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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)

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 “**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;
- (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
- (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;
 - (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 announcement, 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.

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Wanchai
Hong Kong

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.