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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)**

### **PROFIT ALERT – REDUCTION IN LOSS**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts and information currently available to the Board, it is expected that the Group may record a consolidated net loss of approximately RMB3.0 million for the six months ended 30 June 2024 as compared to a consolidated net loss of approximately RMB9.6 million for the six months ended 30 June 2023.

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

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

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts and information currently available to the Board, it is expected that the Group may record a consolidated net loss of approximately RMB3.0 million for the six months ended 30 June 2024 (the “**Period**”) as compared to a consolidated net loss of approximately RMB9.6 million for the six months ended 30 June 2023.

The expected reduction in consolidated net loss of the Group for the Period is mainly attributable to the increase in gross profit resulting from increase in revenue and increase in gross profit margin of the Group's yarn products. Based on the information currently available to the Board, the Group is expected to record consolidated revenue of approximately RMB578 million for the Period as compared to consolidated revenue of approximately RMB456 million for the six months ended 30 June 2023. The increase in revenue was mainly due to the increase in sales volume of the Group's yarn products resulting from improvement in market conditions. The increase in gross profit margin was mainly due to improvement in market conditions and change in product mix as the Group focused more on high end products, such as polyester-fine combed cotton blended yarn products, which generally deliver a higher margin.

The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Period and information currently available to the Board, which has not been audited or reviewed by the auditor of the Company or the audit committee of the Company, and may be subject to further adjustments. The results announcement of the Company for the Period is expected to be released by the end of August 2024 in accordance with the Listing Rules.

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

By Order of the Board  
**China Weaving Materials Holdings Limited**  
**Cheung Chi Fai Frank**  
*Company Secretary*

Hong Kong, 19 August 2024

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