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GREAT WATER
GREAT WATER HOLDINGS LIMITED
建禹集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8196)

PROFIT WARNING

This announcement is made by Great Water Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company for the six months ended 30 June 2019 (“**Interim Period**”) and the information currently available, the Group expects to record a significant decrease in its revenue for the Interim Period and a loss after tax as compared to a profit recorded for 2018.

The Board considers the significant decrease in the Group’s revenue for the Interim Period and a loss after tax is mainly attributable to (1) a slowdown in new demands for water supply or water treatment facilities due to the prolonged sluggish economy in the People’s Republic of China for the first half of 2019; and (2) a delay in the construction for certain projects of the Group. The significant decrease in the Group’s revenue led to a corresponding significant decrease in gross profit, resulting in loss after tax for the Interim Period.

As an update to the business development of the Group, the Group entered into an agreement for the construction of sludge treatment facilities and the provision of the related services for the Baiyun Project (白雲機場污泥處理工程) in June 2019. The consideration for the construction will be approximately RMB32,000,000 and the expected annual service fee is approximately RMB15,000,000. At around the same time, the Group also entered into an agreement for the construction of sewage treatment facilities for the Huashan Project (花山污水處理工程) for a consideration of approximately RMB130,000,000. Construction work for these projects have already commenced. The Board considers that the entering into the above-mentioned agreements will bring positive contribution to income to the Group in the future.

The information contained in this announcement is only based on a preliminary review by the Board on the unaudited consolidated management accounts of the Group for the Interim Period and other information currently available to the Board. As at the date of this announcement, the Group's consolidated results for the Interim Period have not been finalised, and are subject to possible adjustments. Details of the financial information and performance of the Group for the Interim Period will be disclosed as and when the interim results of the Company is announced.

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
Great Water Holdings Limited
XIE Yang
Chairman

Guangzhou, PRC, 23 July 2019

As at the date of this announcement, the executive directors of the Company are Mr. XIE Yang and Mr. HE Xuan Xi; the non-executive director of the Company is Ms. GONG Lan Lan and the independent non-executive directors of the Company are Ms. BAI Shuang, Mr. HA Cheng Yong and Mr. TSE Chi Wai.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.greatwater.com.cn.