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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: 03778)**

### **FIRE INCIDENT**

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 a fire has broken out at one of the production bases of the Group on 31 December 2014 and it is expected that the loss arising from the fire will have an adverse effect on the earnings of the Group for the year ended 31 December 2014.

**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 (“**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that a fire has broken out on 31 December 2014 evening at the warehouse of the recently completed Phase III of the production bases (“**Phase III**”) of the Group situated at Fu Da Road, Fengtian Development Zone, Fengxin County, Jiangxi Province, PRC. The fire was put out shortly after it has broken out and there were no casualties. However, the fire has caused damage to certain inventory and plant and machinery situated at Workshop One which is adjacent to the warehouse. The cause of the incident and the full extent of the damage have yet to be ascertained. The Group will proceed with filing claims under the relevant insurance policies but it is expected the loss arising from the fire will have an adverse effect on the earnings of the Group for the year ended 31 December 2014.

The production at Phase III has been suspended and will be resumed upon the completion of clean up and repair works. Phase III is situated at a distant location from the rest of the production bases and has a production capacity of 50,000 spindles, representing approximately 13% of the total capacity of 380,000 spindles of the Group. The Group does not expect the suspension of the production at Phase III will affect the other production facilities of the Group.

**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**  
**Zheng Hong**  
*Chairman*

Hong Kong, 2 January 2015

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