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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Weaving Materials Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED BONUS ISSUE OF SHARES,
GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED CHANGE OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Weaving Materials Holdings Limited to be held at the Conference Room, 2nd Floor, the Office Building, Jinyuan Textile Company Limited, Jiangxi, Fengtian Development Zone, Fengxin County, Jiangxi Province, the PRC, at 10:30 a.m. on Thursday, 28 May 2015. is set out on pages 19 to 24 of this circular.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the commencement of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

27 April 2015

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DEFINITIONS

In this circular, unless otherwise stated, the following expressions have the following meanings:

“2014 Annual Report”	the annual report of the Company for the financial year ended 31 December 2014 dispatched to the Shareholders together with this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at the Conference Room, 2nd Floor, the Office Building, Jinyuan Textile Company Limited, Jiangxi, Fengtian Development Zone, Fengxin County, Jiangxi Province, the PRC, at 10:30 a.m. on Thursday, 28 May 2015, or any adjournment hereof
“Articles”	the articles of association of the Company adopted on 3 December 2011
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares to the Qualifying Shareholders on the basis of one Bonus Share for every ten existing Shares held on the Record Date
“Bonus Share(s)”	the new Share(s) proposed to be issued under the Bonus Issue
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Weaving Materials Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deloitte”	Deloitte Touche Tohmatsu, Certified Public Accountants
“Designated broker”	China System Securities Limited

DEFINITIONS

“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	23 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Board, after making enquiries, considers it necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant body or stock exchange in that place not to extend the Bonus Issue to them
“Notice”	the notice convening the Annual General Meeting as set out on pages 19 to 24 of this circular

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of member of the Company on the Record Date is/are outside Hong Kong
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholders”	Shareholders whose names are shown on the register of members of the Company on the Record Date (excluding the Non-qualifying Shareholders), who are entitled to participate in the Bonus Issue
“Record Date”	Monday, 8 June 2015, being the date for determination of entitlement to the Bonus Issue
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong as amended from time to time
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable of the Bonus Issue:

2015
(Hong Kong time)

Latest time for lodging transfers of the Shares for registration in order to be entitled to attend and vote at the Annual General Meeting	4:30 p.m. on Friday, 22 May
Latest time to return form of proxy for the Annual General Meeting	10:30 a.m. on Tuesday, 26 May
Closure of register of members of the Company for determination of entitlement to attend and vote at the Annual General Meeting	Tuesday, 26 May to Thursday, 28 May (both days inclusive)
Record date for determination of entitlement to attend and vote at the Annual General Meeting	Thursday, 28 May
Date and time of the Annual General Meeting	10:30 a.m. on Thursday, 28 May
Publication of poll results of the Annual General Meeting	Thursday, 28 May
Last day of dealing in the Shares on cum-entitlement basis	Monday, 1 June
First day of dealing in the Shares on ex-entitlement basis	Tuesday, 2 June
Latest time for lodging transfers of the Shares for registration in order to qualify for the Bonus Issue.	4:30 p.m. on Wednesday, 3 June
Closure of register of members of the Company for determination of entitlement under the Bonus Issue	Thursday, 4 June to Monday, 8 June (both days inclusive)
Record date for determination of entitlement to the Bonus Issue	Monday, 8 June
Register of members re-opens	Tuesday, 9 June
Dispatch of share certificates for the Bonus Shares	on or about Tuesday, 23 June
First day of dealing in the Bonus Shares on the Stock Exchange	on or about Wednesday, 24 June

EXPECTED TIMETABLE

Designated broker starts to stand in market to
provide matching services for sale and
purchase of odd lots of Shares 9:00 a.m. on Wednesday, 24 June

Designated broker ceases to stand in market to
provide matching services for sale and
purchase of odd lots of Shares 4:00 p.m. Wednesday, 15 July

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Zheng Hong (Chairman)

Mr. Zheng Yongxiang

Non-executive Director:

Mr. Sze Irons JP

Independent non-executive Directors:

Ms. Zhang Baixiang

Mr. Nie Jianxin

Mr. Ng Wing Ka

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Unit 806, 8/F, AXA Centre

151 Gloucester Road

Wanchai

Hong Kong

27 April 2015

To the Shareholders,

Dear Sir/Madam,

**PROPOSED BONUS ISSUE OF SHARES,
GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED CHANGE OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the proposed bonus issue of shares, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate (collectively the “Mandates”), the re-election of the retiring Directors, the proposed change of auditors, and to seek your approval of the resolutions to these matters at the Annual General Meeting.

BONUS ISSUE OF SHARES

The Board resolved on 26 March 2015 to recommend the Bonus Issue on the basis of one Bonus Share for every ten existing Shares held by the Qualifying Shareholders registered on the register of members of the Company on the Record Date. On the basis of

LETTER FROM THE BOARD

1,138,500,000 existing Shares in issue as at the Latest Practicable Date, and assuming (i) no further Shares will be issued or repurchased before the Record Date; and (ii) there are no Non-qualifying Shareholders, it is anticipated that 113,850,000 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid by way of capitalization of an amount standing to the credit of the share premium account of the Company. Immediately upon completion of the Bonus Issue, there will be a total of 1,252,350,000 Shares in issue as enlarged by the Bonus Issue.

Conditions of the Bonus Issue

The completion of the Bonus Issue is conditional upon:

- (i) the approval by the Shareholders at the Annual General Meeting;
- (ii) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and articles of association of the Company to conduct the Bonus Issue.

Application will be made to the Stock Exchange in respect of such approval for the listing of, and permission to deal in, the Bonus Shares.

Bonus Shares

It is expected that certificates for the Bonus Shares will be posted on or about 23 June 2015 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealing in the Bonus Shares is expected to commence on or about 24 June 2015.

Upon issuance, the Bonus Shares will rank *pari passu* in all respects with the Shares then in issue, including the entitlement to receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares.

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be cancelled by the Company.

Reasons for the proposed Bonus Issue

The Board proposed the Bonus Issue in recognition of the support of the Shareholders. In addition, the Directors believe that the Bonus Issue will enable the Shareholders to participate in the business growth of the Company by way of capitalization of a portion of the share premium account. Despite the theoretical

LETTER FROM THE BOARD

ex-entitlement price per Share will be reduced by the same proportion, which is calculated to be approximately HK\$0.69 using the closing share price as at the Latest Practicable Date, and the Bonus Issue is not expected to increase the Shareholders' proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders which will offer more flexibility in managing their own investment portfolios. The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarge the shareholder and capital base of the Company. Given the recent share placement exercise of the Company in November 2014, the Directors do not consider the timing appropriate for a similar exercise to enhance liquidity of the Shares for the time being.

Trading arrangement

Subject to grant of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares or such other date as may be determined by HKSCC. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operation Procedures in effect from time to time.

The Shares are not listed or dealt in on any stock exchange other than the Stock Exchange. The Directors do not intend to apply for the listing of, or permission to deal in, the Bonus Shares on any stock exchange other than the Stock Exchange.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

Odd Lot Matching Services

In order to alleviate the difficulties arising from the existence of odd lots of Bonus Shares arising from the Bonus Issue, the Company has appointed China System Securities Limited to provide matching service for sale and purchase of odd lots of Bonus Shares at the relevant market price per Bonus Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Bonus Shares to make up a full board lot, or to dispose of their holding of odd lots of the Bonus Shares. Shareholders who wish to utilise the service should contact China System Securities Limited at (852) 2115 3880, 12th Floor, Tung Hip Commercial Building, 252 Des Voeux Road Central, Hong Kong, during the period from Wednesday, 24 June 2015, to Wednesday, 15 July 2015, both days inclusive.

Holders of odd lots of the Bonus Shares should note that successful matching of sale and purchase of odd lots of the Bonus Shares is not guaranteed. If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

LETTER FROM THE BOARD

Overseas Shareholders

As at the Latest Practicable Date, there was no Shareholder whose address as shown on the register of members of the Company was outside Hong Kong. However, if, on the Record Date, the register of members of the Company reveals there are Overseas Shareholders, enquiry will be made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules as to whether the Bonus Issue to such Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholder(s) will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholder(s), no issue of the Bonus Shares will be made to such Overseas Shareholder(s).

Overseas Shareholders receiving a copy of the circular about the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless invitation could lawfully be made to him/her/it without requiring the Company or such Overseas Shareholders to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with unissued Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 1,138,500,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 227,700,000 Shares.

LETTER FROM THE BOARD

REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution at the Annual General Meeting. Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 113,850,000 Shares.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

EXTENSION MANDATE

In addition, an ordinary resolution will also be proposed at the Annual General Meeting to extend the Issue Mandate by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the shareholders of the Company in a general meeting prior to the next annual general meeting of the Company.

THE ANNUAL GENERAL MEETING

The Notice is set out on pages 19 to 24 of this circular.

The 2014 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2014 and the reports of the Directors and the auditors thereon are dispatched to the Shareholders together with this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and deposit the same with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the commencement of the Annual General

LETTER FROM THE BOARD

Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

RE-ELECTION OF DIRECTORS

Pursuant to Articles 83(3) of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

As such, Ms. Zhang Baixiang will retire from office as a Director at the forthcoming Annual General Meeting and will offer herself for re-election.

Pursuant to Article 84(1) of the Articles, at each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

As such, each of Mr. Nie Jianxin and Mr. Ng Wing Ka will retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

Particulars of each of Ms. Zhang Baixiang, Mr. Nie Jianxin and Mr. Ng Wing Ka are set out in Appendix II of this circular.

PROPOSED CHANGE OF AUDITORS

Reference is made to the announcement of the Company dated 20 April 2015 relating to the proposed change of auditors of the Company. Deloitte will retire as the auditors of the Company with effect from the conclusion of the forthcoming Annual General Meeting in accordance with the Articles and the existing terms of engagement with Deloitte.

As the Company and Deloitte could not reach a consensus on the audit fee for the financial year ending 31 December 2015, the Board, with the recommendation from the audit committee of the Company, has resolved to propose the appointment of RSM Nelson Wheeler, Certified Public Accountants, as the new auditors of the Company to replace Deloitte as the auditors of the Company and to hold office until the next annual general meeting of the Company, subject to the approval of the Shareholders at the Annual General Meeting.

The Company has received a confirmation letter dated 20 April 2015 from Deloitte confirming that up to the date of the said letter there are no matters connected with its retirement that need to be brought to the attention of the Shareholders. The Board has also confirmed that there are no circumstances or matters in respect of the proposed change of auditors which need to be brought to the attention of the Shareholders. The Board and the audit committee of the Company have confirmed that there is no disagreement between Deloitte and the Company and that the Board has no unresolved issue regarding the change of auditors.

LETTER FROM THE BOARD

VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Article 66 of the Articles.

RECOMMENDATION

The Directors believe that the proposed bonus issue of shares, grant of the Mandates, the re-election of the retiring Directors named above and the proposed change of auditors of the Company are in the interest of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolutions for approving the proposed bonus issue of shares, grant of the Mandates, the re-election of the retiring Directors and the proposed change of auditors of the Company at the Annual General Meeting.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 26 May 2015 to Thursday, 28 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the forthcoming Annual General Meeting to be held on Thursday, 28 May 2015, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 22 May 2015.

For the purpose of determining the Shareholders who are entitled to the proposed Bonus Shares, which is subject to the approval by the Shareholders at the Annual General Meeting, the register of members of its Company will be closed from Thursday, 4 June 2015, to Monday, 8 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to the proposed Bonus Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 3 June 2015.

Yours faithfully,
For and on behalf of the Board of
China Weaving Materials Holdings Limited
Zheng Hong
Chairman

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information as to the proposed Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,138,500,000 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 113,850,000 Shares, which represents 10% of the entire issued share capital of the Company as at the date of passing the resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the applicable laws of the Cayman Islands to be held; or
- (iii) revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

3. REASONS FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Law.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company (as compared with the financial position of the Company as at 31 December 2014 as disclosed in its latest financial statements contained in the 2014 Annual Report). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company. The amount of premium payable on a repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or out of capital of the Company.

5. SHARE PRICES

The Shares are trading on the Stock Exchange and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2014	1.16	0.87
May 2014	0.91	0.88
June 2014	0.90	0.85
July 2014	0.89	0.74
August 2014	0.88	0.78
September 2014	0.85	0.77
October 2014	0.83	0.72
November 2014	0.89	0.73
December 2014	0.99	0.76
January 2015	0.81	0.70
February 2015	0.81	0.75
March 2015	0.82	0.76
1 April 2015 to the Latest Practicable Date	0.86	0.68

6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercises its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 or Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, as far as the Directors are aware, substantial shareholders of the Company having an interest in 10% or more in the issued share capital of the Company are as follows:

Name of Shareholders	Nature of interest	Number of Shares interested	Approximate percentage of interest in the issued share capital of the Company
Mr. Zheng Hong	Interest in a controlled corporation	467,550,000 ⁽¹⁾	41.07%
Mr. Sze Irons <i>JP</i>	Interest in a controlled corporation	122,850,000 ⁽²⁾	10.79%

Notes:

- (1) These Shares are held by Popular Trend Holdings Limited, the entire issued share capital of which is owned by Mr. Zheng Hong.
- (2) These Shares are held by Flourish Talent Group Limited, the entire issued share capital of which is owned by Mr. Sze Irons *JP*.

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling shareholders (as defined in the Listing Rules) of the Company, namely Mr. Zheng Hong and Popular Trend Holdings Limited (the “**Controlling Shareholders**”) who together, control the exercise of 41.07% voting rights in the general meeting of the Company.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the attributable interest of the Controlling Shareholders in the Company would increase to approximately 45.63% of the issued share capital of the Company. As a result, Mr. Zheng Hong and Popular Trend Holdings Limited (and persons acting in concert with each of them) may be required to make a mandatory offer under Rule 26 of the Takeovers Code. The Company has no intention to repurchase Shares to such extent as such that an obligation to make a general offer under the Takeovers Code will be triggered.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months preceding the Latest Practicable Date.

8. GENERAL

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the Articles.

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

The details of the Directors eligible and offering themselves for re-election at the Annual General Meeting are set out below:

Ms. Zhang Baixiang (張百香)

Zhang Baixiang (張百香), aged 54, was appointed as an independent non-executive Director on 27 November 2014. Ms. Zhang has over 28 years of experience in corporate accounting and taxation. Ms. Zhang has been a Corporate Accountant in the PRC since 1993 and a PRC tax advisor since 1995. Ms. Zhang held various positions in the National Tax Bureau of the Fengxin County, Jiangxi Province (江西省奉新縣國稅局) including Accountant, Taxation Accountant and Chief Officer from 1982 to 2010. Ms. Zhang graduated with a diploma with specialization in taxation from the Cadres' Academy of Finance and Management in Jiangxi (江西財經管理幹部學院) in 1987 and with a degree in Economic Management from the Distance Learning Academy of the Central Parties' School (中央黨校函授學院) in 2013.

Save as disclosed above, Ms. Zhang has not held any other directorships in other listed public companies in the past three years and does not hold any other position with the Company and other members of the Group.

Ms. Zhang does not have any relationships with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Ms. Zhang was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Ms. Zhang has signed an appointment letter with the Company for an initial term of three years commencing on 27 November 2014 and may be terminated by not less than one month's prior notice in writing served by the Company. Ms. Zhang's emoluments recorded in 2014 was approximately RMB11,000 with reference to her experience, workload and time devoted to the Group.

Mr. Nie Jianxin (聶鑒新)

Nie Jianxin (聶鑒新), aged 53, was appointed as an independent non-executive Director on 3 December 2011. Mr. Nie has over 11 years of experience in the industry of chemical fabrics. He is a party committee secretary (院黨委書記) and the Vice President of China Hi-Tech (Jiangxi) Textile Design Institute Co., Ltd. (恒天(江西)紡織設計院有限公司), (formerly known as Jiangxi Province Textile Industry Research and Design Institute (江西省紡織工業科研設計院)). Mr. Nie has served various positions in Jiujiang Chemicals Fabrics Factory (九江化學纖維廠) including the deputy head of the factory and the vice chairman of the board of Jiujiang Chemical Fibre Co., Ltd. (九江化纖股份有限公司). Mr. Nie graduated from the South China Institute of Technology (華南工學院) (now known as the South China University of Technology (華南理工大學)) with a bachelor's degree in engineering with specialization in chemical fabrics in 1982. He received the qualifications of professor grade senior engineer (教授級高級工程師) in 2001. Mr. Nie was awarded 3rd honour for science & technology development (江西省科學技術進步獎) in the project named 300D/60F Delustering Viscose Rayon (300D/60F 消光粘膠人造絲) by the Peoples' Government of Jiangxi Province in 2002.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Save as disclosed above, Mr. Nie has not held any other directorships in other listed public companies in the past three years and does not hold any other position with the Company and other members of the Group.

Mr. Nie does not have any relationships with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Nie was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Nie has signed an appointment letter with the Company for a term of three years commencing on 22 December 2014 and may be terminated by not less than one month's prior notice in writing served by the Company. Mr. Nie's emoluments recorded in 2014 was approximately RMB119,000 with reference to his experience, workload and time devoted to the Group.

Mr. Ng Wing Ka (吳永嘉)

Ng Wing Ka (吳永嘉), aged 45, was appointed as an independent non-executive Director on 3 December 2011. He is the partner of Tung, Ng, Tse & Heung, Solicitors. He is now the legal adviser as to Hong Kong laws of the Foreign Economics and Trade Committee of the People's Government of Chongqing City (重慶市對外經濟貿易委員會) and Zhonghao Law Office (中豪律師事務所) in Chongqing City, the PRC. Mr. Ng is also the vice president of The Chinese Manufacturers' Association of Hong Kong and a member of the Chinese People's Political Consultative Conference of Chongqing City, the PRC. Since 2005, Mr. Ng has been the independent non-executive director of Yanchang Petroleum International Limited (formerly known as Sino Union Energy Investment Group Limited), a company listed on the Main Board of the Stock Exchange (stock code: 346). Mr. Ng graduated with a bachelor's degree in laws and a postgraduate certificate in laws from the University of Hong Kong in 1991 and 1992, respectively.

Save as disclosed above, Mr. Ng has not held any other directorships in other listed public companies in the past three years and does not hold any other position with the Company and other members of the Group.

Mr. Ng does not have any relationships with any Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Ng has signed an appointment letter with the Company for a term of three years commencing on 22 December 2014 and may be terminated by not less than one month's prior notice in writing served by the Company. Mr. Ng's emoluments recorded in 2014 was approximately RMB119,000 with reference to his experience, workload and time devoted to the Group.

Others

Save as disclosed above, there is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING

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)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Annual General Meeting**”) of China Weaving Materials Holdings Limited (the “**Company**”) will be held at the Conference Room, 2 nd Floor, the Office Building, Jinyuan Textile Company Limited, Jiangxi, Fengtian Development Zone, Fengxin County, Jiangxi Province, the PRC, at 10:30 a.m. on Thursday, 28 May 2015, to consider and, if thought fit, transact the following business:

ORDINARY BUSINESS

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditor of the Company for the year ended 31 December 2014;
2. to re-elect Ms. Zhang Baixiang as an independent non-executive director of the Company;
3. to re-elect Mr. Nie Jianxin as an independent non-executive director of the Company;
4. to re-elect Mr. Ng Wing Ka as an independent non-executive director of the Company;
5. to authorise the board of directors of the Company to fix the remuneration of the Company’s directors;
6. to appoint RSM Nelson Wheeler as the Company’s auditor and to authorise the board of directors of the Company to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification);

7. “**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Bonus Shares (as hereinafter defined) to be issued pursuant to this resolution:
 - (a) upon the recommendation of the directors of the Company, an amount standing to the credit of the share premium account of the Company be capitalized and accordingly the directors be and are hereby authorized and directed to apply such amount in paying up in full at par new ordinary shares of HK\$0.10 each in the capital of the Company (the

NOTICE OF THE ANNUAL GENERAL MEETING

“**Bonus Shares**”) and that such Bonus Shares, credited as fully paid, shall be allotted and distributed (subject as referred to in paragraph (b) below) to and among shareholders of the Company whose names appear on the register of members of the Company on Monday, 8 June 2015 (the “**Record Date**”), other than those shareholders whose addresses as shown on the register of members of the Company on the Record Date are in places outside Hong Kong and in respect of whom the directors of the Company, after making enquiries, consider to be necessary or expedient on account either of the legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Bonus Shares, on the basis of one Bonus Share for every ten existing shares of HK\$0.10 each in the capital of the Company then held on the Record Date (the “**Bonus Issue**”);

- (b) the total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number and if there are any fractional entitlements of the Bonus Shares, such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the shareholders, but will be cancelled by the Company;
- (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall rank pari passu in all respects with the Shares then in issue, including the entitlement to receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of the Bonus Shares; and
- (d) the directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares referred to in paragraph (a) of this resolution, including but not limited to determining the amount to be capitalized out of the share premium account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

8. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options and otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (i) 20 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution; and
 - (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent, of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of; or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

9. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase (or agree to repurchase) Shares of HK\$0.10 each in the capital of the Company on the Stock Exchange, or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 percent, of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
10. “**THAT** conditional on the passing of resolutions numbered 8 and 9 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 8 above be and is hereby extended by the addition to the aggregate nominal value of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 9 above.”

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

Hong Kong, 27 April 2015

As at the date of this notice, the directors of the Company are Mr. Zheng Hong and Mr. Zheng Yongxiang as the executive directors; Mr. Sze Irons JP, as the non-executive director; Ms. Zhang Baixiang, Mr. Nie Jianxin and Mr. Ng Wing Ka as the independent non-executive directors.

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Unit 806, 8/F, AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or, if he is the holder of two or more Shares, one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the offices of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the commencement of the Annual General Meeting or any adjournment thereof.
3. For the purpose of determining the Shareholders entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 26 May 2015, to Thursday, 28 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the Annual General Meeting to be held on Thursday, 28 May 2015, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 22 May 2015.

For the purpose of determining the Shareholders who are entitled to the proposed Bonus Shares, which is subject to the approval by the Shareholders at the Annual General Meeting, the register of members of its Company will be closed from Thursday, 4 June 2015, to Monday, 8 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to the proposed Bonus Shares, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 3 June 2015.

4. In relation to proposed resolutions numbered 8 and 10 above, approval is being sought from the Shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules.
5. In relation to proposed resolution numbered 9 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice of the annual general meeting forms part.
6. In the case of joint holders of a Share, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.