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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 of directors of the Company (the “**Board**”) would like 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 six months ended 30 June 2022 (the “**First Half of 2022**”) and the information currently available to the Board, it is expected that despite the Group may record a slight increase in revenue, net profit for the period is expected to be not more than approximately HK\$8.00 million for the First Half of 2022 as compared to the net profit for the period of approximately HK\$111.72 million for the six months ended 30 June 2021 (the “**First Half of 2021**”). Furthermore, the Group also expected to record a loss attributable to owners of the Company for the First Half of 2022 of not more than approximately HK\$28.00 million as compared to profit attributable to owners of the Company approximately HK\$69.51 million in the corresponding period in 2021.

Comparing with the First Half of 2021, the Board considers that such decrease in net profit which resulted in a loss attributable to owners of the Company in First Half of 2022 was mainly attributable to, among others: (i) completion of the disposal of 51% equity interests held in the Yingtan Water Supply Group Co., Ltd. together with its subsidiaries (the “**Yingtan Water Group**”) in 2021, of which financial results of Yingtan Water Group were no longer consolidated to the consolidated financial results of the Group in the First Half of 2022 (ii) the depreciation of Renminbi which attributable to an exchange loss in the First Half of 2022; (iii) the absence of gain on disposal of 20% equity interests in Yingtan Water

* *For identification purposes only*

Group which was recorded in the First Half of 2021; and (iv) absence of net gain on financial assets at fair value through profit and loss in the First Half of 2022 as compared to the First Half of 2021.

The Company is still in the process of finalising its unaudited consolidated financial statements for the First Half of 2022. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed or audited by the auditors of the Company and may be subject to change. Shareholders and potential investors are advised to refer to the details of the Group's financial results for the First Half of 2022, which are expected to be published on 30 August 2022.

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, 8 August 2022

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.