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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 ON PROFIT WARNING ANNOUNCEMENT

Reference is made to the Chinese version of the profit warning announcement (the “**Announcement**”) of China Weaving Materials Holdings Limited (the “**Company**”) dated 4 March 2024. Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

The Company would like to clarify that there is an inadvertent translation error in the first paragraph on page 2 of the Chinese version of the Announcement which should be revised by the following (with the change underlined for ease of reference):

本集團於本年度預期錄得的綜合淨虧損的主要原因為本集團紗線產品銷售收入和毛利率減少導致本集團毛利減少。根據董事會目前可得資料，本集團預期於本年度錄得綜合收入約人民幣11.07億元，而截至二零二二年十二月三十一日止年度則錄得綜合收入約人民幣13.18億元。本集團紗線產品銷售收入減少主要由於本集團紗線產品的銷量及平均售價下跌。銷量下跌的原因為市場環境惡化。因應市場狀況，本集團調整其產品組合，推出更多較低平均售價的大眾市場產品。毛利率下降主要由於本集團對產品採取了更為積極的定價策略，以控制庫存水平並達致本集團理想的產能利用率。受全球經濟低迷影響，本年度的紡織服裝產品需求整體疲弱，中國紡織業市場充滿挑戰。

The relevant disclosure in the English version of the Announcement is correct. The Company also confirms that, except as clarified above, all other information contained in the Chinese version of the Announcement is correct and remains unchanged. This clarification announcement is supplemental to and should be read in conjunction with the Announcement, and in that connection the existing Announcement in the form as it is now will continue to be valid.

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
Cheung Chi Fai Frank
Company Secretary

Hong Kong, 5 March 2024

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 Mr. Xu Yiliang, Mr. Wong Tak Shing and Mr. Li Guoxing as the independent non-executive Directors