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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: 03778)**

### **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 Group, it is expected that the Group may record a consolidated net profit for the year ended 31 December 2015 as compared to the audited consolidated net loss for the year ended 31 December 2014.

**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, Laws of Hong Kong) (the “**SFO**”). The board of directors (“**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (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 Group, it is expected that the Group may record a consolidated net profit for the year ended 31 December 2015 (the “**Year**”) as compared to the audited consolidated net loss for the year ended 31 December 2014.

The expected substantial increase in the consolidated net profit of the Group for the Year is mainly due to: i) the increase in turnover and gross profit of the Group as a whole resulting from the consolidation of the results of a subsidiary company acquired in January 2015; ii) the increase in gross profit margin of the Group due to the fact that the selling prices of the Group's yarn products decreased at a lower rate than that of the raw materials as a result of improvement in the product mix and marketing effect of the Group; iii) the increase in other income of the Group mainly resulting

from the receipt of certain insurance compensation and iv) the substantial decrease in loss from fire as the Group had further written off certain damaged parts of the building premises of approximately RMB 5.2 million for the Year by reference to inspection and assessment of the building structure compared with a loss of approximately RMB 52.1 million resulting from a fire accident for the year ended 31 December 2014 .

The Company is still in the process of finalizing its final results for the Year, which may be subject to further adjustments. The information contained in this announcement is not based on any figures nor information that has been audited or reviewed by the auditor of the Company and only reflects the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group and the information currently available to the Group. The results announcement of the Company for the Year is expected to be released in March 2016 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*

Hong Kong, 18 February 2016

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