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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1129)

PROFIT WARNING 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 2022 (the “**FY2022**”) and the information currently available to the Board, it is expected that the Group may record an unaudited consolidated net loss not more than HK\$35.00 million for the FY2022 as compared to the audited consolidated net profit of approximately HK\$25.55 million for the year ended 31 December 2021 (the “**FY2021**”), and accordingly there may be a net loss not more than HK\$95.00 million attributable to owners of the Company as compared to that of net loss of approximately HK\$44.02 million attributable to owners of the Company in the FY2021.

Comparing with the FY2021, the Board considered that the expected downturn from profit to loss was mainly attributable to, among others, net impact of the following factors: (i) the absence of contribution from Yingtian Water Group upon the completion of disposal in 2021; (ii) the decrease in gross profit derived from the renewable energy business as a result of the decline in the volume of on-grid electricity and suspension of production at one of the natural gas plants; (iii) the depreciation of Renminbi which attributable to an exchange loss in the FY2022; (iv) the absence of net gain on financial assets at fair value through profit and loss in the FY2022 as compared to the FY2021 and (v) the increase in the provision of expected credit loss on account receivables. The effects of the aforesaid facts were partially

* For identification purposes only

offset by (a) the reduction in provision of impairment loss on assets relating to several renewable energy projects; (b) income from the sale of China Certified Emission Reduction (“CCER”) credits; (c) profit recognized from the sale of completed properties in Nanjing Space Big Data Industry Base Project upon the properties delivery to customers in second half of 2022; and (d) the decrease in administrative expenses.

The Company is still in the process of finalizing its annual results for the 2022 (including but not limited to relevant provisions and/or write-downs on assets). 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 FY2022 which has neither been reviewed by the audit committee nor auditors of the Company and is subject to possible adjustments upon further review. Finalized annual results of the Group for the FY2022 will be disclosed in the annual results announcement of the Group, which is expected to be published on 30 March 2023. Shareholders and potential investors are advised to read such results announcement carefully.

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. Zhu Yongjun
Chairman and Executive Director

Hong Kong, 20 March 2023

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman), Ms. Chu Yin Yin, Georgiana, Ms. Deng Xiao Ting and Mr. Hu Siyun, all being executive Directors, Mr. Wong Siu Keung, Joe, Mr. Lam Cheung Shing, Richard and Ms. Qiu Na, all being independent non-executive Director.