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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)**

**TERMINATION OF CONTINUING CONNECTED TRANSACTION  
FRAMEWORK SUPPLY AGREEMENT WITH BAOYUAN**

Reference is made to the announcement of China Weaving Materials Holdings Limited (the “**Company**”) dated 7 July 2017 (the “**Announcement**”) and the circular of the Company dated 18 August 2017 (the “**Circular**”) in relation to, among other things, the entering into of the Framework Supply Agreement between Xinyuan, an indirect non-wholly owned subsidiary of the Company, as seller, and Baoyuan, as buyer of polyester staple fibres, which constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Circular unless stated otherwise.

The Board announces that due to changes in market demand, the Group has not conducted any transaction with Baoyuan under the Framework Supply Agreement in the second half of 2019 and does not expect to conduct any such transactions for the remaining term of the Framework Supply Agreement. Accordingly, on 5 December 2019, Xinyuan and Baoyuan entered into an agreement to terminate the Framework Supply Agreement with immediate effect and the parties shall no longer have any rights and obligations under the Framework Supply Agreement.

The Board is of the view that the termination of the Framework Supply Agreement pursuant to the terms thereof is on normal commercial terms, fair and reasonable, in the interest of the Company and its shareholders as a whole and will not cause any material adverse impact on the business, operation or financial condition of the Group.

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

Hong Kong, 5 December 2019

*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; and Ms. Zhang Baixiang, Mr. Xu Yiliang, Mr. Ng Wing Ka JP and Mr. Li Guoxing as the independent non-executive Directors.*