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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 (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and the information currently available, the Group expects to record (i) revenue for the year ended 31 December 2020 of not less than RMB46,000,000 (revenue for the year ended 31 December 2019: RMB121,601,000); and (ii) net loss after tax for the year ended 31 December 2020 of not less than RMB38,000,000 (net loss after tax for the year ended 31 December 2019: RMB23,790,000).

The Board considers that the expected significant decrease in the Group’s revenue and deterioration in net loss after tax was mainly attributable to (1) a slump in new demands for domestic water supply and water treatment facilities in the PRC due to the negative economic growth across the world as a result of the outbreak of COVID-19; (2) a delay in the commencement of projects since the end of the Spring Festival holidays in 2020 as a result of the COVID-19; (3) additional costs for projects in progress, which was required to cope with the dual requirements of epidemic prevention and work schedules concurrently due to a shortage of manpower as a result of the COVID-19 policies; (4) the absence of the one-off revenue of approximately RMB4,578,000 recorded from the disposal of a subsidiary during the corresponding period last year; and (5) the provision for impairment of certain account receivables in an aggregate amount of approximately RMB15,000,000 made by the Group on a prudent basis for projects with long ageing receivables.

The information contained in this announcement is only based on a preliminary review by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2020 and other information currently available to the Board, and is not based on any figures or data which have been audited or reviewed by the Company's auditors. As at the date of this announcement, the Group's consolidated results for the year ended 31 December 2020 have not been finalised, and are subject to possible adjustments. Details of the financial information and performance of the Group for the year ended 31 December 2020 will be disclosed as and when the annual results for the year ended 31 December 2020 of the Company is announced.

Shareholders 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, 3 February 2021

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.