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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 2023 (the “**FY2023**”) and the information currently available to the Board, it is expected that the Group may record a net loss attributable to owners of the Company of not more than HK\$260 million for the FY2023 as compared to that of a net loss of approximately HK\$89.20 million attributable to owners of the Company for the year ended 31 December 2022 (the “**FY2022**”).

Comparing with the FY2022, the Board considered that the increase in net loss attributable to owners of the Company was mainly attributable to, among others, net impact of the following factors: (i) the decline in revenue and gross profit derived from the renewable energy business, mainly resulting from a substantial reduction in the volume of on-grid electricity due to local incineration projects being developed and the closure of certain landfill sites, which resulted in less new garbage being delivered to the landfill sites; (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 the sale of completed properties in the FY2023 as compared to the FY2022; (iv) the decrease in income from the sale of carbon-credit assets; and (v) a fair value loss on investment property due to the continued downturn in the real estate market in China. The effects of the aforesaid factors were partially offset by (a) the decrease in the provision of expected credit loss on trade and other

* *For identification purpose only*

receivables; (b) the decrease in finance costs as a result of the decrease in average borrowing interest rate; and (c) the decrease in income tax as a result of the decrease in taxable profit generated in FY2023.

The Company is still in the process of finalizing its annual results for FY2023 (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 FY2023 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 FY2023 will be disclosed in the annual results announcement of the Group, which is expected to be published on 27 March 2024. 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 2024

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 Directors.