

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.

CHINA WEAVING MATERIALS HOLDINGS LIMITED 中國織材控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3778)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment of the Group's unaudited consolidated management accounts and information currently available to the Board, it is expected that the Group may record a consolidated net profit for the year ending 31 December 2020, instead of a consolidated net loss which was recorded for the year ended 31 December 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Weaving Materials Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the Group's unaudited consolidated management accounts for the eleven months ended 30 November 2020, the Group recorded a consolidated revenue and consolidated net profit of approximately RMB1,269 million and RMB25 million respectively. As such, it is expected that the Group may record a consolidated net profit for the year ending 31 December 2020 (the “**Year**”). In comparison, the consolidated revenue and consolidated net loss for the year ended 31 December 2019 was approximately RMB1,796 million and RMB20 million respectively.

The expected consolidated net profit of the Group for the Year is mainly attributable to the decrease in the impairment loss on property, plant and equipment (the “**PPE**”). The Group recognised an impairment loss on PPE of approximately RMB44 million for the year ended 31 December 2019 and the Group does not expect such impairment loss to recur for the Year.

The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2020 and information currently available to the Board. It is not based on any figures or information that has been audited or reviewed by the auditor of the Company. The results announcement of the Company for the Year is expected to be released by the end of March 2021 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Weaving Materials Holdings Limited
Zheng Hong
Chairman

The PRC, 15 December 2020

As at the date of this announcement, the Board comprises Mr. Zheng Yongxiang as the executive Director; Mr. Zheng Hong as the non-executive Director; and Ms. Zhang Baixiang, Mr. Xu Yiliang and Mr. Li Guoxing as the independent non-executive Directors.