中國水業集團有限公司*
CHINA WATER INDUSTRY GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1129)

POSITIVE PROFIT ALERT AND INSIDE INFORMATION

This announcement is made by China Water Industry Group Limited (the "**Company**", together with its subsidiaries as the "**Group**") in pursuant to Rule 13.09 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 in the Listing Rules) of Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**").

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the "**FY2018**") and the information currently available to the Board, it is expected that the Group may record a net profit of not less than HK$60 million for the FY2018 as compared to the net profit of HK$10.90 million for the year ended 31 December 2017 (the "**FY2017**").

Comparing with the FY2017, the Board considers that such increase in the net profit were principally attributable to: (i) the increase in revenue and gross profit from renewable energy business as certain new renewable energy projects commenced operation in the FY2018; (ii) an increase of gross profit from construction service for water supply; and (iii) the absence of redemption loss on investment fund which occurred in FY2017. The effects of the aforesaid factors are expected to be partially offset by an increase in administrative expense and finance costs due to the acquisition and establishment new renewable energy companies and a possible provision on impairment loss in relation to certain renewable energy projects.

The Company is still in the process of finalising its annual results for the FY2018. The information contained in this announcement is only a preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for the FY2018 which has neither been reviewed by the audit committee nor auditors of the Company and is subject to possible adjustments upon further review. Finalised annual results of the Group for the FY2018 will be disclosed in the annual results announcement of the Group, which is expected to be published on 28 March 2019.

* *For identification purpose only*

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Water Industry Group Limited
Mr. Lin Yue Hui
Chairman and CEO

Hong Kong, 12 March 2019

As at the date of this announcement, the Board comprises Mr. Lin Yue Hui (Chairman and CEO), Mr. Liu Feng, Ms. Chu Yin Yin, Georgiana, Ms. Deng Xiao Ting and Mr. Zhong Wei Guang, all being executive Directors, and Mr. Wong Siu Keung, Joe, Mr. Guo Chao Tian and Ms. Qiu Na, all being independent non-executive Directors.