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华滋国际海洋工程有限公司

Watts International Maritime Engineering Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2258)

PROFIT WARNING

This announcement is made by Watts International Maritime Engineering 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 eleven months ended 30 November 2020 and the information currently available to the Board, the Board anticipates that the Group will record a decrease in profit attributable to shareholders for the year ending 31 December 2020 by approximately 45%~55%, as compared to the year of 2019, which is mainly due to, among other things, the impact of the outbreak of the novel coronavirus COVID-19 (such as quarantine, lockdown and travel restrictions) in the beginning of 2020. Such impact continued to spread around the world. In particular, it has caused complete stagnation in the Southeast Asian market since the middle of the 2020, resulting in the delay in work schedule of construction projects on hand and under construction of the Group in and outside China in 2020 and significant increase in construction cost of construction projects, including but not limited to the increased expenses on epidemic prevention for implementation of epidemic prevention measures and reduced construction efficiency; while certain newly awarded projects that were originally planned to start construction during the year also experienced delay in schedule.

Since the beginning of 2020, the global outbreak of the novel coronavirus COVID-19 caused unprecedented disruptions in business operations and economies globally and such disruptions will continue to exist. The Board has been actively monitoring market conditions and taking appropriate measures to reduce the negative impacts on the business and performance of the Group (if any). The Group will continue to strengthen its cost control measures and resources management policies, and actively participate in tendering and bidding to maintain its market competitiveness.

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.

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 Engineering Limited
Wang Xiuchun
Chairman and Executive Director

Hong Kong, 28 December 2020

As at the date of this announcement, the Board comprises Mr. Wang Xiuchun, Ms. Wan Yun, Mr. Wang Lijiang, 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.