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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)

CLARIFICATION ANNOUNCEMENT **RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Reference is made to the results announcement for the six months ended 30 June 2016 (the “**Announcement**”) of China Weaving Materials Holdings Limited (the “**Company**”) dated 26 August 2016. Unless otherwise defined, terms used herein shall have the same meaning as defined in the Announcement.

The Company wishes to make the following clarification:

On page 19 of the Announcement, the section headed “Code of Corporate Governance Practices” should be read as follows:

“CODE OF CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, during the six months ended 30 June 2016, the Company had complied with the code provisions of the existing Corporate Governance Code (the “CG Code”) and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). In respect of code provision C.2.5 of the CG Code, the Company did not have an internal audit (“IA”) function during the six months ended 30 June 2016. Taking into account the size and complexity of the operations of the Group and the potential costs involved in setting up an IA function, the Company considers that the existing organisation structure and the close supervision of the executive management team could provide sufficient internal control and risk management for the Group. The audit committee of the Board regularly reviews the effectiveness of the internal control systems and risk management of the Group. The Board will review the need for an IA function on an annual basis.”

By order of the Board
China Weaving Materials Holdings Limited
Cheung Chi Fai, Frank
Company Secretary

Hong Kong, 1 September 2016

As at the date of this announcement, the Board comprises Mr. Zheng Hong and Mr. Zheng Yongxiang as the executive Directors; Mr. Sze Irons BBS, JP as the non-executive Director; Ms. Zhang Baixiang, Mr. Nie Jianxin and Mr. Ng Wing Ka as the independent non-executive Directors.