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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: 0350)

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

PROPOSED WITHDRAWAL OF LISTING OF H SHARES

AND

RESUMPTION OF TRADING

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

Financial Adviser to the Company



UBS AG Hong Kong Branch



First Shanghai Capital Limited

Independent Financial Adviser to the IBC



THE OFFER

On 13 August 2015, the Offeror informed the Board that UBS will, on behalf of the Offeror, make a voluntary conditional general offer for all the issued H Shares.

The Offeror will not make an offer for the A Shares. The Offeror has obtained confirmation from the Shenzhen Stock Exchange that no offer will be required to be made for the A Shares.

Consideration for the Offer

The Offer will be made on the following basis:

For each H Share HK\$12.00 in cash

As at the date of this announcement, there are 180,800,000 H Shares in issue. On the basis of the Offer Price of HK\$12.00 per H Share, the aggregate amount payable by the Offeror under the Offer will be HK\$2,169.6 million on the assumption that the Offer is accepted in full.

Confirmation of financial resources

The acquisition of the H Shares pursuant to the Offer will be financed entirely by internal cash resources of the Offeror.

UBS has been appointed as the financial adviser to the Offeror in respect of the Offer. UBS is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

CONDITIONS OF THE OFFER

The Offer will 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 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;
- (c) 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
- (d) 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 (b) 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 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 (other than Condition (b) 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 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 (where applicable) waiver of the Conditions 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.

Withdrawal of listing of the H Shares

Upon the Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. H Shareholders will be notified by way of an announcement of the date of the last day of dealings in the H Shares and on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective.

No right of compulsory acquisition

The Offeror has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the Offer and the Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will not continue to be subject to the Listing Rules and may not continue to be subject to the Takeovers Code after the completion of the Offer and the rights of Independent H Shareholders to certain information of the Company will be reduced.

The Offeror will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

Ms. Chen Jinrong, Ms. An Guojun and Mr. Niu Hongjun (each being an independent non-executive Director) have been appointed as members of the IBC in respect of the Offer.

Gram Capital has been appointed as the independent financial adviser to advise the IBC in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Such appointment has been approved by the IBC pursuant to Rule 2.1 of the Takeovers Code.

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Hong Kong Stock Exchange was suspended with effect from 9:02 am on 11 August 2015 pending the release of this announcement. Application has been made for the resumption of trading in the H Shares with effect from 9:00 am on 14 August 2015.

INTRODUCTION

Reference is made to the announcements made by the Company on 20 March 2014, 17 April 2014, 16 May 2014, 16 June 2014, 16 July 2014, 15 August 2014, 15 September 2014, 15 October 2014, 15 November 2014, 15 December 2014, 15 January 2015, 14 February 2015, 13 March 2015, 13 April 2015, 15 May 2015, 15 June 2015, 16 July 2015 and 28 July 2015 pursuant to Rule 3.7 of the Takeovers Code relating to the possible voluntary conditional general offer for the H Shares being considered by CHG.

THE OFFER

On 13 August 2015, the Offeror informed the Board that UBS will, on behalf of the Offeror, make a voluntary conditional general offer for all the issued H Shares.

The Offeror will not make an offer for the A Shares. The Offeror has obtained confirmation from the Shenzhen Stock Exchange that no offer will be required to be made for the A Shares.

As at the date of this announcement, the Company has an issued share capital comprising 180,800,000 H Shares and 523,330,000 A Shares.

Consideration for the Offer

The Offer will be made on the following basis:

For each H Share HK\$12.00 in cash

Comparisons of value

The Offer Price represents:

- (a) a premium of approximately 52.07% over the Initial Indicative Price;
- (b) a premium of approximately 97.69% over the closing price of HK\$6.07 per H Share as quoted on the Hong Kong Stock Exchange on the First Relevant Trading Day;
- (c) a premium of approximately 22.70% over the closing price of HK\$9.78 per H Share as quoted on the Hong Kong Stock Exchange on the Second Relevant Trading Day;
- (d) a premium of approximately 8.11% over the closing price of HK\$11.1 per H Share as quoted on the Hong Kong Stock Exchange on the Last Trading Day;
- (e) a premium of approximately 12.99% over the average closing price of approximately HK\$10.62 per H Share as quoted on the Hong Kong Stock Exchange over the five trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 18.93% over the average closing price of approximately HK\$10.09 per H Share as quoted on the Hong Kong Stock Exchange for the last 30 trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately 8.89% over the average closing price of approximately HK\$11.02 per H Share as quoted on the Hong Kong Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day; and
- (h) a premium of approximately 6.57% over the average closing price of approximately HK\$11.26 per H Share as quoted on the Hong Kong Stock Exchange for the last 90 trading days immediately prior to and including the Last Trading Day.

Highest and lowest trading prices

During the period beginning on 20 September 2013 (being six months preceding the commencement of the offer period) and ending on the Last Trading Day, the highest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$15.3 on 13 April 2015 and the lowest closing price of the H Shares as quoted on the Hong Kong Stock Exchange was HK\$4.95 on 12 November 2013.

Total consideration for the Offer

As at the date of this announcement, there are 180,800,000 H Shares in issue. On the basis of the Offer Price of HK\$12.00 per H Share, the aggregate amount payable by the Offeror under the Offer will be HK\$2,169.6 million on the assumption that the Offer is accepted in full.

Confirmation of financial resources

The acquisition of the H Shares pursuant to the Offer will be financed entirely by internal cash resources of the Offeror.

UBS has been appointed as the financial adviser to the Offeror in respect of the Offer. UBS is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

Terms of the Offer

Under the terms of the Offer, the H Shares will be acquired: (i) with all rights attached thereto as at the date of this announcement, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement; and (ii) free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Hong Kong stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by each accepting H Shareholder at the rate of HK\$1.00 per HK\$1,000 (or part thereof) of the consideration payable by the Offeror for such person's H Shares and will be deducted from the cash amount due to such accepting H Shareholder. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf.

Settlement of consideration

Settlement of consideration in respect of acceptances of the Offer will be made as soon as possible but in any event within seven Business Days following the later of the date of on which the Offer becomes, or is declared, unconditional and the date of receipt of a complete and valid acceptance in respect of the Offer.

CONDITIONS OF THE OFFER

The Offer will 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 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;
- (c) 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
- (d) 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 (b) 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 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 (other than Condition (b) 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 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 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.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this announcement:

Name of Shareholders	Number of Shares held	Approximate % of total Shares in issue
A Shares		
<i>The Offeror and its concert parties</i>		
CHG	19,012,505	2.70
China Textile Machinery	219,194,674	31.13
<i>Independent holders of A Shares</i>	285,122,821	40.49
H Shares		
<i>The Offeror and its concert parties</i>		
	0	0
<i>Independent H Shareholders</i>	180,800,000	25.68
	<hr/>	<hr/>
Total Shares in issue	704,130,000	100.00
	<hr/> <hr/>	<hr/> <hr/>

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or securities convertible into Shares.

INFORMATION ON THE GROUP

Principal activities

The Company is public limited company incorporated in the PRC with its H Shares listed on the Main Board of the Hong Kong Stock Exchange and its A Shares listed on the Shenzhen Stock Exchange. The H Shares were listed on the Hong Kong Stock Exchange on 2 February 1996. The Group is principally engaged in the manufacturing and sale of textile machinery and the provision of trust and fiduciary services in the PRC.

Financial information

Set out below is a summary of the audited consolidated results of the Group for each of the two financial years ended 31 December 2013 and 2014, as extracted from the accounts prepared in accordance with Hong Kong Financial Reporting Standards in the Company's 2014 annual report:

	For the year ended	
	31 December	
	2013	2014
	(audited)	(audited)
	RMB'000	RMB'000
Revenue	10,479,372	9,945,695
Profit before tax	2,482,224	2,796,336
Profit after tax	1,787,931	2,008,748

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in Hong Kong. It is a wholly-owned subsidiary of CHG, a state-owned enterprise established in the PRC which is wholly-owned by SASAC. CHG is principally engaged in the manufacturing and sale of textile machinery, textile production and trade, the development of new fiber materials and the manufacturing of commercial vehicles and heavy machinery. CHG has 22 subsidiaries including four companies whose shares are listed on the Hong Kong Stock Exchange and stock exchanges in the PRC.

REASONS FOR AND BENEFITS OF THE OFFER

The Offeror believes that the Offer provides an attractive opportunity for Independent H Shareholders to dispose of their H Shares, for the following reasons:

- **Premium valuation:** H Shareholders receive cash at a price above the prevailing market price as set out under the section headed "Comparisons of value" of this announcement;
- **Certain and immediate premium for illiquid H Shares:** the Offer represents an opportunity for H Shareholders to exit their investments for immediate cash, particularly in light of the recent low trading volume of the H Shares (the average trading volume of the H Shares as a percentage of the average H Share public float has been below 1.5% for the last three months, one year and three years), the Offer provides an opportunity to realise immediate value and, if they so wish, invest the monies received as part of the Offer in alternative investments with higher liquidity than the H Shares or use them for other purposes; and

- **Avoid holding unlisted shares:** upon the Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. If the H Shares are delisted from the Hong Kong Stock Exchange, the H Shares will become securities that are not listed or quoted on any stock exchange and the liquidity of the H Shares may be severely reduced.

Given the recent low trading volume of the H Shares, the Offeror believes that the Company's ability to raise funds from the public equity market in Hong Kong is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. Consequently, the Offeror considers that the costs and management resources associated with the maintenance of the Company's listing on the Stock Exchange, which are needed in order to access the public equity capital market in Hong Kong, are no longer warranted.

OFFEROR'S INTENTION IN RELATION TO THE GROUP

If the Offer is completed, the board of the Offeror intends that the Company will continue to carry on its existing business. Under current conditions, the Offeror has no plans, if the Offer is completed, to: (i) make any major disposal or redeployment of assets of the Group; (ii) discontinue the employment of the employees of the Group (other than in the ordinary course of business); or (iii) convert the unlisted H Shares to A Shares.

Withdrawal of listing of the H Shares

Upon the Offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from the Hong Kong Stock Exchange in accordance with Rule 6.12 of the Listing Rules. H Shareholders will be notified by way of an announcement of the date of the last day of dealing in the H Shares and on which the withdrawal of the listing of the H Shares on the Hong Kong Stock Exchange will become effective.

No right of compulsory acquisition

The Offeror has no rights under the laws of the PRC and the articles of association of the Company to compulsorily acquire the H Shares that are not tendered for acceptance pursuant to the Offer. Accordingly, Independent H Shareholders are reminded that if they do not accept the Offer and the Offer subsequently becomes unconditional in all respects, and the H Shares are delisted from the Hong Kong Stock Exchange, this will result in the Independent H Shareholders holding unlisted H Shares and the liquidity of the H Shares may be severely reduced. In addition, the Company will not continue to be subject to the Listing Rules and may not continue to be subject to the Takeovers Code after the completion of the Offer and the rights of Independent H Shareholders to certain information of the Company will be reduced.

The Offeror will apply to the Executive for a waiver from the requirements under Rule 2.2(c) of the Takeovers Code.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance or voting.

Ms. Chen Jinrong, Ms. An Guojun and Mr. Niu Hongjun (each being an independent non-executive Director) have been appointed as members of the IBC in respect of the Offer.

Gram Capital has been appointed as the independent financial adviser to advise the IBC in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Such appointment has been approved by the IBC pursuant to Rule 2.1 of the Takeovers Code.

GENERAL MATTERS RELATING TO THE OFFER

Overseas H Shareholders

The making of the Offer to persons who are not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions. It is the responsibility of any overseas H Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

In the event receipt of the Composite Document by overseas H Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that would be unduly burdensome in such overseas jurisdictions, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas H Shareholders. For that purpose, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Composite Document

It is the intention of the respective board of directors of the Offeror and the Company to combine the offer document and the offeree board circular into a composite offer document. The Composite Document will contain, among other things, the detailed terms of the Offer (including the expected timetable relating to the Offer), a letter from the IBC in relation to the Offer, a letter from Gram Capital to the IBC in respect of the Offer and a notice of the H Share Class Meeting and will be despatched within 21 days from the date of this announcement or such later date to which the Executive may consent.

Further agreements or arrangements

As at the date of this announcement:

- (a) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offer;
- (b) there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the H Shares or the Offeror which might be material to the Offer;
- (c) there is no agreement or arrangement to which the Offeror (nor any person acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer; and
- (d) there are no relevant securities in the Company which the Offeror (or any person acting in concert with it) (excluding those entities in the UBS group that are exempt principal traders or exempt fund managers) has borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

INTEREST IN SHARES

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. Neither CHG nor China Textile Machinery has any interest in the H Shares. China Textile Machinery is held as to 87.57% by CHG.

Save as mentioned above, neither the Offeror nor any person acting in concert with it (excluding those entities in the UBS group that are exempt principal traders or exempt fund managers) owns (or has control or direction over) any of the Shares, rights over the Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offer) or derivatives in respect of the Shares.

DISCLOSURE OF DEALINGS

As at the date of this announcement, the Company has an issued share capital comprising 180,800,000 H Shares and 523,330,000 A Shares, and does not have in issue any outstanding options, warrants, derivatives or securities convertible into Shares.

All Associates (including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the H Shares on the Hong Kong Stock Exchange was suspended with effect from 9:02 am on 11 August 2015 pending the release of this announcement. Application has been made for the resumption of trading in the H Shares with effect from 9:00 am on 14 August 2015.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly;
“A Shares”	ordinary shares with a par value of RMB1.00 each in the issued share capital of the Company which are listed on the Shenzhen Stock Exchange;
“Associate”	has the meaning given to it in the Takeovers Code;
“Board”	the board of Directors;

“Business Day”	a day on which the Hong Kong Stock Exchange is open for the transaction of business
“CHG”	中國恒天集團有限公司 (China Hi-Tech Group Corporation*), a state-owned enterprise established in the PRC which is wholly owned by SASAC and the controlling shareholder of the Company as at the date of this announcement;
“China Textile Machinery”	中國紡織機械(集團)有限公司 (China Textile Machinery (Group) Company Limited*), joint stock limited company incorporated in the PRC and a subsidiary of CHG;
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer (or any subsequent closing date as may be decided and announced by the Offeror and approved by the Executive);
“Company”	Jingwei Textile Machinery Company Limited, a public limited company incorporated in the PRC whose shares are listed on the main board of the Stock Exchange (Stock Code: 0350) and the Shenzhen Stock Exchange (Stock Code: 000666);
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company to all the H Shareholders in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offer;
“Conditions”	the conditions of the Offer, as set out under the paragraph headed “Conditions of the Offer” of this announcement;
“Directors”	directors of the Company, including the independent non-executive directors of the Company;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director;
“First Relevant Trading Day”	10 December 2013, being the last full trading day prior to the suspension of trading in the H Shares before the publication of the announcement made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO on 20 March 2014;
“Gram Capital” or “IFA”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser to advise the IBC in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer;

“Group”	the Company and its subsidiaries;
“H Shareholders”	registered holders for the time being of H Shares;
“H Shares”	ordinary shares with a par value of RMB1.00 each in the issued share capital of the Company which are listed on the Main Board of the Hong Kong Stock Exchange;
“H Share Class Meeting”	the special general meeting of the Independent H Shareholders to be convened, and any adjournment thereof, for the purpose of approving the withdrawal of the listing of the H Shares from the Hong Kong Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“IBC”	the independent committee of the Board comprising all the independent non-executive Directors, formed for the purpose of making a recommendation to the Independent H Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer;
“Independent H Shareholders”	H Shareholders other than the Offeror and persons acting in concert with it;
“Initial Indicative Price”	HK\$7.891, being the proposed offer price stated in the announcement made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO on 20 March 2014;
“Last Trading Day”	10 August 2015, being the last full trading day prior to the suspension of trading in the H Shares pending the release of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	the conditional voluntary general offer by UBS on behalf of the Offeror to acquire all the issued H Shares;
“Offeror”	China Hi-Tech Holding Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CHG;

“Offer Price”	the cash offer price of HK\$12.00 per H Share payable by the Offeror to the H Shareholders for each H Share accepted under the Offer;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC”	the State-owned Assets Supervision and Administration Commission of the PRC or its authorised local agency, as applicable;
“Second Relevant Trading Day”	14 July 2015, being the last full trading day prior to the suspension of trading in the H Shares before the publication of the announcement made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO on 28 July 2015;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shares”	the A Shares and the H Shares;
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC; and
“UBS”	UBS AG Hong Kong Branch, a corporation licensed by the SFC to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offer.

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, 13 August 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.

** For identification purposes only*