

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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)**

## **DISCLOSEABLE TRANSACTION PURCHASE OF PRODUCTION EQUIPMENT**

In order to improve production efficiency and enhance energy savings, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into a contract, namely the Purchase Contract, with a third-party vendor to procure certain equipment on 3 March 2026 at a total consideration of USD5,047,200.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Purchase Contract and the transaction contemplated thereunder, is or are more than 5% and less than 25%, the Purchase Contract and the transaction contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

### **THE PURCHASE CONTRACT**

The principal terms of the Purchase Contract are as follows.

Date:	3 March 2026
Vendor:	Murata Machinery, Ltd.
Purchaser:	Jiangxi Jinyuan
Equipment to be acquired:	12 sets of Murata Vortex Spinning Machines with 96 spindles per set.
Total consideration:	USD5,047,200

The consideration was agreed after arm's length negotiation between the Vendor and the Purchaser with reference to the market prices of similar products in the market

Payment terms: Full payment of USD5,047,200 by means of letter of credit at sight before 20 March 2026.

Delivery Schedule: November 2026

### **REASONS FOR THE PURCHASE**

The existing production facilities of the Group utilize traditional ring spinning technology and certain production lines which were installed in earlier years is labour and energy intensive. The vortex spinning machine utilise a revolutionary spindle-less spinning technology. It uses compressed air to create a vortex inside a spindle, which directly condenses and twists fibres into yarn. This is fundamentally different from traditional ring spinning (which relies on a high-speed rotating spindle and traveler) and rotor spinning (which uses a rotating cup to consolidate fibres). The advantages of vortex spinning technology include extremely high speed, better yarn quality, shortened production process and cost reduction. The Board considers the introduction of vortex spinning production facilities will improve production efficiency and enhance power savings.

The Board is of the view that the terms of the Purchase Contract and the transaction contemplated thereunder were entered into on normal commercial terms and are fair and reasonable in the interests of the Group and the shareholders of the Company as a whole. The consideration to be paid under the Purchase Contract will be provided by funds generated by the Group internally and bank loans.

### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Purchase Contract and the transaction contemplated thereunder is or are more than 5% and less than 25%, the Purchase Contract and the transaction contemplated thereunder constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

### **INFORMATION ABOUT THE VENDOR**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Murata Machinery, Ltd. and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), and are not Connected persons of the Company.

Based on information provided by the Vendor and publicly available, the Vendor was a public company listed on the Tokyo Stock Exchange (stock code 6361) until its privatization in 2023. It is primarily engaged in the manufacture, sale and maintenance of textile machinery, logistic systems and machine tools.

## **GENERAL**

The Group is principally engaged in the business of manufacturing and trading of yarns products and related raw materials.

## **DEFINITIONS**

In this announcement, unless the context other requires, the following terms shall have the following meanings:

“Purchase Contract”	a purchase contract dated 3 March 2026 entered into between the Purchaser and the Vendor for the purchase of 12 sets of Murata Vortex Spinning Machines with 96 spindles per set
“Board”	the Board of Directors
“Company”	China Weaving Material Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on The Stock Exchange of Hong Kong Limited
“Connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Jiangxi Jinyuan”	Jinyuan Textile Company Limited, Jiangxi, a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Percentage Ratios”	the percentage ratios which have the meanings as ascribed to it under Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Jiangxi Jinyuan

“USD”	US Dollar, the lawful currency of the United States of America
“Vendor”	Murata Machinery, Ltd., (村田機械株式會社) a company incorporated under the laws of Japan with limited liability whose shares were listed on the Tokyo Stock Exchange (stock code 6361) until its privatization in 2023

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

Hong Kong, 3 March 2026

*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. Chow Sin Yee Caroline, Mr. Xu Yiliang and Mr. Wong Tak Shing as the independent non-executive Directors.*