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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 DECLARATION OF FINAL DIVIDENDS, GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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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 Monday, 12 May 2014 is set out on pages 14 to 18 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 Shops 1712-1716, 17th 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.

4 April 2014

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## DEFINITIONS

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

“2013 Annual Report”	the annual report of the Company for the financial year ended 31 December 2013 dispatched to the Shareholders together with this circular
“Annual General Meeting”	the annual general meeting of the Company to be held at 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 Monday, 12 May 2014 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
“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
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“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”	28 March 2014, 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
“Notice”	the notice convening the Annual General Meeting as set out on pages 14 to 18 of this circular
“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
“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

## DEFINITIONS

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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. Chan Mei Bo, Mabel

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

4 April 2014

*To the Shareholders,*

Dear Sir/Madam,

**PROPOSED DECLARATION OF FINAL DIVIDENDS,  
GRANT OF GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

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

**DECLARATION OF FINAL DIVIDEND**

According to the announcement of the Company dated 21 March 2014, it was proposed by the Board for the payment of final dividends (the “**Final Dividends**”) in cash for the year ended 31 December 2013 of HK1.0 cent per Share on or around Thursday, 5 June 2014, to shareholders whose names appear on the register of members of the Company on Wednesday, 21 May 2014.

## LETTER FROM THE BOARD

The proposed Final Dividend of HK1.0 cent per Share is subject to approval by the Shareholders at the Annual General Meeting.

### 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 1,012,500,000 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 202,500,000 Shares.

### 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 101,250,000 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 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.

## LETTER FROM THE BOARD

### THE ANNUAL GENERAL MEETING

The Notice is set out on pages 14 to 18 of this circular.

The 2013 Annual Report incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2013 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 Shops 1712-1716, 17th 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.

### RE-ELECTION OF DIRECTORS

According 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. Zheng Yongxiang and Ms. Chan Mei Bo, Mabel will retire at the Annual General Meeting and, being eligible, will offer himself for re-election. Particulars of each of Mr. Zheng Yongxiang and Ms. Chan Mei Bo, Mabel are set out in Appendix II of this circular.

### 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 declaration of Final Dividends, grant of the Mandates and the re-election of the retiring Directors named above are in the interest of the Company and the Shareholders as a whole.

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions for approving the declaration of Final Dividends, grant of the Mandates and the re-election of the retiring Directors at the Annual General Meeting.



## LETTER FROM THE BOARD

### 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 Thursday, 8 May 2014 to Monday, 12 May 2014, 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 Monday, 12 May 2014, 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, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 7 May 2014.

For the purpose of determining the Shareholders who are entitled to the proposed Final Dividend, 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 Monday, 19 May 2014 to Wednesday, 21 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to the proposed Final Dividend, 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, Hong Kong for registration no later than 4:30 p.m. on Friday, 16 May 2014.

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 1,012,500,000 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 101,250,000 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 of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) revoked or varied by an ordinary resolution of the shareholders of the Company 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 2013 as disclosed in its latest financial statements contained in the 2013 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2013	0.89	0.79
May 2013	0.85	0.79
June 2013	0.83	0.77
July 2013	0.83	0.79
August 2013	0.84	0.75
September 2013	0.83	0.80
October 2013	0.95	0.80
November 2013	0.88	0.69
December 2013	1.70	0.75
January 2014	0.95	0.85
February 2014	0.98	0.89
1 March 2014 to the Latest Practicable Date	0.91	0.81

#### 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 <sup>(1)</sup>	46.18%
Mr. Sze Irons <i>JP</i>	Interest in a controlled corporation	122,850,000 <sup>(2)</sup>	12.13%

*Note:*

- (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 46.18% 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 51.31% 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 present 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 of the Company.

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:

### Mr. Zheng Yongxiang (鄭永祥)

Zheng Yongxiang (鄭永祥), aged 45, was appointed as an executive Director on 4 May 2011. Mr. Zheng Yongxiang has over 12 years of experience in textile industry. He has been a director of Jinyuan Textile Company Limited, Jiangxi (“**Jiangxi Jinyuan**”), Jolly Success International Limited and Treasure Resources Corporation Limited since 2005, 2011 and 2013 respectively, all of which are subsidiaries of the Company. He joined Jiangxi Jinyuan in 2005 as a general manager and is primarily responsible for formulating the policy and monitoring the operation of the Group. Prior to joining Jiangxi Jinyuan, Mr. Zheng Yongxiang served as the general manager of Shaoxing Gangtai Weaving Company Limited (紹興港泰針紡有限公司) from 2001 to 2005. He received the award of Outstanding Entrepreneur in 2007 (2007年度優秀企業家) from the Yichun Municipal Peoples’ Government in 2008. He was awarded the Outstanding Architects of Yichun in the Reforming and Open Up for 30 years (改革開放30年宜春市優秀建設者) in 2008 and the Best Ten Yichun Citizen (十佳宜春人) in 2009. Mr. Zheng Yongxiang is a representative of the Jiangxi Yichun Municipal People’s Congress (江西省宜春市人民代表大會) and the Chairman of Federation of Industry and Commerce of Fengxin County, Jiangxi Province (江西省奉新縣工商業聯合會). Mr. Zheng Yongxiang graduated from the Open University of China (中央廣播電視大學) with a diploma of accounting (finance and accounting) in 2010. Mr. Zheng Yongxiang is the elder brother of Mr. Zheng Hong, the Chairman and an executive Director of the Company.

Save as disclosed above, Mr. Zheng 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.

As at the Latest Practicable Date, Mr. Zheng was deemed to be interested, within the meaning of Part XV of the SFO, in 19,624,000 Shares, representing approximately 1.94% of the issued share capital of the Company. Save as aforementioned, Mr. Zheng was not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Zheng has entered into a service contract with the Company for a term of three years commencing from 22 December 2011 and may be terminated by not less than three months’ prior notice in writing served by either party on the other. Under the service contract, Mr. Zheng’s emoluments recorded in 2013 was approximately RMB977,000, including salaries and contribution to pension scheme, with reference to his experience, workload and time devoted to the Group.

### Ms. Chan Mei Bo, Mabel (陳美寶)

**Chan Mei Bo, Mabel (陳美寶)**, aged 42, was appointed as an independent non-executive Director on 3 December 2011. Ms. Chan is the founder of Mabel Chan & Co, Certified Public Accountants. Ms. Chan has over 19 years of experience in professional accounting field in Hong Kong. Ms. Chan is a Certified Public Accountant (Practising) in

## APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

Hong Kong, an associate of The Association of Chartered Certified Accountants (formerly known as The Chartered Association of Certified Accountants), is a member, a council member and was the vice president of The Hong Kong Institute of Certified Public Accountants (formerly known as the Hong Kong Society of Accountants) in 2013, and is an associate member of The Institute of Chartered Accountants in England and Wales. Ms. Chan is a certified tax adviser and a member of The Taxation Institute of Hong Kong. She was the president of The Society of Chinese Accountants and Auditors in 2010. She is also the past president and a council member of the Association of Women Accountants (Hong Kong) Ltd., and a member of The Hong Kong Institute of Directors. Ms. Chan was appointed as a member of the Financial Reporting Review Panel of The Financial Reporting Council by the Financial Secretary of Hong Kong, a member of the Create Smart Initiative Vetting Committee, a member of the Barristers Disciplinary Tribunal Panel and a member of the Public Affairs Forum of Hong Kong Secretariat Home Affairs Bureau. Ms. Chan was an independent non-executive director of Modern Education Group Limited (stock code: 1082) from June 2011 to September 2012 and has been serving as an independent non-executive director of Kingmaker Footwear Holdings Limited (stock code: 1170) since August 2011, both of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. She was also an independent non-executive director of Code Agriculture (Holdings) Limited (stock code: 8153) from October 2009 to April 2012 and has been serving as an independent non-executive director of South China Land Limited (stock code 8155) since May 2013, both of which are listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. Ms. Chan graduated with a master degree of business administration from the Hong Kong University of Science and Technology in 2000 and a degree of bachelor of arts in accountancy from City Polytechnic of Hong Kong (now known as City University of Hong Kong) in 1993.

Save as disclosed above, Ms. Chan 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.

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

Ms. Chan has signed an appointment letter with the Company for an initial term of three years commencing from 3 December 2011 and may be terminated by not less than one month's prior notice in writing served by the Company. Under the appointment letter, Ms. Chan's emoluments recorded in 2013 was approximately RMB120,000 with reference to her 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 Monday, 12 May 2014 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 2013;
2. to declare a final dividend (the “**Final Dividend**”) of HK1.0 cent per ordinary share of HK\$0.10 each in the shares capital of the Company (each, a “**Share**”) for the year ended 31 December 2013 to the shareholders of the Company;
3. to re-elect Mr. Zheng Yongxiang as an executive director of the Company;
4. to re-elect Ms. Chan Mei Bo, Mabel 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 re-appoint Deloitte Touche Tohmatsu 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:**

- (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



## NOTICE OF THE ANNUAL GENERAL MEETING

Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (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).”

8. “**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.”
9. “**THAT** conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 7 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 8 above.”

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

Hong Kong, 4 April 2014

*As at the date of this notice, the directors of the Company are Mr. Zheng Hong and Mr. Zheng Yong Xiang as the executive directors; Mr. Sze Irons JP, as the non-executive director; Ms. Chan Mei Bo, Mabel, Mr. Nie Jianxin and Mr. Ng Wing Ka as the independent non-executive directors.*

*Registered office:*

Cricket Square, Hutchins Drive PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*

Unit 806, 8/F, AXA Centre  
151 Gloucester Road  
Wan Chai  
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 Shops 1712-1716, 17th 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 of the Company entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 8 May 2014 to Monday, 12 May 2014, 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 Monday, 12 May 2014, 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, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 7 May 2014.

For the purpose of determining the shareholders of the Company who are entitled to the proposed Final Dividend, which is subject to the approval by the shareholders of the Company at the Annual General Meeting, the register of members of its Company will be closed from Monday, 19 May 2014 to Wednesday, 21 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to the proposed Final Dividend, 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, Hong Kong for registration no later than 4:30 p.m. on Friday, 16 May 2014.

4. In relation to proposed resolutions numbered 7 and 9 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. The directors have no immediate plans to issue any new shares of the Company.
5. In relation to proposed resolution numbered 8 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 of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the 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.