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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**”) 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 six months ended 30 June 2023 (the “**First Half of 2023**”) 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\$43.00 million for the First Half of 2023 as compared to the unaudited consolidated net profit of approximately HK\$6.21 million for the six months ended 30 June 2022 (the “**First Half of 2022**”). Furthermore, the Group also expect to record a loss attributable to owners of the Company for the First Half of 2023 of not more than approximately HK\$62.00 million as compared to a loss attributable to owners of the Company approximately HK\$24.19 million in the First Half of 2022.

Comparing with the First Half of 2022, the Board considered that the increase in net loss was mainly attributable to, among others, net impact of the following factors: (i) the decrease in revenue and gross profit derived from the renewable energy business as a result of the decline in the volume of on-grid electricity; (ii) the decrease in revenue and gross profit derived from the water supply related installation, construction and infrastructure business as a result of less engineering and construction contracts awarded; (iii) the absence of contribution from Linyi Fenghuang Water Industry Co., Ltd upon the completion of disposal in the second half of 2022; and (iv) the depreciation of Renminbi which attributable to an exchange loss in the First Half of 2023. The effects of the aforesaid facts were partially offset by the decrease in finance costs as a result of the decrease in interest-bearing borrowings and taxation.

* For identification purposes only

The Company is still in the process of finalising its unaudited consolidated financial statements for the First Half of 2023. 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 2023, which are expected to be published on 30 August 2023.

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, 11 August 2023

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun (Chairman), Ms. Chu Yin Yin, Georgiana 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.