

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Jingwei Textile Machinery Company Limited.

China Hi-Tech Holding Company Limited
(incorporated in Hong Kong with limited liability)

 **JINGWEI TEXTILE MACHINERY COMPANY LIMITED**
经纬纺织机械股份有限公司
(a joint stock limited company incorporated in the People's Republic of China)
(Stock Code: 350)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL CASH OFFER BY
UBS AG HONG KONG BRANCH
ON BEHALF OF
CHINA HI-TECH HOLDING COMPANY LIMITED
TO ACQUIRE ALL OF THE ISSUED H SHARES IN THE CAPITAL OF
JINGWEI TEXTILE MACHINERY COMPANY LIMITED**

AND

NEW CONDITION TO THE OFFER

**Financial Adviser to China Hi-Tech Holding
Company Limited**



UBS AG Hong Kong Branch

**Financial Adviser to Jingwei Textile Machinery
Company Limited**



First Shanghai Capital Limited

Independent Financial Adviser to the IBC



INTRODUCTION

Reference is made to the announcement jointly issued by the Offeror and the Company on 13 August 2015 in relation to the voluntary conditional cash offer for the H Shares (the “**Announcement**”). Terms defined in the Announcement shall have the same meanings herein unless the context requires otherwise.

The directors of the Offeror and the Company wish to announce that a new Condition will be added to the Offer.

NEW CONDITION TO THE OFFER

The directors of the Offeror and the Company were formally advised on 28 August 2015 that under the Company’s articles of association (the “**Articles**”), a special resolution is required to be passed by all the Shareholders (including the holders of A Shares) at an extraordinary general meeting (the “**EGM**”) to approve the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange (the “**New Condition**”). A special resolution is a resolution passed by more than two-thirds of the Shareholders present and voting at the EGM (a “**Special Resolution**”). Both CHG and China Textile Machinery are entitled to vote at the EGM.

As at the date of this announcement, CHG holds 19,012,505 A Shares and together with its subsidiary, China Textile Machinery, holds 238,207,179 A Shares, representing, in aggregate: (i) approximately 45.52% of the total issued A Shares; and (ii) approximately 33.83% of the total issued share capital of the Company.

At the time of the Announcement, the directors of the Offeror and the Company were of the view that the Conditions would comply with the requirements under the Articles. Subsequent to the publication of the Announcement, the directors of the Offeror and the Company has been advised by the Company’s PRC legal adviser that a special resolution will be required to be passed by all the Shareholders (including the holders of A Shares) at an extraordinary general meeting to approve the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange. Accordingly, the directors of the Offeror and the Company have concluded to add the New Condition to the Offer. The Offeror and the Company regrets that the New Condition was not included in the Announcement and that the failure to include such condition constitutes an inadvertent breach of the Takeovers Code. The SFC has indicated that it reserves the right to take appropriate action.

CONDITIONS OF THE OFFER

For completeness, the Offer will now be conditional upon:

- (a) the passing of a resolution approving the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at the H Share Class Meeting to be convened for this purpose by the Independent H Shareholders, provided that:

- (i) approval is given by at least 75% of the votes attaching to the H Shares held by the Independent H Shareholders that are cast either in person or by proxy; and
 - (ii) the number of votes cast (by way of poll) against the resolution is not more than 10% of the votes attaching to all the H Shares held by the Independent H Shareholders;
- (b) the passing of a Special Resolution approving the voluntary withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange at the EGM to be convened for this purpose by the Shareholders;
- (c) the Offeror having received (and, where permitted, such acceptances not having been withdrawn), at or before 4:00 pm on the Closing Date (or such other time as the Offeror may, subject to the Takeovers Code, decide), valid acceptances in respect of the Offer which, will result in the Offeror and any person acting in concert with it holding more than 75% of the H Shares as at the Closing Date;
- (d) all necessary authorisations, consents and approvals (including approval in-principle) of any governmental or regulatory body in relation to the Offer (including its implementation) having been obtained and remaining in full force and effect pursuant to the provision of any laws or regulations in Hong Kong, the PRC and other relevant jurisdictions; and
- (e) no governmental action, court order, proceeding, enquiry or investigation having been taken or made that has the effect of making unlawful or otherwise prohibiting or restricting the Offer or imposing any material conditions or obligations with respect to the Offer.

The Offeror reserves the right to waive Condition (c) above in part provided that the Offeror has received valid acceptances in respect of more than 50% of the H Shares. If any of the Conditions (including the New Condition) is not satisfied or (where applicable) waived on or before the Closing Date, the Offer will lapse unless the offer period is extended by the Offeror.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions (including the New Condition but other than Condition (c) above) so as to cause the Offer to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offer.

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). If the Conditions (including the New Condition) are satisfied or (where applicable) waived, the Offer will be extended for at least 28 days, and H Shareholders will be notified as soon as possible by way of an announcement in accordance with the Takeovers Code and the Listing Rules.

WARNING: H Shareholders and/or potential investors of the Company should note that the Offer is subject to the satisfaction or waiver (where applicable) of the Conditions (including the New Condition) in all respects. Accordingly, the Offer may or may not become unconditional. H Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the H Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

By order of the board of
China Hi-Tech Holding Company Limited
Ye Maoxin
Director

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

Beijing, the PRC, 2 September 2015

As at the date of this announcement, the board of directors of the Offeror comprises Mr. Ye Maoxin, Mr. Du Qianyi and Mr. Shi Tinghong.

As at the date of this announcement, the board of directors of CHG comprises Mr. Zhang Jie, Mr. Liu Haitao, Mr. Ye. Huicheng, Mr. Guo Guorong, Mr. Qi Zerui, Mr. Zhao Xiaogang and Mr. Jing Xinbao.

As at the date of this announcement, the Board comprises Mr. Ye Maoxin, Mr. Wang Jiangan, Mr. Yan Fuquan, Mr. Shi Tinghong and Mr. Yao Yuming, all being executive Directors, and Ms. Chen Jinrong, Ms. An Guojun and Mr. Niu Hongjun, all being independent non-executive Directors.

The directors of the Offeror and CHG jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group or the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and CHG) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror or CHG) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.