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魏橋紡織股份有限公司

Wei qiao Textile Company Limited*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2698)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with the current laws and regulations of the People's Republic of China (the "PRC"), including the Company Law of the PRC, the Guidelines for the Articles of Association of Listed Companies, the Official Reply of the State Council Regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies, and the actual situation of Weiqiao Textile Company Limited (the "Company"), the board of directors of the Company (the "Board") proposes to make certain amendments (the "Proposed Amendments") to the current Articles of Association.

Details of the Proposed Amendments are as follows:

No.	Before amendment	After proposed amendment
1.	Article 1.7 These Articles of Association are amended pursuant to <i>Company Law, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas</i> ("Mandatory Provisions"), <i>Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong</i> ("Letter of Opinions"), and other PRC laws and regulations. Clauses to be included into these Articles of Association as required by <i>Mandatory Provisions</i> shall not be amended or annulled unless otherwise specified in <i>Company Law</i> or other relevant laws and regulations.	Article 1.7 These Articles of Association are amended pursuant to <i>Company Law, Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas</i> ("Mandatory Provisions"), <i>Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong</i> ("Letter of Opinions"), <i>Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies</i> and other PRC laws and regulations. Clauses to be included into these Articles of Association as required by <i>Mandatory Provisions</i> shall not be amended or annulled unless otherwise specified in <i>Company Law</i> or other relevant laws and regulations.
2.	Article 1.8 Upon adoption by special resolution on the general meeting of the Company and approval of the relevant competent authorities of the state, these Articles of Association shall take effect as from the date of registration with the industrial and commercial	Article 1.8 Upon adoption by special resolution on the general meeting of the Company and approval of the relevant competent authorities of the state, these Articles of Association shall take effect as from the date of registration with the company registration authorities and shall completely replace the articles of association

No.	Before amendment	After proposed amendment
	administration authorities and shall completely replace the articles of association formerly registered with the industrial and commercial administration authorities.	formerly registered with the industrial and commercial administration authorities/ market regulatory authorities.
3.	<p>Article 1.10 The Company may invest in other companies with limited liabilities and joint stock companies with limited liabilities, and shall be liable for the invested companies to the extent of its capital contribution.</p> <p>With the approval of company examination and approval authority authorised by the State Council, the Company may, based on the business needs of the Company, operate as a holding company as referred to in Paragraph 2 of Article 12 of the <i>Company Law</i>.</p> <p>The Company shall not become an unlimited liability shareholder of any other profit-making organisation.</p>	<p>Article 1.10 The Company may invest in other companies. However, unless otherwise provided by the laws, the Company shall not be the capital contributor bearing joint liability associated with the debts of the invested enterprises.</p>
4.	<p>Article 3.10 The Company may increase capital based on the needs of operation and development and in accordance with these Articles of Association.</p> <p>The Company may increase capital as follows:</p> <p>(I) Offer of new shares to non-given investors;</p> <p>(II) Placement of new shares among existing shareholders;</p> <p>(III) Issuing new shares to existing shareholders;</p> <p>(IV) Other ways stipulated by laws and administrative regulations.</p> <p>Issue of new shares by the Company shall be subject to approval as specified in these Articles of Association and follow the procedure specified in the relevant state laws and administrative regulations.</p>	<p>Article 3.10 The Company may increase capital based on the needs of operation and development and in accordance with these Articles of Association.</p> <p>The Company may increase capital as follows:</p> <p>(I) Offer of new shares to non-given investors;</p> <p>(II) Private issuance of shares;</p> <p>(III) Placement of new shares among existing shareholders;</p> <p>(IV) Issuing new shares to existing shareholders;</p> <p>(V) Conversion of capital reserve to share capital;</p> <p>(VI) Other ways stipulated by laws, administrative regulations and approved by relevant regulatory authorities.</p> <p>Issue of new shares by the Company shall be subject to approval as specified in these Articles of Association and follow the procedure specified in the relevant state laws and administrative regulations.</p>
5.	<p>Article 4.2 Where the Company needs to decrease the registered capital, it shall prepare a balance sheet and a property inventory.</p> <p>The Company shall notify all creditors within 10 days after adoption of the resolution to decrease the registered capital and shall make at least three announcements in newspapers within 30 days. The creditors shall have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after receipt of the notice or within 90 days after the first announcement if the creditors haven't received the notice.</p> <p>The registered capital of the Company after decrease of capital shall not be less than the statutory minimum amount.</p>	<p>Article 4.2 Where the Company needs to decrease the registered capital, it shall prepare a balance sheet and a property inventory.</p> <p>The Company shall notify all creditors within 10 days after adoption of the resolution to decrease the registered capital and shall make an announcement in newspaper within 30 days. The creditors shall have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.</p>

No.	Before amendment	After proposed amendment
6.	<p>Article 4.3 The Company may, in the following circumstances, buy back its outstanding shares following the procedure specified in these Articles of Association and with approval from the regulatory authority of the state:</p> <p>(I) Cancellation of shares for decrease of the capital of the Company;</p> <p>(II) Merger with other companies holding shares of the Company;</p> <p>(III) Other circumstances stipulated by laws and administrative regulations.</p>	<p>Article 4.3 The Company may, in the following circumstances, buy back its outstanding shares following the procedure specified in these Articles of Association and with approval from the regulatory authority of the state:</p> <p>(I) Cancellation of shares for decrease of the capital of the Company;</p> <p>(II) Merger with other companies holding shares of the Company;</p> <p>(III) Using the shares for employee shareholding schemes or as share incentives;</p> <p>(IV) Repurchasing the shares of shareholders (upon their request) who vote against any resolution adopted at general meetings on the merger or division of the Company;</p> <p>(V) Using the shares to satisfy the conversion of those convertible corporate bonds issued by the Company;</p> <p>(VI) Safeguarding corporate value and shareholders' equity as the Company deems necessary;</p> <p>(VII) Other circumstances stipulated by laws and administrative regulations.</p> <p>The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws, administrative regulations and the CSRC.</p> <p>When the Company repurchases its shares in the circumstances as set out in (III), (V) and (VI) of paragraph I of Article 4.3 of the Articles of Association, such repurchase shall be conducted by way of public and centralised trading.</p>
7.	/	<p>Adding an article as Article 4.4 (the subsequent articles of the Articles of Association in this Chapter shall be renumbered accordingly)</p> <p>Article 4.4 When the Company repurchases its shares in the circumstances as set out in (I) and (II) of paragraph I of Article 4.3, a resolution at the general meeting shall be obtained. When the Company repurchases its shares in the circumstances as set out in (III), (V) and (VI) of paragraph I of Article 4.3, it may be resolved by more than two-thirds of directors present at a board meeting in accordance with the provisions of the Articles of Association or the authorisation of the general meeting. The shares of the Company repurchased pursuant to subparagraph (I) of paragraph I of Article 4.3 shall be cancelled within ten days from the date of repurchase. In the event that the Company repurchases its shares in the circumstances as set forth in (II) and (IV), the</p>

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		<p>shares so acquired shall be transferred or cancelled within 6 months. In the event that the Company repurchases its shares in the circumstances as set forth in (III), (V) and (VI), the shares in the Company held by the Company in aggregate shall not exceed 10% of the total number of the Company's shares in issue and the shares so repurchased shall be transferred or cancelled within three years.</p>
8.	<p>Article 6.9 Change of the shareholders' register arising from share transfer shall not be registered within 30 days before convening of a general meeting or 5 days before the benchmark date on which the Company decides to distribute dividends.</p>	<p>Article 6.9 If the laws, administrative regulations, rules of department, normative documents and rules of relevant stock exchanges or regulatory authorities in the place where the Company's shares are listed provide for the period of suspension of share transfer registration prior to the holding of a general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.</p>
9.	<p>Article 8.2 A general meeting shall exercise the following functions and powers:</p> <ul style="list-style-type: none"> (I) To resolve on the Company's business guidelines and investment plans; (II) To elect and replace directors and to decide on matters relating to the remuneration of directors; (III) To elect and replace supervisors who are representatives of shareholders and to decide on matters relating to the remuneration of supervisors; (IV) To consider and approve reports of the board of directors; (V) To consider and approve reports of the supervisory committee; (VI) To consider and approve the annual financial budgets and financial statements of the Company; (VII) To consider and approve the Company's profit distribution plan and loss recovery plan; (VIII) To resolve on increase or decrease of the registered capital of the Company; (IX) To resolve on the merger, division, dissolution and liquidation of the Company; (X) To resolve on the issue of bonds of the Company; (XI) To resolve on the appointment, removal or non-reappointment of the Company's certified public accountants; 	<p>Article 8.2 A general meeting shall exercise the following functions and powers:</p> <ul style="list-style-type: none"> (I) To resolve on the Company's business guidelines and investment plans; (II) To elect and replace directors and to decide on matters relating to the remuneration of directors; (III) To elect and replace supervisors who are representatives of shareholders and to decide on matters relating to the remuneration of supervisors; (IV) To consider and approve reports of the board of directors; (V) To consider and approve reports of the supervisory committee; (VI) To consider and approve the annual financial budgets and financial statements of the Company; (VII) To consider and approve the Company's profit distribution plan and loss recovery plan; (VIII) To resolve on increase or decrease of the registered capital of the Company; (IX) To resolve on the merger, division, dissolution and liquidation of the Company; (X) To resolve on the issue of bonds of the Company; (XI) To resolve on the appointment, removal or non-reappointment of the Company's certified public accountants;

No.	Before amendment	After proposed amendment
	<p>(XII) To amend these Articles of Association;</p> <p>(XIII) To consider proposals of shareholders representing more than 5% (inclusive) of the voting shares of the Company; and</p> <p>(XIV) To resolve on other matters which, in accordance with the laws, administrative regulations and these Articles of Association, must be approved by a general meeting.</p>	<p>(XII) To amend these Articles of Association;</p> <p>(XIII) To consider and approve the proposals put forward by shareholders individually or jointly holding 3% or more of the Company's shares; and</p> <p>(XIV) To resolve on other matters which, in accordance with the laws, administrative regulations and these Articles of Association, must be approved by a general meeting.</p>
10.	<p>Article 8.4 General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meetings shall be convened once a year within 6 months after the end of the preceding fiscal year. In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:</p> <p>(I) The number of directors falls short of the minimum number required by the <i>Company Law</i> or is less than two thirds of the number required by these Articles of Association;</p> <p>(II) The unrecovered losses of the Company amount to one third of the total share capital;</p> <p>(III) Shareholder(s) holding more than 10% (inclusive) of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;</p> <p>(IV) The board of directors deems it necessary, or the supervisory committee proposes, to convene an extraordinary general meeting.</p>	<p>Article 8.4 General meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors.</p> <p>Annual general meetings shall be convened once a year within 6 months after the end of the preceding fiscal year.</p> <p>In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months:</p> <p>(I) The number of directors falls short of the minimum number required by the <i>Company Law</i> or is less than two thirds of the number required by these Articles of Association;</p> <p>(II) The unrecovered losses of the Company amount to one third of the total share capital;</p> <p>(III) Shareholder(s) individually or jointly holding more than 10% (inclusive) of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;</p> <p>(IV) The board of directors deems it necessary, or the supervisory committee proposes, to convene an extraordinary general meeting.</p>
11.	<p>Article 8.5 Where the Company convenes a general meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the shareholders in the shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder intending to attend the meeting shall deliver to the Company a written reply showing his intention to attend at least 20 days before the meeting.</p>	<p>Article 8.5 When the Company convenes an annual general meeting, it shall notify shareholders by way of announcement 20 business days prior to the meeting; and when the Company convenes an extraordinary general meeting, it shall notify shareholders by way of announcement 15 days or 10 business days (whichever is longer) prior to the meeting. The business day referred to in the Articles of Association shall mean any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities.</p> <p>When the Company convenes a class general meeting, the notice period and notice method shall be subject to the provisions of Chapter IX of the Articles of Association.</p>

No.	Before amendment	After proposed amendment
12.	<p>Article 8.6 When the Company convenes an annual general meeting, shareholders holding more than 5% (inclusive) of the total voting shares of the Company shall have the right to submit proposals in writing to the Company, and the Company shall place the proposals on the agenda for the said annual general meeting if the said proposals fall within the functions and powers of general meetings.</p>	<p>Article 8.6 To be deleted entirely (the subsequent articles of the Articles of Association in this Chapter shall be renumbered accordingly).</p>
13.	<p>Article 8.7 The Company shall, based on the written replies received from shareholders 20 days prior to the date of the general meeting, calculate the number of voting shares held by shareholders intending to attend the meeting. Where the number of voting shares represented by shareholders intending to attend the meeting amounts to more than one half of the Company's voting shares, the Company may convene the general meeting; if not, the Company shall, within 5 days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of public announcements. The Company may then convene the general meeting after such announcements.</p> <p>An extraordinary general meeting shall not decide to announce matters not specified.</p>	<p>Article 8.7 To be deleted entirely (the subsequent articles of the Articles of Association in this Chapter shall be renumbered accordingly).</p>
14.	<p>Article 8.9 The notice of a general meeting shall be sent to shareholders (whether or not they are entitled to vote at the general meeting) by personal delivery or by pre-paid mail to their addresses as recorded in the shareholders' register. For holders of domestic shares, the notice of a general meeting may be issued in the form of public announcement.</p> <p>Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the CSRC, the securities regulatory authority under the State Council, during the period between 45 days to 50 days prior to the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of relevant general meeting.</p> <p>Where the Company intends to give a notice of a general meeting, it shall ensure that holders of foreign shares registered in Hong Kong have enough time to exercise their rights or act in accordance with the notice.</p>	<p>Article 8.7 The notice of a general meeting shall be sent to shareholders (whether or not they are entitled to vote at the general meeting) by personal delivery or by pre-paid mail to their addresses as recorded in the shareholders' register. For holders of domestic shares, the notice of a general meeting may be issued in the form of public announcement.</p> <p>Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the China Securities Regulatory Commission. Once the announcement has been published, all holders of domestic shares shall be deemed to have received the notice of relevant general meeting.</p> <p>Where the Company intends to give a notice of a general meeting, it shall ensure that holders of foreign shares registered in Hong Kong have enough time to exercise their rights or act in accordance with the notice.</p>
15.	<p>Article 8.24 If shareholders require convening an extraordinary general meeting or class general meeting, the following procedure shall be followed:</p> <p>(I) Two or more shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the board of directors to convene an extraordinary general meeting or class general meeting, and specify the topics of the meeting. The board of directors shall</p>	<p>Article 8.22 If shareholders require convening an extraordinary general meeting or class general meeting, the following procedure shall be followed:</p> <p>(I) Shareholders individually or jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests with the same format and content to propose to the board of directors to convene an extraordinary general meeting or class general meeting, and specify the topics of the meeting. The board of directors shall</p>

No.	Before amendment	After proposed amendment
	<p>convene an extraordinary or class general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated as on the day when the shareholders make the written request.</p> <p>(II) If the board of directors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may by themselves convene a meeting within 4 months after the board of directors receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the board of directors convenes general meetings.</p> <p>Where the shareholders convene a general meeting because the board of directors fails to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors.</p>	<p>convene an extraordinary or class general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated as on the day when the shareholders make the written request.</p> <p>(II) If the board of directors fails to issue a notice of meeting within 30 days after receipt of the aforesaid written request, the shareholders tendering the said request may request the supervisory committee to convene an extraordinary general meeting or a class shareholders' meeting.</p> <p>(III) If the supervisory committee fails to issue a notice to convene such meeting within 30 days after receipt of the aforementioned written request, shareholders individually or jointly holding over 10% of the shares carrying voting rights on the meetings sought to be held for at least 90 days in succession may by themselves convene a meeting within 4 months after the board of directors receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the board of directors convenes general meetings.</p> <p>Where the shareholders convene a general meeting because the board of directors and the supervisory committee fail to convene the meeting pursuant to the aforesaid request, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors and supervisors.</p>
16.	<p>Article 9.6 Where the Company convenes a class general meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the shareholders of the said class in the shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder intending to attend the meeting shall serve to the Company a written reply showing his intention to attend at least 20 days before the meeting.</p> <p>In the event that the shareholders who intend to attend such a meeting represent more than half of the total number of voting shares of that class, the Company may hold the class general meeting; otherwise, the Company shall within 5 days notify the shareholders of the class, again by public notice, of the issues to be considered as well as the date and venue of the class meeting. The Company may then hold the class general meeting after the publication of such notice.</p>	<p>Article 9.6 When the Company convenes a class general meeting, it shall issue a written notice 20 business days prior to the date of an annual general meeting and 15 days or 10 business days (whichever is longer) prior to the date of an extraordinary general meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.</p>

No.	Before amendment	After proposed amendment
17.	<p>Article 10.3 The board of directors shall be accountable to the general meeting and exercise the following functions and powers:</p> <ul style="list-style-type: none"> (I) To be responsible for convening general meetings and reporting its work to the general meetings; (II) To execute resolutions of general meetings; (III) To resolve on the Company's business plans and investment plans; (IV) To prepare the Company's annual financial budgets and financial statements; (V) To formulate the profit distribution plan (including the plan for distribution of year-end dividends) and compensation makeup plan of the Company; (VI) To formulate the plan for increase or reduction of the Company's registered capital, and the plan for issue of the Company's bonds; (VII) To formulate proposals for merger, division or dissolution of the Company; (VIII) To resolve on the Company's internal management setup; (IX) To appoint or dismiss the Company's general manager, and to appoint or dismiss the Company's deputy general managers and chief financial officers as nominated by the general manager and determine their remunerations; (X) To set up the basic management system of the Company; (XI) To formulate the plan for any amendment to these Articles of Association; (XII) To determine the salaries, welfares and bonuses of members of staff of the Company in compliance with relevant state regulations; (XIII) To decide on other significant matters and administrative affairs which are not specified in these Articles of Association and shall be resolved at a general meeting; (XIV) To formulate the plan for material acquisition or disposal of the Company; (XV) To review the effectiveness of the internal monitoring system of the Company and its subsidiaries at least once a year; and (XVI) To exercise other functions and powers conferred at general meetings and under these Articles of Association. <p>The board of directors may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XI), in which approval of two thirds of the directors is required.</p>	<p>Article 10.3 The board of directors shall be accountable to the general meeting and exercise the following functions and powers:</p> <ul style="list-style-type: none"> (I) To be responsible for convening general meetings and reporting its work to the general meetings; (II) To execute resolutions of general meetings; (III) To resolve on the Company's business plans and investment plans; (IV) To prepare the Company's annual financial budgets and financial statements; (V) To formulate the profit distribution plan (including the plan for distribution of year-end dividends) and compensation makeup plan of the Company; (VI) To formulate the plan for increase or reduction of the Company's registered capital, and the plan for issue of the Company's bonds; (VII) To formulate proposals for merger, division or dissolution of the Company; (VIII) To resolve on the Company's internal management setup; (IX) To appoint or dismiss the Company's general manager and secretary to the board of directors and determine their remunerations, and to appoint or dismiss the Company's deputy general managers and chief financial officers as nominated by the general manager and determine their remunerations; (X) To set up the basic management system of the Company; (XI) To formulate the plan for any amendment to these Articles of Association; (XII) To determine the salaries, welfares and bonuses of members of staff of the Company in compliance with relevant state regulations; (XIII) To decide on other significant matters and administrative affairs which are not specified in these Articles of Association and shall be resolved at a general meeting; (XIV) To formulate the plan for material acquisition or disposal of the Company; (XV) To review the effectiveness of the internal monitoring system of the Company and its subsidiaries at least once a year; and (XVI) To exercise other functions and powers conferred at general meetings and under these Articles of Association. <p>The board of directors may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XI), in which approval of two thirds of the directors is required.</p>

No.	Before amendment	After proposed amendment
18.	<p>Article 15.3 The board of directors shall, at each annual general meeting, submit to the shareholders the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, and regulatory documents of local governments and competent authorities.</p>	<p>Article 15.3 The board of directors shall, at each annual general meeting, submit to the shareholders the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, and regulatory documents of local governments and competent authorities.</p>
19.	<p>Article 15.4 The financial reports of the Company shall be kept in the Company and accessible to the shareholders at least 20 days before convening of the annual general meeting. Every shareholder shall have the right of access to the aforesaid financial reports.</p> <p>The Company shall send by prepaid mail to all holders of overseas listed shares copies of the financial reports, balance sheets (including appendixes required by PRC laws and administrative regulations), and income statements (or the aforesaid reports). The financial reports shall be served to all shareholders at least 21 days before the annual general meeting, as per the addresses in the shareholders' register.</p>	<p>Article 15.4 The financial reports of the Company shall be kept in the Company and accessible to the shareholders at least 20 days before convening of the annual general meeting. Every shareholder shall have the right of access to the aforesaid financial reports.</p> <p>The Company shall send by prepaid mail to all holders of overseas listed shares copies of the financial reports, balance sheets (including appendixes required by PRC laws and administrative regulations), and income statements (or the aforesaid reports). The financial reports shall be served to all shareholders at least 21 days before the annual general meeting, as per the addresses in the shareholders' register.</p>
20.	<p>Article 20.2 Merger of the Company may be in two forms: merger by absorption and merger by consolidation.</p> <p>In the event of merger of the Company, the parties concerned shall conclude a merger agreement and prepare balance sheets and property inventories. The Company shall notify all creditors within 10 days after adoption of the merger resolution and shall make at least three announcements in newspapers within 30 days.</p> <p>The credits and debts of the Company after merger shall be inherited by the company subsisting after merger or by the newly established company.</p>	<p>Article 20.2 Merger of the Company may be in two forms: merger by absorption and merger by consolidation.</p> <p>In the event of merger of the Company, the parties concerned shall conclude a merger agreement and prepare balance sheets and property inventories. The Company shall notify all creditors within 10 days after adoption of the merger resolution and shall make an announcement in newspaper within 30 days. Creditors shall, within 30 days after receipt of written notice, or within 45 days after the date of the announcement for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security for repayment.</p>
21.	<p>Article 20.3 Where the Company is divided, its properties shall be divided accordingly.</p> <p>In the event of division of the Company, the parties concerned shall conclude a Division Agreement and prepare balance sheets and property inventories. The Company shall notify all creditors within 10 days after adoption of the division resolution and shall make at least three announcements in newspapers within 30 days.</p> <p>The debts of the Company before division shall be undertaken by the companies after division as per the agreements concluded.</p>	<p>Article 20.3 Where the Company is divided, its properties shall be divided accordingly.</p> <p>In the event of division of the Company, the parties concerned shall conclude a Division Agreement and prepare balance sheets and property inventories. The Company shall notify all creditors within 10 days after adoption of the division resolution and shall make an announcement in newspaper within 30 days.</p> <p>The debts of the Company before division shall be jointly and severally undertaken by the companies after division, unless otherwise stipulated in any written agreement on the settlement of debts entered into by the Company and its creditors prior to the division.</p>

No.	Before amendment	After proposed amendment
22.	<p>Article 21.1 The Company shall be dissolved and liquidated according to law in any of the following circumstances:</p> <p>(I) The general meeting has resolved to dissolve the Company;</p> <p>(II) Merger or division of the Company entails dissolution;</p> <p>(III) The Company is declared insolvent according to law because it is unable to pay its debts as they fall due;</p> <p>(IV) The Company has been ordered to close down for violation of laws or administrative regulations.</p>	<p>Article 21.1 The Company shall be dissolved and liquidated according to law in any of the following circumstances:</p> <p>(I) The general meeting has resolved to dissolve the Company;</p> <p>(II) Merger or division of the Company entails dissolution;</p> <p>(III) The Company’s business license is revoked, or it is ordered to close or is deregistered in accordance with laws;</p> <p>(IV) Severe difficulties arise in the operations and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding over 10% of all shareholders’ voting rights of the Company may petition a People’s Court to dissolve the Company.</p>
23.	<p>Article 21.2 In the event of dissolution pursuant to (I) of the preceding article, the Company shall set up a liquidation committee within 15 days, and the members of the committee shall be decided by an ordinary resolution on a general meeting.</p> <p>If the Company is dissolved pursuant to (III) of the preceding article, a liquidation committee comprising shareholders, the relevant institutions and relevant professionals shall be established by the People’s Court in accordance with relevant laws to carry out the liquidation.</p> <p>If the Company is dissolved in the circumstance set out in (IV) of the preceding article, a liquidation committee comprising shareholders, the relevant institutions and relevant professionals shall be established by the relevant competent authority to carry out the liquidation.</p>	<p>Article 21.2 In the event of dissolution pursuant to (I), (III) and (IV) of the preceding article, the Company shall set up a liquidation committee within 15 days for liquidation, and the members of the committee shall be decided by an ordinary resolution on a general meeting. If the liquidation committee is not duly set up within the specified period, the creditors may request the People’s Court to designate related persons to form a liquidation committee to carry out liquidation. The People’s Court shall accept such application, and timely organise the liquidation committee to carry out liquidation.</p>
24.	<p>Article 21.4 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make at least three announcements in newspapers within 60 days. The liquidation committee shall register the creditor’s rights.</p>	<p>Article 21.4 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make an announcement in newspaper within 60 days. A creditor shall, within 30 days after receipt of the notice or within 45 days of the date of the announcement in the case of failure to receive the notice, claim its rights to the liquidation committee.</p> <p>In claiming its rights, the creditor shall explain the relevant issues on the creditor’s rights, and provide evidential materials in respect thereof. The liquidation committee shall register the creditor’s rights.</p> <p>In the course of claiming of creditors’ rights, the liquidation committee shall not make any repayment to creditors.</p>

No.	Before amendment	After proposed amendment
25.	<p>Article 21.5 The liquidation committee shall exercise the following functions and powers:</p> <p>(I) To examine and take possession of the assets of the Company and prepare the balance sheet and a property inventory;</p> <p>(II) To inform creditors by notice or announcement;</p> <p>(III) To deal with the outstanding businesses of the Company relating to liquidation;</p> <p>(IV) To settle outstanding tax payment;</p> <p>(V) To settle creditor's rights and debts;</p> <p>(VI) To dispose of the remaining assets of the Company after repayment of debts; and</p> <p>(VII) To represent the Company in civil proceedings.</p>	<p>Article 21.5 The liquidation committee shall exercise the following functions and powers:</p> <p>(I) To examine and take possession of the assets of the Company and prepare the balance sheet and a property inventory;</p> <p>(II) To inform creditors by notice or announcement;</p> <p>(III) To deal with the outstanding businesses of the Company relating to liquidation;</p> <p>(IV) To settle outstanding tax payment and taxes arising from the liquidation;</p> <p>(V) To settle creditor's rights and debts;</p> <p>(VI) To dispose of the remaining assets of the Company after repayment of debts; and</p> <p>(VII) To represent the Company in civil proceedings.</p>
26.	<p>Article 21.6 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or the relevant competent authority for confirmation.</p> <p>The properties of the Company shall be liquidated in the following order of priority:</p> <p>(I) Liquidation fee;</p> <p>(II) Salaries and labour insurance premiums payable for the employees of the Company;</p> <p>(III) Outstanding taxes;</p> <p>(IV) Debts of the Company.</p> <p>The properties of the Company remaining after repayment as specified in the preceding paragraph shall be distributed to the shareholders as per the types of their shares and their shareholding percentages:</p> <p>The Company shall not conduct any new business activity in the course of liquidation.</p>	<p>Article 21.6 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or the relevant competent authority for confirmation.</p> <p>The properties of the Company shall be liquidated in the following order of priority:</p> <p>(I) Liquidation fee;</p> <p>(II) Salaries and social insurance premiums, statutory compensation payable for the employees of the Company;</p> <p>(III) Outstanding taxes;</p> <p>(IV) Debts of the Company.</p> <p>The properties of the Company remaining after repayment as specified in the preceding paragraph shall be distributed to the shareholders as per the types of their shares and their shareholding percentages:</p> <p>The Company shall not conduct any new business activity in the course of liquidation.</p> <p>The Company's assets shall not be distributed to its shareholders before payment is made pursuant to the foregoing provision.</p>

Save for the Proposed Amendments set out above, other provisions in the Articles of Association remain unchanged.

The Articles of Association and the Proposed Amendments are written in Chinese and English. If there is any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

The Proposed Amendments are subject to the approval of the Company's shareholders (the "Shareholders") by way of a special resolution at each of the Annual General Meeting (the "AGM") and the class meeting for holders of H Shares to be held immediately after the conclusion of the AGM and the class meeting for holders of domestic shares to be held immediately after the conclusion of the said class meeting for holders of H shares (the "Class Meetings") and the approval of, and registration or filing with, the relevant competent authorities in the PRC.

Special resolutions will be put to the Shareholders at the forthcoming AGM and Class Meetings for approving, among other things, the Proposed Amendments.

A circular, among other things, the Proposed Amendments, together with a notice to convene the AGM will be despatched to the Shareholders in due course.

On behalf of the Board
Weiqiao Textile Company Limited*
Ms. Zhang Hongxia
Chairman

Shandong, the PRC

29 March 2022

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

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