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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)**

## **CLARIFICATION ANNOUNCEMENT** **NOTICE OF ANNUAL GENERAL MEETING AND CIRCULAR**

Reference is made to the notice of annual general meeting (the “**Notice of AGM**”) of China Weaving Materials Holdings Limited (the “**Company**”) dated 27 April 2017 and the circular of the Company (the “**Circular**”) dated the same date regarding the Notice of AGM, general mandates to issue and repurchase shares and proposed re-election of directors. Unless otherwise defined, terms used herein shall have the same meaning as defined in the Circular and the Notice of AGM.

The Company would like to clarify that references to aggregate nominal value of shares or aggregate nominal value of share capital in the Notice of AGM and the Circular shall refer to the total number of shares or total number of issued shares. The Company wishes to make the following clarifications:

1. On page 1 of the Circular, the definition of “Extension Mandate” should be read as:

“a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the total number of Shares repurchased under the Repurchase Mandate”;

2. On page 2 of the Circular, the definition of “Issue Mandate” should be read as:

"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 not exceeding 20% of the total number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting”;

3. On page 2 of the Circular, the definition of “Repurchase Mandate” should be read as:

"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 not exceeding 10% of the total number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting”;

4. On page 4 of the Circular, the paragraph under the section headed "Issue Mandate" should be read as:

"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 not exceeding 20% of the total number of Shares in issue as at the date of passing the relevant resolution at the Annual General Meeting. As at the Latest Practicable Date, a total of 1,252,350,000 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 250,470,000 Shares.";

5. On page 4 of the Circular, the first paragraph under the section headed "Repurchase Mandate" should be read as:

"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 not exceeding 10% of the total number of Shares 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 125,235,000 Shares.";

6. On page 4 of the Circular, the first paragraph under the section headed "Extension Mandate" should be read as:

"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 total number of Shares repurchased under the Repurchase Mandate";

7. On page 2 of the Notice of AGM and page 15 of the Circular, Resolution No. 7 (c) should be read as:

"the total number of shares 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 total number of shares 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 total number of shares 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 total number of shares 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";

8. On page 3 of the Notice of AGM and page 16 of the Circular, Resolution No. 8 (b) should be read as:

"the total number 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 total number of issued shares 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";

9. On page 4 of the Notice of AGM and page 17 of the Circular, Resolution No. 9 should be read as:

“**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 total number of 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 total number of shares 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**  
**Cheung Chi Fai, Frank**  
*Company Secretary*

Hong Kong, 28 April 2017

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