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JINGWEI TEXTILE MACHINERY COMPANY LIMITED

經緯紡織機械股份有限公司

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

(Stock Code: 0350)

## **PROPOSED CHANGE OF AUDITORS**

This announcement is made pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with a proposed change of the Company's auditors.

The board of directors (the "Board") of Jingwei Textile Machinery Company Limited (the "Company") hereby announces that it proposes to discontinue the engagement of UHY Vocation HK CPA Limited 天職香港會計師事務所有限公司 (Hong Kong certified public accountants, "UHY Hong Kong") as the international auditors of the Company for the financial year ending 31 December 2010, and to appoint Baker Tilly Hong Kong Limited 天職香港會計師事務所有限公司 (Hong Kong certified public accountants, "Baker Tilly HK") as the international auditors of the Company for the financial year ending 31 December 2010, subject to the approval by the shareholders of the Company ("Shareholders") at the extraordinary meeting of the Company ("EGM") to be convened on 30 November 2010.

The Company recently received a notice from Vocation International CPA Co., Ltd 天職國際會計師事務所有限公司 ("VICPA"), being the PRC auditors of the Company, and noted that VICPA has recently joined the network of Baker Tilly International as its sole representative in the People's Republic of China. As a consequence, the audit business in relation to H shares of Vocation International's former member in Hong Kong (i.e. UHY Hong Kong), was transferred to and merged with that of Baker Tilly Hong Kong Limited. The Company also noted that the Chinese name of Baker Tilly Hong Kong Limited has been changed into 天職香港會計師事務所有限公司.

UHY Hong Kong has confirmed in its letter dated 28 October 2010 to the Company that there are no circumstances connected with their cessation as the international auditors of the Company which they consider should be brought to the attention of the holders of securities of the Company. The Board also confirms that save for the reasons mentioned above, there are no circumstances in respect of the change of auditors which it considers should be brought to the attention of the holders of securities of the Company.

In connection with the above, on 5 November 2010, the controlling Shareholder, China Textile Machinery (Group) Company Limited (which then held about 33.83% of the total outstanding share capital of the Company), gave a notice to the Company, requesting for the inclusion in the agenda of the EGM of an additional proposed resolution to be considered and (if thought fit) approved by the Shareholders at the EGM regarding the above proposal for the discontinuation of the engagement of UHY Hong Kong as the international auditors of the Company for the financial year ending 31 December 2010, the appointment of Baker Tilly HK as the international auditors of the Company for the financial year ending 31 December 2010, and the authorisation of the Board to fix their remuneration.

A circular containing details of the proposed change of auditors together with a supplemental notice for the EGM will be despatched to holders of H-shares of the Company in due course.

By order of the Board  
**Jingwei Textile Machinery Company Limited**  
**Ye Maoxin**  
*Chairman*

Beijing, the PRC, 8 November 2010

*As at the date of this announcement, the Board comprises Mr. Ye Maoxin, Mr. Li Xiaohong, Mr. Yan Fuquan, Mr. Shi Tinghong and Mr. Yao Yuming, all being executive Directors, and Mr. Xu Wenyong, Mr. Liu Huangsong and Ms. An Guojun, all being independent non-executive Directors.*