping and Ms. Zhao Suhua as non-executive Directors and Mr. George Chan Wing Yau and Mr. Wang Naixin as independent non-executive Directors, respectively, at the Annual General Meeting. Mr. George Chan Wing Yau and Mr. Wang Naixin will be serving more than 12 years after their appointment of independent non-executive directors of the Company in the Annual General Meeting. The Board confirms that each of Mr. George Chan Wing Yau and Mr. Wang Naixin still meet the independence requirements set out in Rule 3.13 of the Listing Rules. Mr. George Chan Wing Yau and Mr. Wang Naixin have relevant accounting or industrial experience and have a deep understanding of the Group’s operation. Based on such, the Board believes that Mr. George Chan Wing Yau and Mr. Wang Naixin are independent of the Group and will continue to make contribution to the Company.

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

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

E. PROPOSED REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTION (SUPPLY OF EXCESS ELECTRICITY)

The Continuing Connected Transactions

Reference is made to the announcements of the Company dated 1 November 2013 and 21 October 2014, respectively, and the circulars of the Company dated 12 November 2013 and 24 November 2014, respectively.

LETTER FROM THE BOARD

The Supply of Excess Electricity Agreement (herein after referred to as the “Agreement”)

On 1 November 2013, the Company and Holding Company, same as the parties to the Old Supply of Excess Electricity Agreement, agreed to renew the terms of the transaction and entered into the Supply of Excess Electricity Agreement for a period of three years commencing on 1 January 2014 to 31 December 2016 (both dates inclusive) pursuant to which the Group will supply excess electricity to Parent Group. Details of the Agreement are set out below:

1. *Date*

1 November 2013

2. *Parties*

(a) Company

(b) Holding Company

3. *Transaction nature*

Supply of electricity by the Group, which are in excess of the Group’s actual electricity consumed, to Parent Group for a term commencing from 1 January 2014 and ending on 31 December 2016 (both dates inclusive).

4. *Pricing basis*

The price at which excess electricity is supplied to Parent Group by the Group shall be RMB0.50 per kWh (inclusive of VAT at the rate of 17%) or the market price (VAT inclusive) from time to time at which power plants in Shandong Province would sell electricity produced to the relevant power grid in Shandong Province, whichever is higher (subject to adjustment mentioned in the following paragraph). The aforesaid market price (VAT inclusive) is made with reference to the average price (VAT inclusive) to be charged by key power plants in Shandong Province for supply of electricity to the relevant local power grid according to information published on the website of Shandong Price Bureau, which was RMB0.46 per kWh based on the information relating to the prices for supply of electricity to power grid by key power plants in Shandong Province published on the website of Shandong Price Bureau (www.sdwj.gov.cn) on 16 October 2013, which was further adjusted to approximately RMB0.45 per kWh on 29 August 2014. If any applicable mandatory price for the supply of electricity is prescribed by the PRC government, it would be adopted instead. As at the Latest Practicable Date, there was no mandatory electricity price prescribed for the transactions under the Old Supply of Excess Electricity Agreement.

As the market price of electricity generally will be adjusted in a later stage after the fluctuation of coal prices, the Company, according to the fluctuation of the price of coal, may adjust the price at which excess electricity is supplied to Parent Group by the Company up to the price (VAT inclusive) at which the relevant power grid in Shandong Province would sell electricity to companies (which was RMB0.6144 per kWh for large scale industry enterprises for Binzhou City where the Company

LETTER FROM THE BOARD

located with a voltage range from 35 KV to 110 KV (exclusive of a total fee of RMB0.0538, including fees such as city public utilities fee) prescribed by Shandong Price Bureau (Lu Jiage Fa(2011) No. 201)) and no less than the price (VAT inclusive) at which key power plants in Shandong Province would sell electricity to power grid in Shandong Province upon a 10 days' prior written notice to Holding Company. In such circumstance, the price principle set out in the above paragraph will not apply and after such adjustment, the price may be lower or higher than the current price of RMB 0.5 or the market price (VAT inclusive) from time to time at which key power plants in Shandong Province would sell electricity produced to the relevant power grid in Shandong Province, which is higher. The Board is of the view that such adjustment would provide more flexibility to the Company to adjust the prices in accordance with production cost and maintain competitive in terms of pricing.

The above price of RMB0.50 per kWh has been determined after arm's length negotiation between Holding Company and the Company, taking into account that RMB0.50 per kWh is a price which (i) is higher than the current average price at which key power plants in Shandong Province sell electricity produced to the relevant power grid in Shandong Province; and (ii) is lower than the current electricity purchase price charged by the relevant power grid in Shandong Province.

Such price has been or will be fixed at a price which would be higher than the price at which the key power plants in Shandong Province sell electricity produced to the relevant power grid in Shandong Province (third party customers that the Group may sell its electricity to) and lower than the electricity purchase price charged by the relevant power grid in Shandong Province (a third party supplier that Parent Group may purchase the electricity from). Both the Company and Holding Company have no control on such third party price reference. The Directors consider that such method and procedure shall be able to ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

5. *Payment term*

Holding Company shall pay for the electricity supplied in arrears on a monthly basis based on the actual amount of electricity supplied. The Company will provide the amount due on the last business day of each month and Holding Company shall make the payment within the first 10th days of the following month. To the best knowledge of the Directors, such payment terms are in line with the market practice in Shandong Province.

Original Annual Caps

As disclosed in the announcement dated 1 November 2013 and the circular dated 12 November 2013, the Original Annual Caps (excluding VAT at the rate of 17%) for each of the two years ending 31 December 2015 and 2016 under the Agreement were expected to be not more than RMB2,142 million and RMB2,142 million, respectively.

LETTER FROM THE BOARD

Revised Annual Caps

Based on the reasons mentioned in this circular, it is expected that the volume of excess electricity to be supplied by the Group to Parent Group will increase. The Directors estimate that the maximum transaction value under the Agreement for each of the two years ending 31 December 2015 and 2016 will exceed the Original Annual Caps as disclosed in the announcement dated 1 November 2013 and the circular dated 12 November 2013. The Board therefore proposes to revise the Original Annual Caps under the Agreement for each of the two years ending 31 December 2015 and 2016.

The Original Annual Caps and the Revised Annual Caps (excluding VAT at the rate of 17%) under the Agreement proposed by the Board are as follows:

	For the year ending 31 December	
	2015	2016
	<i>(RMB million)</i>	<i>(RMB million)</i>
Original Annual Caps	2,142	2,142
Revised Annual Caps	2,905	2,905

Basis of the Revised Annual Caps

The above Revised Annual Caps are determined with reference to:

- (a) the higher operation efficiency and larger electricity generation capacity of the new Thermal Power Plant with an installed capacity of 1,320 MW, calculated according to effective use of 6,500 hours per year. The Weiqiao Thermal Power Plants disposed by the Group only had an installed capacity of 1,290 MW with an effective use of 5,000 hours per year. The electricity generated by the newly acquired Thermal Power Plant is expected to increase by 2,130,000 MW per year;
- (b) the expected stable amount of self-consumption electricity of the Group for each of the years ending 31 December 2015 and 2016; and
- (c) a floating space of 10% to the maximum transaction value.

Historical Amounts

Based on the Group's latest unaudited management accounts, the supply of excess electricity under the Agreement from 1 January 2015 to 28 February 2015 amounted to approximately RMB465 million (excluding VAT at the rate of 17%), representing approximately 21.71% of the Original Annual Cap for the year ending 31 December 2015. Based on the Group's latest audited management accounts, the actual transaction amount for the year ended 31 December 2014 under the Agreement amounted to approximately RMB1,749 million (excluding VAT at the rate of 17%), which had not exceeded the Original Annual Cap for the year ended 31 December 2014.

LETTER FROM THE BOARD

Reasons For And Benefits Of Revision Of Annual Caps For The Existing Continuing Connected Transactions (Supply of Excess Electricity)

Having considered the higher operation efficiency and larger electricity generation capacity of the new Thermal Power Plant and the stable electricity self-consumption of the Group, the Company thus expects that the volume of excess electricity to be supplied by the Group to Parent Group will increase. The Board therefore proposes the Revised Annual Caps. The Revised Annual Caps will allow the Company to enlarge its revenue and improve the overall operation performance.

The Board (excluding Mr. Zhang Shiping, Ms. Zhang Hongxia and Ms. Zhang Yanhong, who abstained from voting on the Board resolution of the Company in respect of the Revised Annual Caps due to their equity interests in Holding Company) is of the view that the Revised Annual Caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Information of the Group and Parent Group

The Group is principally engaged in the production, sale and distribution of cotton yarn, grey fabric and denim.

Holding Company is a company incorporated in the PRC on 14 April 1998 with limited liability. Holding Company is principally engaged in the processing and sale of cotton, lint cotton, cotton seed oil, fabrics, cotton yarn, print cloth, retail and distribution of cloth.

Implications under the Listing Rules

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions (supply of excess electricity), the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

Holding Company is a connected person of the Company, the transactions under the Agreement therefore constitute continuing connected transactions of the Company under Rule 14A.25 of the Listing Rules.

Given that each of the applicable percentage ratios in respect of the Revised Annual Caps for the continuing connected transactions under the Agreement, on an annual basis, is more than 5%, the transactions are subject to the reporting, annual review and announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

F. ANNUAL GENERAL MEETING

Set out on pages 41 to 46 of this circular is a notice convening the Annual General Meeting to be held at 9:00 a.m. on Thursday, 28 May 2015 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.

LETTER FROM THE BOARD

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

According to the Listing Rules, Holding Company will abstain from voting in respect of the resolution relating to the Revised Annual Caps for supply of excess electricity at the Annual General Meeting. Mr. Zhang Shiping and Ms. Zhang Hongxia, both being Directors, are considered to be parties acting in concert with Holding Company and hold approximately 31.59% (indirectly and directly) and 7.00% of the equity interests in Holding Company, respectively, will also abstain from voting at the Annual General Meeting.

As at the date of this circular, Holding Company holds approximately 63.45% of the total issued shares, and Mr. Zhang Shiping and Ms. Zhang Hongxia hold approximately 0.44% and 1.48%, respectively, of the total issued shares. To the best of the knowledge and belief of the Directors, none of Holding Company, Mr. Zhang Shiping and Ms. Zhang Hongxia has any associate (other than amongst themselves) who is a Shareholder.

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

The reply slip for the Annual General Meeting is also enclosed with this circular. You are reminded to complete and sign the reply slip and return the signed reply slip to the office of the Secretary Office to the Board at Fourth Floor, Company Office Building, No. 1 Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province, the People's Republic of China, no later than 8 May 2015 (Friday) in accordance with the instructions printed thereon.

H. BOOK CLOSURE

The Company's H Share register of members will be closed from Wednesday, 29 April 2015 to Thursday, 28 May 2015 (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 Tuesday, 28 April 2015.

The Company's H Share register of members will be closed from Saturday, 13 June 2015 to Friday, 19 June 2015 (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, 12 June 2015.

LETTER FROM THE BOARD

I. RECOMMENDATIONS

The Directors believe that the terms of the Agreement and the continuing connected transactions thereunder are fair and reasonable, and were entered into on normal commercial terms and in the ordinary and usual course business of the Company, and all the resolutions proposed for consideration and approval by the Shareholders at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

The Board (including the Independent Board Committee) is of the opinion that the Revised Annual Caps in respect of the supply of excess electricity are fair and reasonable so far as the Company is concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the Independent Board Committee) recommends that all the Independent Shareholders vote in favour of all the resolutions as set out in the notice of Annual General Meeting to approve the Revised Annual Caps in respect of the supply of excess electricity.

J. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Wang Naixin, Mr. Chen Shuwen and Mr. George Chan Wing Yau, was established to advise the Independent Shareholders on the Revised Annual Caps in respect of the supply of excess electricity. First Shanghai Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Revised Annual Caps in respect of the supply of excess electricity.

K. GENERAL INFORMATION

The Group is principally engaged in the production, sale and distribution of cotton yarn, grey fabric and denim. Holding Company is principally engaged in the processing and sale of cotton, lint cotton, cotton seed oil, fabrics, cotton yarn, print cloth, retail and distribution of cloth. As at the Latest Practicable Date, Holding Company was owned as to 23.52% by Mr. Zhang Shiping directly, as to 37.48% by other 12 individuals (including Ms. Zhang Hongxia and Ms. Zhang Yanhong) and as to 39.00% by Shandong Weiqiao Investment Holding Company Limited, an investment holding company and in which Mr. Zhang Shiping holds 20.69% for himself and 5.17% on behalf of other 29 individuals.

L. ADDITIONAL INFORMATION

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

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

Shandong, the PRC

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

DIRECTORS

Zhang Hongxia

Ms. Zhang Hongxia, aged 43, is the chairman of the Company. She graduated from Shandong Cadre Correspondence University (山東幹部函授大學) and obtained a professional diploma in financial accounting. She is a qualified political administrator. She obtained a master degree in business administration for senior management from Dalian Polytechnic University (大連理工大學) on 7 July 2006, and is responsible for the overall strategic planning of the Group. She joined the Company in 1999. She was appointed and re-elected as a director at the Company's annual general meeting held on 29 May 2012. She has over 20 years of management experience in the cotton textile industry. She previously worked at Zouping County Weiqiao Cotton Spinning Factory (鄒平縣位橋棉紡織廠) ("Weiqiao Cotton Spinning Factory") as the deputy head and head of the technical division as well as the director of the production technical department. She had also been the deputy general manager and general manager of the Holding Company, director of Binzhou Weiqiao Property Company Limited (濱州魏橋置業有限公司), chairman of Shandong Weilian Printing and Dyeing Company Limited (山東魏聯印染有限公司) ("Weilian Print"), director and general manager of Shandong Huibin Dyeing Company Limited (山東慧濱棉紡漂染有限公司) ("Huibin Dyeing") and director and general manager of Shandong Weiqiao Mianye Company Limited (山東魏橋棉業有限公司) (from 30 September 2003 to 25 December 2012). She is currently also a director of the Holding Company (from 14 April 1998), a director of Binzhou Industrial Park (from 26 November 2001), the chairman and general manager of Shandong Luteng Textile Company Limited (山東魯藤紡織有限公司) (from 12 September 2002), the chairman and general manager of Shandong Binteng Textile Company Limited (山東濱藤紡織有限公司) (from 12 March 2004), the chairman of Weihai Industrial Park (from 30 January 2004), the chairman and an executive director of Weiqiao Textile (Hong Kong) Trading Company Limited (魏橋紡織(香港)貿易有限公司) (from 12 October 2011) as well as a director and the chairman of Weihai Weiqiao (from 15 January 2014). Currently, Ms. Zhang is also the vice chairman of the 5th session of the Hong Kong General Chamber of Textiles Limited and the part-time vice president of the 6th session of the China Chamber of Commerce for Import & Export of Textiles. Mr. Zhang Shiping is her father, and Ms. Zhang Yanhong is her younger sister.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhang Hongxia directly holds 17,700,400 shares of the Company and was deemed to be interested in 7.00% of the equity interest of Chuangye Group, which in turn hold 757,869,600 shares of the Company.

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

In accordance with the Articles of Association, Ms. Zhang Hongxia's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Zhang Hongxia will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Zhang Hongxia shall be not less than RMB300,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Zhang Hongxia with other benefits which it may determine from time to time.

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

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

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

Zhang Yanhong

Ms. Zhang Yanhong, aged 39, graduated from Shandong University and obtained a professional diploma in computer and application. She further obtained a professional diploma in computer application from Renmin University of China in 1996, a senior diploma in Innovative Management MIA from senior research class in Tsinghua University in 2006 and a master degree in business administration for senior management from Dalian Polytechnic University in July 2006. She was appointed and re-elected as a director at the Company's annual general meeting held on 29 May 2012. Ms. Zhang has over 14 years of management experience in the cotton textile industry. Ms. Zhang has been the general manager of Weihai Weiqiao since July 2001, and has been the general manager of Weihai Industrial Park from January 2004, a director and the chairman of Weihai Industrial Park from 21 February 2014 and a director of Holding Company since October 2012. Mr. Zhang Shiping and Ms. Zhang Hongxia are the father and elder sister of Ms. Zhang, respectively.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhang Yanhong was deemed to be interested in 5.63% of the equity interest of Chuangye Group, which in turn hold 757,869,600 shares of the Company.

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

In accordance with the Articles of Association, Ms. Zhang Yanhong's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Zhang Yanhong will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Zhang Yanhong shall be not less than RMB300,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Zhang Yanhong with other benefits which it may determine from time to time.

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

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

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

Zhao Suwen

Ms. Zhao Suwen, aged 40, is the chief financial officer of the Company. She graduated from Shandong Normal University (山東師範大學) and obtained a professional diploma in business administration. She is a qualified economist. Ms. Zhao obtained the chief financial officer (CFO) advanced study graduation certificate from School of Continuing Education, Tsinghua University on 11 October 2008. She oversees the Group's finance and accounting affairs. She joined the Company in 1999. She was appointed and re-elected as a director at the Company's annual general meeting held on 29 May 2012. She has over 21 years of experience in the cotton textile industry. She previously worked at Weiqiao Cotton Spinning Factory as an accountant for about 5 years and as a finance manager of the Company. She is currently also a director of Holding Company (from October 2012). Ms. Zhao Suwen is the younger sister of Ms. Zhao Suhua.

As far as the Directors are aware, as at the Latest Practicable Date, Ms. Zhao Suwen was deemed to be interested in 0.38% of the equity interest of Chuangye Group, which in turn hold 757,869,600 shares of the Company.

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

In accordance with the Articles of Association, Ms. Zhao Suwen's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Zhao Suwen will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Zhao Suwen shall be not less than RMB300,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Zhao Suwen with other benefits which it may determine from time to time.

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

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

Zhang Jinglei

Mr. Zhang Jinglei, aged 38, is the company secretary and an executive director of the Company. He graduated from Xi'an Engineering College (西安工程學院) and obtained a junior college diploma in proximate analysis in July 1997. He joined the Company (including its predecessor) in October 1997, and worked in the sales department of the Company from September 1998 to September 2000. He has successively worked at the securities office, production technology section and the securities department since October 2000. He has engaged in corporate governance of the Company for years and participated in relevant trainings provided by securities regulatory authorities at home and abroad. He was appointed and

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

re-elected as a director of the Company at the Company's annual general meeting held on 29 May 2012. He is currently a non-executive director of China Hongqiao Group Limited (中國宏橋集團有限公司) ("China Hongqiao") (stock code: 1378.HK).

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

In accordance with the Articles of Association, Mr. Zhang Jinglei's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. Zhang Jinglei will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Mr. Zhang Jinglei shall be not less than RMB300,000 but not more than 150% of his annual salary for the year ended 31 December 2014. The Company may provide Mr. Zhang Jinglei with other benefits which it may determine from time to time.

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

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

Zhang Shiping

Mr. Zhang Shiping, aged 68, graduated from Anhui College of Finance and Trading (安徽財貿學院) and obtained a professional diploma in cotton testing. He is a qualified senior economist. He joined the Company in 1999. He was appointed and re-elected as a director at the Company's annual general meeting held on 29 May 2012. He previously held the positions of workshop supervisor, head of the production division, deputy head and head of No. 5 Oil and Cotton Factory, party secretary and head of Weiqiao Cotton Spinning Factory, the general manager of the Holding Company, the Chairman of the Company, the chairman of Weilian Print, the chairman of Zouping County Daixi Shanzhuang Co., Ltd., the chairman of Binzhou Weiqiao Salt Industry Development Co., Ltd., the chairman of Shandong Weiqiao Tekuanfu Co., Ltd. ("Tekuanfu"), the chairman of Shandong Weiqiao Garment Co., Ltd., ("Weiqiao Garment"), the chairman of Binzhou Weiqiao Aluminum Technology Co., Ltd., the chairman of Shandong Weiqiao Elite Garment Co., Ltd. ("Elite Garment"), the director of Huibin Dyeing, the director of Binzhou Industrial Park (from 26 November 2001 to May 2010), the chairman of Weihai Weiqiao (from 25 July 2001 to May 2010) and the chairman of Profit Long Investment Limited (保恒俐投資有限公司). He is currently also the chairman of Shandong Hongqiao New Material Co., Ltd. (山東宏橋新型材料有限公司) ("Shandong Hongqiao") (from 27 July 1994), the party secretary of Zouping County Supply and Marketing Cooperation Union (鄒平縣供銷合作社聯合社) (from 8 March 1998), the chairman of the Holding Company (from 14 April 1998), chairman of Shandong Weiqiao Investment Holdings Company Limited (previously known as Zouping Supply and Marketing Investment Company Limited (鄒平供銷投資有限公司)), chairman of China Hongqiao Holdings Limited (中國宏橋控股有限公司), chairman of Weiqiao Pioneering (Hong Kong)

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

Import & Export Company Limited (魏橋創業(香港)進出口有限公司), and chairman and executive director of China Hongqiao (stock code: 1378.HK). Mr. Zhang Shiping was a representative of the Ninth, Tenth and Twelfth National People's Congress. He is the father of Ms. Zhang Hongxia and Ms. Zhang Yanhong.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang Shiping directly holds 5,200,000 shares of the Company and was deemed to be interested in 31.59% of the equity interest of Chuangye Group, which in turn hold 757,869,600 shares of the Company.

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

In accordance with the Articles of Association, Mr. Zhang Shiping's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. Zhang Shiping 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. Zhang Shiping shall be not less than RMB100,000 but not more than 150% of his annual salary for the year ended 31 December 2014. The Company may provide Mr. Zhang Shiping with other benefits which it may determine from time to time.

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

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

Zhao Suhua

Ms. Zhao Suhua, aged 45, graduated from Adult Education College of Qingdao University, and obtained a professional diploma in textile engineering management. She joined the Company in 1999. She has over 17 years of management experience in the cotton textile industry. She had been the supervisor of the production technical department and head of the production technical department of the Company (from May 2000 to February 2006), and is now the standing deputy general manager of the sales department of the Company (since February 2006). Ms. Zhao Suhua is the elder sister of Ms. Zhao Suwen.

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

In accordance with the Articles of Association, Ms. Zhao Suhua's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Zhao Suhua will enter into a letter of appointment with the Company for a term of three years.

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

The fixed portion of the annual salary of Ms. Zhao Suhua shall be not less than RMB100,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Zhao Suhua with other benefits which it may determine from time to time.

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

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

Chan Wing Yau, George

Mr. Chan Wing Yau, George, aged 60, graduated from Waterloo University in Canada and obtained a bachelor degree in mathematics. Mr. Chan has been the executive director of China Golden Development Holdings Limited (中國金展控股有限公司), and has been the assistant vice president of William M. Mercer Ltd. (偉世服務顧問有限公司), director of Jardine Fleming Investment Services Ltd. (怡富投資服務有限公司), executive director of HSBC Asset Management Ltd. (匯豐投資管理有限公司), member of the Central Policy Unit of Hong Kong Government (香港政府中央政策組), member of the Consumers Litigation Fund Executive Committee (消費者訴訟基金執行委員會), president of the Rotary Club of Tsim Sha Tsui East (國際扶輪社香港尖沙咀東), director of Peregrine Asset Management Ltd. (百富勤資產管理有限公司), board member of Hong Kong Ocean Park (香港海洋公園董事局), chairman of Hong Kong Ocean Park Investment Committee (香港海洋公園投資委員會), director, general manager and chief investment officer of Dao Heng Fund Management Co., Ltd. (道亨基金管理有限公司), chairman of China Sub-Committee of the Hong Kong Investment Funds Association (香港投資基金公會中國事務委員會), member of the Financial Committee of Hong Kong Trade Development Council (香港貿易發展局金融委員會), member of Sir McLehose Trust Fund Investment Committee (麥理浩爵士信託基金投資委員會) and convener of Sir Robert Black Trust Fund Investment Committee (柏立基爵士信託基金投資委員會). He is currently a member of the Chinese People's Political Consultative Committee of Yuexiu District, Guangzhou City, the chairman and chief executive officer of Capital Focus Asset Management Limited (匯駿資產管理有限公司) and members of Police Children's Education Trust (警察子女教育信託基金) and Police Education and Welfare Trust (警察教育及福利信託基金). Mr. Chan is also the independent non-executive director of Infinity Chemical Holdings Company Limited (星謙化工控股有限公司) (stock code: 640.HK). He was appointed as an independent non-executive director at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent non-executive director at the Company's annual general meeting held on 29 May 2012, with the term of his appointment effective from 29 May 2012.

As far as the Directors are aware, as at the Latest Practicable Date, Mr. George Chan Wing Yau 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.

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

In accordance with the Articles of Association, Mr. George Chan Wing Yau's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. George Chan Wing Yau 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. George Chan Wing Yau shall be HK\$600,000. The Company may provide Mr. George Chan Wing Yau with other benefits which it may determine from time to time.

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

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

Wang Naixin

Mr. Wang Naixin, aged 63, graduated from Qufu Teachers College (曲阜師範學院) and obtained a professional diploma in politics. He is qualified as a professor. Since 1993, he has been teaching and researching on several areas, such as corporate management, sales and marketing as well as training in the textile industry. He once served as the party secretary in Binzhou Teacher's College (濱州師範專科學校). He was appointed as an independent non-executive director at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent non-executive director at the Company's annual general meeting held on 29 May 2012, with the term of his appointment effective from 29 May 2012.

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

In accordance with the Articles of Association, Mr. Wang Naixin's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. Wang Naixin 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. Wang Naixin shall be RMB0. The Company may provide Mr. Wang Naixin with other benefits which it may determine from time to time.

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

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

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

SUPERVISORS

Lv Tianfu (Independent Supervisor)

Mr. Lv Tianfu, aged 80, graduated from Shanghai Dynamic Machinery Special School (上海動力機械專科學校) specializing in diesel engine. He is a qualified senior engineer. He has been a technician in Jinan Diesel Engine Factory (濟南柴油機廠), a supervisor of Educational Research Room of Shandong Supply and Marketing Cooperation School (山東供銷合作學校教研室), a technician, an engineer, a senior engineer, a department head, a manager and a deputy supervisor of Shandong Binzhou Supply and Marketing Cooperative (山東省濱州地區供銷合作社), committee member and deputy chief of Shandong Binzhou Local Intermediate Engineer Technician Assessment Committee (山東省濱州地區中級工程技術職稱評委會) as well as consultant to general manager of Shandong Bohai Oil & Grease Industry Co. (山東渤海油脂工業公司). He was appointed as an independent Supervisor at the Company's extraordinary general meeting held on 12 February 2003. He was appointed and re-elected as an independent Supervisor at the Company's annual general meeting held on 29 May 2012. He does not currently hold any other position in the Group.

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

In accordance with the Articles of Association, Mr. Lv Tianfu's appointment will be for a term of three years with effect 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Mr. Lv Tianfu 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. Lv Tianfu shall be not less than RMB30,000 but not more than 150% of his annual salary for the year ended 31 December 2014. The Company may provide Mr. Lv Tianfu with other benefits which it may determine from time to time.

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

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

Wang Wei (Independent Supervisor)

Ms. Wang Wei, aged 73, graduated from Qingdao Weaving School (青島紡織專科學校) and obtained a professional diploma specializing in cotton spinning. She is a qualified senior engineer. She has been the workshop supervisor at Xinjiang Urumqi "July 1" First Cotton Weaving Plant (新疆烏魯木齊市「七一」第一棉紡織廠), workshop supervisor and engineer of Shandong Linyi Cotton Weaving Factory (山東省臨沂棉紡織廠), engineer of Shandong Weaving Industrial Office Education Division (山東省紡織工業廳教育處), manager of Shandong Weaving Industrial Office Cotton Textile Dyeing and Printing Co. (山東

APPENDIX I DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED

省紡織工業廳棉紡織印染公司), supervisor of the coordinating office of the Shandong Weaving Industrial Office (山東省紡織工業廳協作辦), manager and senior engineer of Shandong Weaving Industrial Office Economy and Technology Development Co. (山東省紡織工業廳經濟技術開發公司), general manager and senior engineer of Shandong Weaving Industrial Office Weaving Industry Group Co. (山東省紡織工業廳紡織實業總公司) as well as head and chief engineer of the production technical division of Shandong Weaving Industrial Office (山東省紡織工業廳生產技術處). She was appointed as an independent Supervisor at the Company's extraordinary general meeting held on 12 February 2003. She was appointed and re-elected as an independent Supervisor at the Company's annual general meeting held on 29 May 2012. She does not currently hold any other position in the Group.

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

In accordance with the Articles of Association, Ms. Wang Wei's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Wang Wei will enter into a letter of appointment with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Wang Wei shall be not less than RMB30,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Wang Wei with other benefits which it may determine from time to time.

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

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

APPENDIX I	DETAILS OF SOME DIRECTORS AND SUPERVISORS PROPOSED TO BE RE-ELECTED
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Wang Xiaoyun

Ms. Wang Xiaoyun, aged 50, graduated from Adult Education College of Qingdao University, and obtained a professional diploma in textile engineering management. She joined the Company in 1999. She has over 20 years of management experience in the cotton textile industry. She had successively served as quality control officer, workshop supervisor, deputy factory head and factory head of the Company, deputy general manager of the production district of Zouwei Garden I (from January 2004 to February 2006) and the non-executive director of the Company (from 30 May 2008 to 29 May 2012). She was appointed as a Supervisor at the Company's annual general meeting held on 29 May 2012. She is now the head of the production technical department of the Company (since February 2006).

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

In accordance with the Articles of Association, Ms. Wang Xiaoyun's appointment will be for a term of three years with effect from 28 May 2015 and until the convening of the annual general meeting of the year 2017 subject to Shareholders' approval being obtained at the Annual General Meeting. Ms. Wang Xiaoyun will enter into a service contract with the Company for a term of three years.

The fixed portion of the annual salary of Ms. Wang Xiaoyun shall be not less than RMB30,000 but not more than 150% of her annual salary for the year ended 31 December 2014. The Company may provide Ms. Wang Xiaoyun with other benefits which it may determine from time to time.

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

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



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)

17 April 2015

To the Independent Shareholders

Dear Sir or Madam,

**PROPOSED REVISION OF ANNUAL CAPS FOR
EXISTING CONTINUING CONNECTED TRANSACTION
(SUPPLY OF EXCESS ELECTRICITY)**

We refer to the circular dated 17 April 2015 of the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context requires otherwise.

We have been appointed as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, it would be in the interests of the Company and its Shareholders to revise the annual caps for the existing continuing connected transaction in respect of the supply of excess electricity to Parent Group (as defined in the announcement of the Company dated 23 March 2015) for the year ending 31 December 2015 and 2016. First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps.

We wish to draw your attention to the letter from the Board set out on pages 4 to 13 of the Circular, and the letter of advice from First Shanghai Capital Limited, the Independent Financial Adviser, set out on pages 26 to 34 of the Circular which contains its advice and recommendation in respect of the Revised Annual Caps.

Having taken into account the advice of First Shanghai Capital Limited and its recommendation in relation thereto, we consider that the terms of the Agreement and the continuing connected transactions thereunder are fair and reasonable, and were entered into on normal commercial terms and in the ordinary and usual course business of the Company, and it would be in the interests of the Company and its Shareholders to revise the annual caps for the existing continuing connected transaction in respect of the

* For identification purposes only

APPENDIX II LETTER FROM THE INDEPENDENT BOARD COMMITTEE

supply of excess electricity to Parent Group (as defined in the announcement of the Company dated 23 March 2015) for the year ending 31 December 2015 and 2016. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Revised Annual Caps.

Yours faithfully,
Independent Board Committee

Wang Naixin
*Independent non-executive
Director*

George Chan Wing Yau
*Independent non-executive
Director*

Chen Shuwen
*Independent non-executive
Director*

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of the letter to the Independent Board Committee and the Independent Shareholders received from the Independent Financial Adviser setting out its opinion regarding the Revised Annual Caps for the continuing connected transaction in respect of supply of excess electricity contemplated under the Agreement (the “**Continuing Connected Transaction**”), for the purpose of inclusion in this circular.*



First Shanghai Capital Limited

19th Floor

Wing On House

71 Des Voeux Road Central

Hong Kong

17 April 2015

*To the Independent Board Committee and
the Independent Shareholders*

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

Dear Sirs,

PROPOSED REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTION (SUPPLY OF EXCESS ELECTRICITY)

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Revised Annual Caps for the Continuing Connected Transaction, details of which are contained in the circular to the Shareholders dated 17 April 2015 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those ascribed in the Circular.

As set out in the “Letter from the Board” contained in the Circular, the Directors estimate that the maximum transaction value for the excess electricity to be supplied by the Group to the Parent Group under the Agreement for each of the two years ending 31 December (the “**Year(s)**”) 2015 and 2016 will exceed the Original Annual Caps for each of the two Years 2015 and 2016 as disclosed in the announcement dated 1

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

November 2013 and the circular of the Company dated 12 November 2013 (the “**2013 Circular**”). The Board therefore proposes to revise the Original Annual Caps under the Agreement for each of the two Years 2015 and 2016. The Revised Annual Caps are subject to, among others, the approval of the Independent Shareholders at a general meeting of the Company pursuant to Chapter 14A of the Listing Rules.

An independent board committee comprising Mr. Wang Naixin, Mr. Chen Shuwen and Mr. George Chan Wing Yau, being all the three independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Revised Annual Caps for the Continuing Connected Transaction.

As the independent financial adviser, we have been appointed to advise the Independent Board Committee and the Independent Shareholders as to (i) whether or not the Revised Annual Caps for the Continuing Connected Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in relation to the ordinary resolution to be proposed for approving the Revised Annual Caps for the Continuing Connected Transaction to be contemplated under the Agreement at the Annual General Meeting.

According to the Listing Rules, the Holding Company will abstain from voting in respect of the resolution relating to the Revised Annual Caps for the Continuing Connected Transaction at the Annual General Meeting. Mr. Zhang Shiping and Ms. Zhang Hongxia, both being the Directors, are considered to be parties acting in concert with the Holding Company and hold approximately 31.59% (including indirect and direct shareholdings) and 7.00% of the equity interest in the Holding Company, respectively, will also abstain from voting at the Annual General Meeting.

As at the Latest Practicable Date, the Holding Company holds approximately 63.45% of the total issued Shares, and Mr. Zhang Shiping and Ms. Zhang Hongxia hold approximately 0.44% and 1.48%, respectively, of the total issued Shares. To the best of the knowledge and belief of the Directors, none of the Holding Company, Mr. Zhang Shiping and Ms. Zhang Hongxia has any associate (other than amongst themselves) who is a Shareholder.

The votes to be taken at the Annual General Meeting in relation to the resolution for approval by the Independent Shareholders of the Revised Annual Caps for the Continuing Connected Transaction will be taken by poll.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and management of the Company for which they are solely responsible, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group, the Holding Company and the Parent Group.

The Independent Shareholders should note that, within the past two years from the Latest Practicable Date, we were engaged as the independent financial adviser by the Company for one occasion (i.e. mainly in relation to the provision of independent financial advice to the then Independent Board Committee and Independent Shareholders for the very substantial acquisition, very substantial disposal and continuing connected transactions of the Company) as detailed in the circular of the Company dated 24 November 2014. Given (i) our independent role in that previous engagement; (ii) none of the members of our parent group is a direct party to the Agreement; and (iii) our fees for this present engagement in addition to that previous engagement represented an insignificant percentage of revenue of our parent group, we consider that previous engagement would not affect our independence to form our opinion in respect of the Revised Annual Caps for the Continuing Connected Transaction to be contemplated under the Agreement.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion regarding the Revised Annual Caps for the Continuing Connected Transaction, we have taken into consideration the following principal factors:

1. Background information of the Group and the Parent Group

The Group is principally engaged in the production, sale and distribution of cotton yarn, grey fabric and denim.

The Holding Company is a company incorporated in the PRC on 14 April 1998 with limited liability. The Holding Company is principally engaged in the processing and sale of cotton, lint cotton, cotton seed oil, fabrics, cotton yarn, print cloth, retail and distribution of cloth. As at the Latest Practicable Date, the Holding Company holds approximately 63.45% of the total issued Shares.

2. Background of the Agreement

On 1 November 2013, the Company and the Holding Company, same as the parties to the Old Supply Excess Electricity Agreement, agreed to renew the term of the transaction and entered into the Agreement for a period of three years commencing on 1 January 2014 to 31 December 2016 (both dates inclusive) pursuant to which the Group will supply excess electricity to the Parent Group.

As indicated in the 2013 Circular, the excess electricity to be purchased by the Parent Group under the Agreement would (i) optimize the utilization of the power plant assets and thus improving operation efficiency and achieving economies of scale of the Group (by reducing the fixed costs of electricity generation); and (ii) allow the Group to receive an additional income stream and thus enhancing the profitability of the Group. The Board was of the view that although the Company may sell excess electricity to other third parties with comparable terms, such sales may be far less than the amount of electricity to be purchased by the Parent Group under the Agreement or may not be as stable and sustainable as the sales to the Parent Group. On such basis, the Board believed that the excess electricity supply to the Parent Group would be conducive to enhancing the operating efficiency and competitiveness of the Group and would result in cost savings through improving operation efficiency and reducing electricity generation cost per kwh and enhancement of its profitability of the Group.

Pricing basis

The price at which excess electricity is supplied to the Parent Group by the Group shall be RMB0.50 per kwh (inclusive of VAT at the rate of 17%) or the market price (VAT inclusive) from time to time at which power plants in Shandong Province, the PRC would sell electricity produced to the relevant power grid in Shandong Province, whichever is higher, subject to the adjustments as mentioned in the “Letter from the Board” of the Circular. The aforesaid market price (VAT inclusive) is made with reference to the average price (VAT inclusive) to be charged by key power plants in Shandong Province for supply of electricity to the relevant local power grid according to information published on the website of Shandong Price Bureau, which was RMB0.46 per kwh based on the information relating to the prices for supply of electricity to power grid by key power plants in Shandong Province published on the website of Shandong Price Bureau (www.sdwj.gov.cn) on 16 October 2013, which was further adjusted to approximately RMB0.45 per kwh on 29 August 2014. If any applicable mandatory price for the supply of electricity is prescribed by the PRC government, it would be adopted instead. As at the Latest Practicable Date, there was no mandatory electricity price prescribed for the transactions under the Old Supply of Excess Electricity Agreement. Based on our independent research from the website of Shandong Price Bureau, we noted that there has been no material change in the current average price at which key power plants in Shandong Province sell electricity produced to the relevant power grid in Shandong Province since October 2013.

The above price of RMB0.50 per kwh was determined after arm’s length negotiation between the Holding Company and the Company, taking into account that RMB0.50 per kwh is a price which (i) is higher than the current average price at which key power plants in Shandong Province sell electricity produced to the relevant power grid in Shandong Province; and (ii) is lower than the current electricity purchase price charged by the relevant power grid in Shandong Province.

Such price has been or will be fixed at a price which would be higher than the price at which the key power plants in Shandong Province sell electricity produced to the relevant power grid in Shandong Province (third party customers that the Group may sell its electricity to) and lower than the electricity purchase price charged by the relevant power grid in Shandong Province (a third party supplier that the Parent Group may purchase the electricity from). Both the Company and the Holding Company have no control on such third party price reference. The Directors consider that such method and procedure shall be able to ensure that the Continuing Connected Transaction will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the minority Shareholders.

Payment term

The Holding Company shall pay for the electricity supplied in arrears on a monthly basis based on the actual amount of electricity supplied. The Company will provide the amount due on the last business day of each month and the Holding Company shall make the payment within the first 10th days of the following month. To the best knowledge of the Directors, such payment terms are in line with the market practice in Shandong Province.

The terms and conditions under the Agreement have been negotiated on an arm's length basis and therefore on normal commercial terms. The Board is of the view that the Agreement and the excess electricity supply to the Parent Group has been conducted in the ordinary and usual course of business of the Group, and that the terms thereunder, as well as the Original Annual Caps applicable thereto, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Agreement as well as the Original Annual Caps were duly approved by the then Independent Shareholders at the extraordinary general meeting held on 27 December 2013.

Having considered the above mechanism for setting the unit price for supply of excess electricity from the Group to the Parent Group as well as the payment terms thereunder, we concur with the Board's view that the Agreement and the excess electricity supply to the Parent Group are on normal commercial terms, has been conducted in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. The Revised Annual Caps for the Agreement

As disclosed in the 2013 Circular, the Original Annual Caps (excluding the 17% VAT) for the Agreement were expected to be not more than RMB2,142 million and RMB2,142 million, respectively, for each of the two Years 2015 and 2016.

As mentioned in the "Letter from the Board" in the Circular, it is expected that the volume of excess electricity to be supplied by the Group to the Parent Group will increase. The Directors estimate that the maximum transaction value under the Agreement for each of the two Years 2015 and 2016 will exceed the Original Annual Caps for each of the two Years 2015 and 2016 as disclosed in the 2013 Circular. The Board therefore proposes to revise the Original Annual Caps under the Agreement for each of the two Years 2015 and 2016.

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered the new Thermal Power Plant has been of higher operation efficiency and larger electricity generation capacity and the stable electricity self-consumption of the Group, the Company thus expects that the volume of excess electricity to be supplied by the Group to the Parent Group will increase. The Board therefore proposes the Revised Annual Caps.

The Original Annual Caps and the Revised Annual Caps (excluding the 17% VAT) under the Agreement proposed by the Board are as follows:

	For the year ending 31 December	
	2015 (RMB million)	2016 (RMB million)
Original Annual Caps	2,142	2,142
Revised Annual Caps	2,905	2,905

Basis of determination of the Revised Annual Caps

The above Revised Annual Caps are determined with reference to:

- (a) the higher operation efficiency and larger electricity generation capacity of the new Thermal Power Plant with an installed capacity of 1,320 MW, calculated according to effective use of 6,500 hours per year. The Weiqiao Thermal Power Plants disposed of by the Group only had an installed capacity of 1,290 MW with an effective use of 5,000 hours per year. The electricity generated by the newly acquired Thermal Power Plant is expected to increase by 2,130,000 MW per year;
- (b) the expected stable amount of self-consumption electricity of the Group for each of the two Years 2015 and 2016 at approximately 2,400 million kwh per year;
- (c) a floating space of 10% to the maximum transaction value; and
- (d) the Revised Annual Caps for Years 2015 and 2016 are estimated after retaining the Group's annual self-consumption of 2,400 million kwh for each Year (i.e. which is calculated by a formulae of (6,500 hours x 1,320 MW – 2,400 million kwh) x RMB0.50/1.17 plus 10% as a buffer).

Historical amounts

Based on the Group's latest unaudited management accounts, the supply of excess electricity under the Agreement from 1 January 2015 to 28 February 2015 amounted to approximately RMB465 million (excluding the 17% VAT), representing approximately 21.71% of the Original Annual Cap for the Year 2015. Based on the Group's latest audited management accounts, the actual transaction amounts for the Year 2014 under the Agreement amounted to approximately RMB1,749 million (excluding the 17% VAT), which had not exceeded the Original Annual Cap for the year ended 31 December 2014.

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We understand from the Management that in determining the Revised Annual Caps under the Agreement, the Board has taken into account (i) the higher operation efficiency and larger electricity generation capacity of the new Thermal Power Plant with an installed capacity of 1,320 MW following completion of the asset swap between the Group and the Holding Company in December 2014; and (ii) the expected increase in the supply volume by the Group and the electricity consumption of the Parent Group for the coming two Years 2015 and 2016 to cope with its expected increase in the scale of production. The Directors are of the view that the Revised Annual Caps under the Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

In assessing the fairness and reasonableness of the Revised Annual Caps under the Agreement, we have reviewed the schedule of forecasted supply volume of excess electricity to the Parent Group prepared by the Company for each of the two Years 2015 and 2016, which is used to determine the Revised Annual Caps under the Agreement and prepared based on the latest consumption pattern of electricity between the Group and the Parent Group. Based on our discussion with the Management, we understand that Original Annual Caps of RMB2,142 million for each of the two Years 2015 and 2016 were determined based on the Group's old Weiqiao Thermal Power Plants, which had been operated for over eight years so as the electricity generation capacity was much lower than the new Thermal Power Plant acquired by the Group pursuant to the Thermal Power Assets Swap Agreement in 2014. With the anticipated increase in the electricity generation capacity starting from 2015 and having considered the Group's own relatively stable electricity consumption requirement, it could have excess electricity of approximately 6,180 million kwh per annum to be supplied to the Parent Group for each of the coming two Years 2015 and 2016 when compared to that of approximately 5,011.8 million kwh per annum for the same period under the Original Annual Caps.

We noted that the actual transaction amount for the year ended 31 December 2014 under the Agreement amounted to approximately RMB1,749 million, which was much lower than the Revised Annual Caps of RMB2,905 million for each of the two Years 2015 and 2016. As advised by the Management, the unusual much lower amount of electricity supply to the Parent Group in 2014 was mainly on the grounds that repairing and upgrading works had been conducted for meeting the environmental protection requirement for the Group's old Weiqiao Thermal Power Plants, which led to the decrease in power generation capability during the year ended 31 December 2014 so as in turn leading to the decrease in supply of excess electricity to the Parent Group. Such lower electricity generation capacity has been greatly improved starting from January 2015 following the acquisition of the new Thermal Power Plants. Based on the Group's unaudited management accounts, the supply of excess electricity to the Parent Group under the Agreement for the period from 1 January 2015 to 28 February 2015 amounted to approximately RMB465 million (excluding the 17% VAT). If such operating performance is projected on an annualised basis, the annual electricity consumption may reach approximately RMB2,877 million (i.e. which is calculated by a formulae of: RMB465 million x 365/59 days) for the full Year 2015, which shall be closely comparable to the Revised Annual Caps of RMB2,905 million for each of the two Years 2015 and 2016, with merely less than 1% slight deviation.

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our further discussion with the Management, it is anticipated that the Parent Group's scale of production of cotton-related products would be enhanced in the coming years on the grounds that the implementation of the Central Government's direct subsidy policy has gradually been bringing the cotton price in line with the market, the gap between the domestic and overseas cotton prices has been, and will be, getting narrower, which would improve the international competitive strength of Chinese textile enterprises (i.e. like the Parent Group). With the effect of lower cotton price starting to show positive results, those end-customers' demand for cotton-related products would ultimately lead to increase in the Parent Group's scale of production to cope with the anticipated increasing demand for its cotton-related products. Based on our independent research for the price information published by the China Cotton Association, the average cotton price in China has been persistently decreasing over the period from RMB19,523 per ton in December 2013 to below RMB13,500 per ton in April 2015, representing almost 30% decrease over the period, and a decreasing trend is generally anticipated in the market, which has been/will be reducing the cost of production of Chinese textile enterprises (i.e. like the Parent Group), and hence stimulating a greater demand for the Parent Group's cotton-related products, and in turn its scale of production, to cope with such corresponding increase of product demand in the coming years. On such basis, we consider that the rationale behind for setting the Revised Annual Caps in respect of increasing supply of excess electricity to meet the Parent Group's anticipated increase in scale of production is justifiable.

In consideration of the Directors' estimate to allow a floating space (i.e. buffer) of 10% to the maximum transaction value for the Years 2015 and 2016 after retaining the Group's annual self-consumption of 2,400 million kwh for each Year, we note from a news article with heading of "2014年12月份社會消費品零售總額 (Total Amount of Retail Sales of Consumer Goods in the Society for December 2014)" released by National Bureau of Statistics of China on 20 January 2015 that income of retail sales of apparel, footwear, headwear and knitwear for the Year 2014 by enterprises above a designated size in China with annual revenue of over RMB20 million amounted to approximately RMB1,256.3 billion, representing a year-on-year growth of approximately 10.9% when compared to that of the Year 2013. With reference to such statistical information and in consideration of the aforementioned buffer of 10% to the maximum transaction value for supply of excess electricity to the Parent Group for the Year 2015, we thus consider the annual growth rate of 10% for the Year 2015 with a relatively stable level for the Year 2016 is prudent and justifiable.

Having considered the above, we are of the view that the basis adopted by the Management in determining the Revised Annual Caps is prudent, justifiable, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

However, the Independent Shareholders should note that the Revised Annual Caps relate to future events and do not represent a forecast of transaction amounts to be incurred as a result of the Continuing Connected Transaction.

APPENDIX III LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into account the principal factors and reasons as referred to the above, we are of the view that the Agreement and the Continuing Connected Transaction are on normal commercial terms and have been conducted in the ordinary and usual course of business of the Group; and the Revised Annual Caps for the Continuing Connected Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders as well as the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the Annual General Meeting to approve the Revised Annual Caps for the Continuing Connected Transaction.

Yours faithfully,

For and on behalf of

First Shanghai Capital Limited

Fanny Lee **Nicholas Cheng**

Managing Director

Director

Note: Ms. Fanny Lee and Mr. Nicholas Cheng have been the Responsible Officers of Type 6 (advising on corporate finance) regulated activity under the SFO and have many years of experience in corporate finance industry. Both of them have participated in the provision of independent financial advisory services for various connected transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

This document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTERESTS

Directors', Supervisors' and Chief Executive's Interests in Shares

As at the Latest Practicable Date, the interests of the Directors, supervisors or chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (c) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

Long positions in the Domestic Shares of the Company:

Name of Shareholders	Type of interest	Number of Domestic Shares (Note 1)	Approximate percentage of total issued domestic share capital as at 31 December 2014 (%)	Approximate percentage of total issued share capital as at 31 December 2014 (%)
Zhang Hongxia (<i>Executive Director/Chairman</i>)	Beneficial	17,700,400	2.27	1.48
Zhang Shiping (<i>Non-executive Director</i>)	Beneficial	5,200,000	0.67	0.44

Note 1: Unlisted shares

Long positions in the shares of the Company's associated corporations (within the meaning of Part XV of the SFO):

Name of Shareholders	Name of associated corporation	Type of interest	Approximate percentage of total issued share capital as at 31 December 2014 (%)
Zhang Shiping (Non-executive Director)	Holding Company	Beneficial	31.59
Zhang Hongxia (Executive Director)	Holding Company	Beneficial and spouse (Note 1)	9.73 (Note 1)
Zhang Yanhong (Executive Director)	Holding Company	Beneficial	5.63
Zhao Suwen (Executive Director)	Holding Company	Beneficial	0.38
Zhao Suhua (Non-executive Director)	Holding Company	Spouse (Note 2)	4.93 (Note 2)

Note 1: These 112,000,000 shares of the Holding Company will be beneficially owned by Ms. Zhang Hongxia, who is deemed to be interested in the 43,676,000 shares directly held by her husband, Mr. Yang Congsen, under the SFO.

Note 2: Ms. Zhao Suhua is deemed to be interested in the 78,922,000 shares directly held by her husband, Mr. Wei Yingzhao, under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company nor their associates had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) entered in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S INTEREST IN CONTRACTS

Save as disclosed in this circular, no contract or arrangement of significance to which the Company, any of its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director or a supervisor or a senior management of the Company had a material interest and which is significant to the Group's business, whether directly or indirectly, subsisted at the date of this circular. None of the Directors, supervisors or senior management or their respective associates has any competing interest (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder of the Company for the purpose of the Listing Rules).

4. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as known to any Directors, supervisors or the chief executive of the Company, the following persons (other than a Director, supervisor or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO:

Interest in the Domestic Shares of the Company

Name of Shareholder	Number of Domestic Shares (Note 1)	Approximate percentage of total issued domestic share capital as at 31 December 2014 (%)	Approximate percentage of total issued share capital as at 31 December 2014 (%)
Holding Company	757,869,600	97.06	63.45
Shandong Weiqiao Investment Holdings Company Limited (the “Weiqiao Investment”)	757,869,600 (Note 2)	97.06	63.45

Interests in the H Shares of the Company:

Name of Shareholder	Type of interest	Number of H Shares (Note 3)	Approximate percentage of total issued H share capital as at 31 December 2014 (%)	Approximate percentage of total issued share capital as at 31 December 2014 (%)
Brandes Investment Partners, L.P.	Investment manager	95,010,612 (Long position) (Note 4)	22.97	7.95
Mellon Financial Corporation	Interest of a controlled corporation	41,073,100 (Long position) (Note 5)	9.93	3.44
Citigroup Inc.	Interest of a corporation controlled by the substantial shareholder	35,313,514 (Long position) 10,392,918 (Short position)	8.53 2.51	2.96 0.87
	Custodian corporation/ approved lending agent	19,139,586 (Lending pool) (Note 6)	4.62	1.60

Note 1: Unlisted shares.

Note 2: Weiqiao Investment holds 39% equity interests in Holding Company.

Note 3: Shares listed on the Main Board of the Stock Exchange.

Note 4: These 95,010,612 H Shares were held by Brandes Investment Partners, L.P. in its capacity as investment manager.

Note 5: These 41,073,100 H Shares in which Mellon Financial Corporation was deemed interested under the SFO were directly held by The Boston Company Asset Management LLC, a corporation wholly controlled by MAM (MA) Trust, which is indirectly and wholly controlled by MAM (DE) Trust. MAM (DE) Trust is wholly controlled by Mellon Financial Corporation.

Note 6: These 35,313,514 H Shares (long position) and 10,392,918 shares (short position) in which Citigroup Inc. was deemed interested as the interest of corporation controlled by a substantial shareholder under the SFO were directly or indirectly held by its several subsidiaries or related companies. These 19,139,586 H Shares were held by Citigroup Inc. in its capacity as custodian corporation/approved lending agent.

Save as disclosed above, so far as is known to the Directors, supervisors or chief executives of the Company, there was no other person (not being a Director, supervisor or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered, or is proposing to enter, into any service contract with the Company or its subsidiaries which is not expiring or may not be terminated by the Company within a year without payment of any compensation, other than statutory compensation.

6. DIRECTORS INTERESTS IN ASSETS

None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of or leased to any member of the Group or proposed to be so acquired, disposed of or leased since 31 December 2013, being the date to which the latest published audited accounts of the Group were made up, and up to the Latest Practicable Date.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2014, the date to which the latest audited financial statements of the Group were made up.

8. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors and his/her respective associate(s) was interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

9. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company or any of its subsidiaries.

10. CONSENT AND QUALIFICATIONS

The following is the qualification of the professional advisers who have given opinion or advice, which is contained in this circular:

Name	Qualification
First Shanghai Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO

First Shanghai Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, First Shanghai Capital Limited (i) had no interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) had no shareholding interests in any member of the Group and they did not have any right, whether legally enforceable or not, to subscribe for or nominate any persons to subscribe for securities of any members of the Group.

11. GENERAL

- (a) The address of the registered office of the Company is at No.34, Qidong Road, Weiqiao Town, Zouping County, Shandong Province, the PRC.
- (b) The company secretary to the Company is Mr. Zhang Jinglei, who is also an executive Director of the Company. Mr. Zhang Jinglei has engaged in corporate governance of the Company for years and participated in relevant trainings provided by securities regulatory authorities at home and abroad.
- (c) The share registrar and the transfer office of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

- (a) the Articles of Association;
- (b) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this circular;
- (c) the letter from the Independent Financial Adviser, the full text of which is set out on pages 26 to 34 of this circular;
- (d) the letter of consent from the Independent Financial Adviser;
- (e) the Supply of Excess Electricity Agreement and the Old Supply of Excess Electricity Agreement; and
- (f) this circular.

NOTICE OF THE ANNUAL GENERAL MEETING



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 2014 will be held at 9:00 a.m. on 28 May 2015 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 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 2014;
2. to consider and approve the consolidated audited financial statements of the Company and its subsidiaries for the year ended 31 December 2014;
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 2014;
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 2014;
5. to consider and approve the re-election of Ms. Zhang Hongxia as an executive director of the Company;
6. to consider and approve the re-election of Ms. Zhang Yanhong as an executive director of the Company;
7. to consider and approve the re-election of Ms. Zhao Suwen as an executive director of the Company;
8. to consider and approve the re-election of Mr. Zhang Jinglei as an executive director of the Company;

* For identification purposes only

NOTICE OF THE ANNUAL GENERAL MEETING

9. to consider and approve the re-election of Mr. Zhang Shiping as a non-executive director of the Company;
10. to consider and approve the re-election of Ms. Zhao Suhua as a non-executive director of the Company;
11. to consider and approve the re-election of Mr. George Chan Wing Yau as an independent non-executive director of the Company;
12. to consider and approve the re-election of Mr. Wang Naixin as an independent non-executive director of the Company;
13. to consider and approve the re-election of Mr. Lv Tianfu as an independent supervisor of the Company;
14. to consider and approve the re-election of Ms. Wang Wei as an independent supervisor of the Company;
15. to consider and approve the re-election of Ms. Wang Xiaoyun as a supervisor of the Company;
16. to consider and approve the annual remuneration proposal for the Company's Directors and supervisors for the year ending 31 December 2015;
17. to consider and approve the appointment of Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year ending 31 December 2015 and Ernst & Young as the Company's international auditor for the year ending 31 December 2015 and the granting of the authorization to the Board to determine their remuneration;
18. to consider and approve the revision of annual caps for existing continuing connected transaction in respect of the supply of excess electricity to Parent Group (as defined in the announcement of the Company dated 23 March 2015) for the year ending 31 December 2015 and 2016; and
19. 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:

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

20. “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 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 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 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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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 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

NOTICE OF THE ANNUAL GENERAL MEETING

- (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.”

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

13 April 2015
Shandong
The People's Republic of China

As at the date of this announcement, the Board comprises nine directors, namely Ms. Zhang Hongxia, Ms. Zhao Suwen, Ms. Zhang Yanhong and Mr. Zhang Jinglei as executive directors, Mr. Zhang Shiping and Ms. Zhao Suhua as non-executive directors and Mr. Wang Naixin, Mr. George Chan Wing Yau and Mr. Chen Shuwen as independent non-executive directors.

Notes:

- (A) The Company's H Share register of members will be closed from Wednesday, 29 April 2015 to Thursday, 28 May 2015 (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 Tuesday, 28 April 2015.

The Company's H Share register of members will be closed from Saturday, 13 June 2015 to Friday, 19 June 2015 (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, 12 June 2015.

- (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 8 May 2015 (Friday).

Details of the Office of the Secretary to the Board 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) 543 416 2222
Fax: (86) 543 416 2000

NOTICE OF THE ANNUAL GENERAL MEETING

- (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 2014.
 - (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, 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 the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).*