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**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: 0350)**

**NOTICE OF THE 2011 FIRST EXTRAORDINARY GENERAL MEETING,  
THE CLASS MEETING FOR HOLDERS OF A SHARES AND  
THE CLASS MEETING FOR HOLDERS OF H SHARES**

**NOTICE IS HEREBY GIVEN** that the following meetings of Jingwei Textile Machinery Company Limited (“Company”) will be held at Room 701, Level 7, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the People’s Republic of China on 11 October 2011:

- (1) the 2011 First Extraordinary General Meeting (“EGM”) will be held at 2:00 p.m. on 11 October 2011;
- (2) the class meeting for holders of domestic shares (“A Shares”) of the Company will be held immediately as soon as the conclusion of the EGM as stated in (1) above or the adjourned meeting thereof; and
- (3) the class meeting for holders of overseas listed foreign shares (“H Shares”) of the Company will be held immediately as soon as the conclusion of the A Shares class meeting as stated in (2) above or the adjourned meeting thereof.

These meetings are to be held for the following purposes:

**2011 FIRST EXTRAORDINARY GENERAL MEETING**

**I. Resolutions Relating to the Non-Public Issue of A Shares**

**Ordinary Resolutions**

1. To consider and approve the resolution relating to the conditional “Supplemental agreement to the subscription agreement for the non-public issue of A Shares of Jingwei Textile Machinery Company Limited” with China Hengtian Group Company Limited;

2. To consider and approve the resolution in relation to the adjustments to the non-public issue proposal of the Company involving connected transactions;
3. To consider and approve the resolution in relation to abandoning the purchase of minority interests in Zhongrong International Trust Co. Ltd.;
4. To consider and approve the resolution in relation to the signing of the “Supplemental agreement to the capital increase agreement of Zhongrong International Trust Co. Ltd.”;
5. To consider and approve the resolution in relation to the “Private offering of A Share budget proposal of Jingwei Textile Machinery Company Limited (Revised) (經緯紡織機械股份有限公司非公開發行A股股票預案(修訂版))”;
6. To consider and approve the resolution in relation to the “Feasibility study on private offering of A Share fund raising project of Jingwei Textile Machinery Company Limited (Revised) (經緯紡織機械股份有限公司非公開發行A股股票募集資金項目可行性研究報告(修訂版))”;
7. To consider and approve the resolution in relation to proposing the general meeting to authorize and give full authority to the Board of Directors and the relevant authorised persons to handle matters relating to the non-public issue of A Shares;

#### **Special Resolution**

8. To consider and approve the resolution in relation to the adjustments to the non-public issue of A Shares proposal of the Company;

## **II. Resolution Relating to the Issue of Medium-Term Notes**

#### **Special Resolution**

9. To consider and approve the resolution in relation to the issue of medium-term notes;

The Company proposed to apply to and register with the Dealer Association of Inter-bank Market of China for the issue of medium-term notes in an aggregate amount not exceeding RMB1.2 billion and a term not exceeding 5 years, the notes will have a face value of RMB100 per note with not more than 12,000,000 notes issued; the Company will seek opportunities for the one-off or in-phase issue within the effective period for registration (two years) of the Dealer Association of Inter-bank Market of China according to the actual capital needs, the interest rate for the issue will be determined according to the market condition of inter-bank bond markets and the results of book-building in each period of issue. The medium-term notes will be issued by the underwriter, Bank of Beijing Co., Ltd., in the national inter-bank bond market by way of standby commitment underwriting. The issuing targets are the institutional investors of the national inter-bank bond market (except buyers forbidden by national laws and regulations). The subscription will be by cash.

and authorize the Board of Directors of the Company to determine the specific terms, conditions and relevant matters for the issue of medium-term notes according to the needs of the Company and market conditions ;

### III. Resolution Relating to the Amendments to the “Rules of Procedures of The Board of Directors”

#### Special Resolution

10. To consider and approve the resolution in relation to the amendments to Appendix 2 of the Articles of Association – Rules of Procedures of the Board of Directors:

(a) “Original Article 7:

“the Company shall establish the Board of Directors consisting of 13 Directors with 1 Chairman, 2 Vice-Chairmen and 10 Directors, of which 5 are Independent Non-Executive Directors. Election and removal of the Chairman and Vice-Chairmen shall be approved by more than half of all the members of the Board. The Chairman and Vice-Chairmen shall serve for a term of three years and shall be eligible for re-election.”

Article 7 is proposed to be amended as:

“the Company shall establish the Board of Directors consisting of 9 Directors with 1 Chairman, 1 Vice-Chairman and 7 Directors, of which 4 are Independent Non-Executive Directors. Election and removal of the Chairman and Vice-Chairman shall be approved by more than half of all the members of the Board. The Chairman and Vice-Chairman shall serve for a term of three years and shall be eligible for re-election.”

(b) “Original Article 31:

“The Board of Directors may, in accordance with the provisions of Listed Company Governance Regulations and the actual needs, establish special committees of investment decision-making, financial audit, staff nomination and remuneration and technology, etc. Members of the special committees shall all consist of directors.

1. The major functions and duties of the investment decision-making committee are to research on the Company’s long-term development strategy and major investment decision-making and raise proposals.
2. The major functions and duties of the financial audit committee are (1) To propose appointment or replacement of external audit firm; (2) To supervise the internal audit system of the Company and its implementation; (3) To take charge of communication between internal audit and external audit work; (4) To review the financial information of the Company and its disclosure; (5) To examine the internal control system of the Company.
3. The major functions and duties of the staff nomination and remuneration committee are: (1) To study the criteria and procedures of selecting directors and managers and submit proposals; (2) To search for qualified directors and managers from all sides; (3) To examine the candidates of directors and the selections of managers and submit proposals; (4) To study and examine the remuneration policy and scheme for directors and senior management staff.

4. The major functions and duties of the technology committee are: (1) To submit implementation scheme and strategy in relation to technological issues of the Company; (2) To check major technological projects of the Company and submit proposals.

Article 31 is proposed to be amended as:

“The Board of Directors may, in accordance with the provisions of Listed Company Governance Regulations and the actual needs, establish special committees such as strategic committee, audit committee, and staff nomination and remuneration committee. Members of the special committees shall all consist of directors.

1. The major functions and duties of the strategic committee are to research on the Company’s development strategy, major investment and financing decision-making, technical planning and decision-making on technologies and raise proposals.
2. The major functions and duties of the audit committee are (1) To propose appointment or replacement of external audit firm; (2) To supervise the internal audit system of the Company and its implementation; (3) To take charge of communication between internal audit and external audit work; (4) To review the financial information of the Company and its disclosure; (5) To examine the internal control system of the Company.
3. The major functions and duties of the staff nomination and remuneration committee are: (1) To study the criteria and procedures of selecting directors and managers and submit proposals; (2) To search for qualified directors and managers from all sides; (3) To examine the candidates of directors and the selections of managers and submit proposals; (4) To study and examine the remuneration policy and scheme for directors and senior management staff.”

### **Class Meeting for Holders of A Shares**

#### **Ordinary Resolutions**

1. To consider and approve the resolution relating to the conditional “Supplemental agreement to the subscription agreement for the non-public issue of A Shares of Jingwei Textile Machinery Company Limited” with China Hengtian Group Company Limited;
2. To consider and approve the resolution in relation to the “Private offering of A-share budget proposal of Jingwei Textile Machinery Company Limited (Revised) (經緯紡織機械股份有限公司非公開發行A股股票預案(修訂版))”;

#### **Special Resolution**

3. To consider and approve the resolution in relation to the adjustments to the non-public issue of A Shares proposal of the Company;

## Class Meeting for Holders of H Shares

### Ordinary Resolutions

1. To consider and approve the resolution relating to the conditional “Supplemental agreement to the subscription agreement for the non-public issue of A Shares of Jingwei Textile Machinery Company Limited” with China Hengtian Group Company Limited;
2. To consider and approve the resolution in relation to the “Private offering of A-share budget proposal of Jingwei Textile Machinery Company Limited (Revised) (經緯紡織機械股份有限公司非公開發行A股股票預案(修訂版))”;

### Special Resolution

3. To consider and approve the resolution in relation to the adjustments to the non-public issue of A Shares proposal of the Company.

By the order of the Board  
**Jingwei Textile Machinery Company Limited**  
**Ye Xuehua**  
*Company Secretary*

Beijing, the PRC  
15 August 2011

#### *Notes:*

#### 1. Book Closure

Holders of the Company’s H Shares whose names appear in the Company’s registers of members at close of business on 10 September 2011 are entitled to attend the EGM and the Class Meeting for holders of H Shares by showing their identity cards or passports.

Holders of H Shares in the Company please note that the register of holders of H Shares will be closed for 30 days (from 10 September 2011 to 11 October 2011, both dates inclusive) prior to the EGM, during which period transfers of H Shares will not be effected. To qualify for the attendance of the EGM and the Class Meeting for holders of H Shares, all transfer documents accompanied by share certificates must be lodged with the Company’s share registrar and transfer office for H Shares, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at or before 4 p.m. on 9 September 2011. The book closure dates for holders of A Shares will be announced separately.

2. A member entitled to attend and vote at the EGM, the Class Meeting for holders of H Shares and/or the Class Meeting for holders of A Shares is entitled to appoint one or more proxies (whether they are members of the Company or not) to attend and vote on his/her/its behalf at the meeting(s).

3. The instrument appointing a proxy must be in writing signed by the appointer or his attorney duly authorised in writing. For appointer who is a legal person, the instrument appointing proxy should be signed under its seal or signed by its director or an attorney duly authorised in writing. For the instrument appointing proxy signed by an authorised person, the power of attorney or other documents of authorization must be notarised. To be valid, the notarised power of attorney or other documents of authorisation and the proxy form must be delivered to the Secretariat to the Board of the Company not less than 24 hours before the time appointed for holding of the EGM, the Class Meeting for holders of H Shares and the Class Meeting for holders of A Shares.
4. A member intending to attend the EGM, the Class Meeting for holders of H Shares and/or the Class Meeting for holders of A Shares should return the accompanying reply slip in writing to the Secretariat to the Board to the Company before 5:00 p.m. on 21 September 2011 either in person, by mail, registered mail or facsimile. Such reply, however, will not preclude a member from attending the meeting.
5. Members attending the EGM, the Class Meeting for holders of H Shares and/or the Class Meeting for holders of A Shares which are expected to last half a day, should be responsible for their own travelling, lodging and the related costs.
6. Details of the Secretariat to the Board of the Company are as follows:  
Level 7, First Shanghai Centre  
39 Liangmaqiao Road  
Chaoyang District  
Beijing  
the PRC  
Tel: (8610)-8453 4078 Extension 8501  
Fax: (8610)-8453 4135  
Postal code: 100125
7. Resolutions no. 1-10 in the notice of EGM have been passed in the tenth meeting of the sixth Board of Directors held on 15 August 2011. Further details and information of these resolutions can be referred to the relevant announcement posted on the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>).
8. Regarding resolution no. 8 in the notice of EGM, resolution no. 3 in the notice of class meeting for holders of A Shares and resolution no. 3 in the notice of class meeting for holders of H Shares, the resolution “Proposal relating to the non-public issue of A Shares of the Company” was passed by the Company in the 2010 annual general meeting, class meeting for holders of A Shares and class meeting for holders of H Shares respectively held on 14 June 2011. Relevant works involved in the non-public issue of A Shares of the Company are in progress. According to the progress of the relevant matters related to the non-public issue of A Shares, the Board of Directors proposes to make the following adjustments to part of the contents of the proposal for the non-public issue of A shares considered and approved in the Company’s 2010 annual general meeting, class meeting for holders of A Shares and class meeting for holders of H Shares. Details of the adjustments are as follows:

Relevant parts of the original proposal for the non-public issue of A Shares considered and approved:

“3. Number of shares to be issued

The number of A Shares in this round of private offering shall not exceed 101.67 million shares (including 101.67 million shares). The de facto controlling party, China Hengtian Group Company Limited (hereinafter referred to as “CHG”) shall make cash subscription in this round of private offering of A-shares with a minimum of RMB275,000,000, and a maximum of RMB300,000,000. The specific number of shares subscribed shall be determined in accordance with the actual issue price of this private offering of A Shares. China Textile Machinery (Group) Company Limited, our controlling shareholder (hereinafter referred to as “CTMC”) will use the debt attributable to the tax rebate on imported critical parts and accessories of jet loom, automatic winder in the form of state allocation funds in the amount of RMB79,534,244.97 which have not yet been converted into additional capital and the debt attributable to the funds allocated under the State-owned Capital Operation Budget Project in the amount of RMB60,000,000 which have not yet been converted into additional capital (total: RMB139,534,244.97) to subscribe for this private offering of A Shares. The specific number of shares subscribed shall be determined in accordance with the actual issue price of this private offering of A Shares.

If there are ex-rights and ex-dividend events such as payment of dividends, bonus issue and capitalization of capital reserve, issue of additional new shares or placing etc in relation to the Company’s A Shares in this issue during the period between the price determination date and the issue date, the maximum number of A Shares to be issued in this issue and the maximum number of Subscription Shares of CHG and CTMC will be adjusted according to the total amount of funds to be raised and the ex-dividend and ex-rights minimum issue price, the specific adjustment will be determined by the Board of Directors.

4. Target allottees and subscription method

The target allottees of this issue of shares are not more than 10 designated investors including the de facto controlling party, CHG and controlling shareholder, CTMC. With the exception of CHG and CTMC, the other target allottees shall be securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors (including the proprietary accounts or investment product accounts under management of the above investors) other domestic corporate bodies and natural persons etc in compliance with the stipulations of China Securities Regulatory Commission. If a fund management company holds the Shares under several investment accounts, it is deemed as one target allottee. Except for CHG, CTMC, the other designated investors will be selected by the Company and the sponsor (major underwriter) after obtaining the approval document of this private offering of Issue of A Shares. The selection will be by way of highest bidder and in accordance with the situation of the subscription and quotation by the target allottees and in compliance with the relevant regulations of the China Securities Regulatory Commission.

This private offering adopts a combined method of subscription by debt capitalization and cash subscription. CTMC, the controlling shareholder, will subscribe for this private offering of A Shares by capitalization of the debt being the reserve held by it on behalf of the State in the amount of RMB139,534,244.97 which has not been converted into additional capital (including the debt attributable to the tax rebate on imported critical parts and accessories of jet loom, automatic winder in the form of state allocation funds in the amount of RMB79,534,244.97 and the debt attributable to the funds allocated under the State-owned Capital Operation Budget Project in the amount of RMB60,000,000), which portion will not raise cash in the issue. On top of this, CHG, the de facto controlling party, will subscribe for the A Shares in this private offering by cash of not less than RMB275,000,000 and not more than RMB300,000,00, all the other investors in the market will subscribe for the A Shares in this private offering by cash.

Relevant parts of the proposal for the non-public issue of A Shares after adjustments:

“3. Number of shares to be issued

The number of A Shares in this round of private offering shall not exceed 101.67 million shares (including 101.67 million shares). China Textile Machinery (Group) Company Limited, our controlling shareholder (hereinafter referred to as “CTMC”) will use the debt attributable to the tax rebate on imported critical parts and accessories of jet loom, automatic winder in the form of state allocation funds in the amount of RMB79,534,244.97 which have not yet been converted into additional capital and the debt attributable to the funds allocated under the State-owned Capital Operation Budget Project in the amount of RMB60,000,000 which have not yet been converted into additional capital (total: RMB139,534,244.97) to subscribe for this private offering of A Shares. The specific number of shares subscribed shall be determined in accordance with the actual issue price of this private offering of A Shares. If after CTMC has subscribed for the Issue of A Shares by capitalization of debt in the above amount, the shareholding of the Company held by CTMC is less than 33.83%, CHG shall subscribe for the Issue of A Shares by way of cash in an amount not more than RMB300,000,000 and ensure that after the Issue of A shares is completed, the aggregate shareholding of the Company held by CHG and CTMC shall not exceed 33.83%. The number of Shares to be subscribed by CHG in the Issue of A Shares shall be determined according to the actual situation after the above-mentioned conditions have been fulfilled.

If there are ex-rights and ex-dividend events such as payment of dividends, bonus issue and capitalization of capital reserve, issue of additional new shares or placing etc in relation to the Company’s A Shares in this issue during the period between the price determination date and the issue date, the maximum number of A Shares to be issued in this issue and the maximum number of Subscription Shares of CHG and CTMC will be adjusted according to the total amount of funds to be raised and the ex-dividend and ex-rights minimum issue price, the specific adjustment will be determined by the Board of Directors.

4. Target allottees and subscription method

The target allottees of this issue of shares are not more than 10 designated investors including the de facto controlling party, CHG and controlling shareholder, CTMC. With the exception of CHG and CTMC, the other target allottees shall be securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors (including the proprietary accounts or investment product accounts under management of the above investors) other domestic corporate bodies and natural persons etc in compliance with the stipulations of China Securities Regulatory Commission. If a fund management company holds the Shares under several investment accounts, it is deemed as one target allottee. Except for CHG, CTMC, the other designated investors will be selected by the Company and the sponsor (major underwriter) after obtaining the approval document of this private offering of Issue of A Shares. The selection will be by way of highest bidder and in accordance with the situation of the subscription and quotation by the target allottees and in compliance with the relevant regulations of the China Securities Regulatory Commission.

This private offering adopts a combined method of subscription by debt capitalization and cash subscription. CTMC, the controlling shareholder, will subscribe for this private offering of A Shares by capitalization of the debt being the reserve held by it on behalf of the State in the amount of RMB139,534,244.97 which has not been converted into additional capital (including the debt attributable to the tax rebate on imported critical parts and accessories of jet loom, automatic winder in the form of state allocation funds in the amount of RMB79,534,244.97 and the debt attributable to the funds allocated under the State-owned Capital Operation Budget Project in the amount of RMB60,000,000), that portion will not raise cash in the issue. If after CTMC has subscribed for the Issue of A Shares by the above capitalization of debt, the shareholding of the Company held by CTMC is less than 33.83%, CHG shall subscribe for the Issue of A Shares by way of cash in an amount not more than RMB300,000,000 and ensure that after this issue is completed, the aggregate shareholding of the Company held by CHG and CTMC shall not exceed 33.83%. The number of Issue of A Shares to be subscribed by CHG in this non-public issue of A Shares will be determined according to the actual situation of this non-public Issue of A Shares after the above-mentioned conditions have been fulfilled. Besides, all the other investors in the market will subscribe for the A Shares in this private offering by cash.

Apart from the above adjustments, other contents of the proposal of the non-public issue of A Shares originally considered and approved in the 2010 general meeting, class meeting for holders of A Shares and class meeting for holders of H Shares remain unchanged.

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

*This notice is originally prepared in Chinese. In case of discrepancy between the Chinese and the English versions, the Chinese version shall prevail.*