华滋国际海洋股份有限公司

Watts International Maritime Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2258)

PROFIT WARNING

This announcement is made by Watts International Maritime Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) 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 board of directors of the Company (the "**Board**") wishes to inform the Shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group (the "**Management Accounts**") for the six months ended 30 June 2024 (the "**Relevant Period**") and the information currently available to the Board, the Board anticipates that the Group may record a net loss of approximately RMB111 million to RMB124 million for the Relevant Period, as compared to a net profit of approximately RMB12 million for the corresponding period of 2023. Such loss was mainly attributable to (i) the increase in impairment loss on financial assets and contract assets related to the increase in the (a) general provision of approximately RMB44 million to RMB49 million due to longer ageing and increase in provision rate, and (b) specific provision for several municipal construction projects amounting to approximately RMB40 million to RMB45 million; and (ii) the decrease in revenue of our municipal public construction operations by approximately 46.2% resulting from the challenging macroeconomic conditions and weakened PRC property market. Nevertheless, our port, waterway and marine engineering business segment stayed strong for the Relevant Period.

As at the date of this announcement, the Company is still in the process of finalizing the interim results of the Group for the Relevant Period. The information contained in this announcement is only based on the preliminary review by the Board on the Management Accounts and the information currently available to the Board, which have not been reviewed by the independent auditors and/or the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the interim results of the Group for the Relevant Period, which is expected to be published by the end of August 2024.

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

By order of the Board
Watts International Maritime Company Limited
Wang Xiuchun
Chairman and Executive Director

Shanghai, 19 August 2024

As at the date of this announcement, the Board comprises Mr. Wang Xiuchun, Ms. Wan Yun, Mr. Wang Lijiang and Mr. Wang Likai as executive Directors; Mr. Wang Shizhong as non-executive Director; Mr. Wang Hongwei, Mr. How Sze Ming and Mr. Sun Dajian as independent non-executive Directors.