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Weigang Environmental Technology Holding Group Limited **维港环保科技控股集团有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1845)

PROFIT ALERT — REDUCTION IN LOSS

This announcement is made by Weigang Environmental Technology Holding Group Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Group and information currently available to the Board, it is expected that, for the year ended 31 December 2023, the profit/loss attributable to owners of the Company will range approximately between a profit of RMB3.0 million to a loss of RMB2.0 million. This represents a reduction in losses or a turnaround from the loss attributable to the owners of the Company of RMB72.3 million recorded for the same period in 2022. Such reduction in losses or turnaround can be mainly attributed to three factors:

- (i) In comparison to the impairment loss of approximately RMB37.8 million recorded for the year ended 31 December 2022 relating to the Qingchuan pyrolysis project (青川無氧裂解項目), inventory of the battery cathode project, and intangible asset of Qingyang Qingyi project (慶陽慶義項目), it is expected that a reversal of impairment loss of approximately RMB3.9 million will be recorded for the year ended 31 December 2023;
- (ii) The implementation of more rigorous cost control measures has resulted in an increase in the Group’s overall gross profit margin from approximately 18.7% for the year ended 31 December 2022 to approximately 24.3% for the year ended 31 December 2023, along with a reduction in expenses of approximately RMB13.5 million; and

- (iii) In comparison to the impairment loss of approximately RMB15.5 million accrued for trade receivables and contract assets based on the expected credit loss model for the year ended 31 December 2022, it is expected that a reversal of impairment provision of approximately RMB3.6 million will be recorded for the year ended 31 December 2023.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2023, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors and may be subject to adjustment. Detailed financial information of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2023 which is expected to be published by 31 March 2024 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Weigang Environmental Technology Holding Group Limited
Cai Zhuhua
Chairman

Hong Kong, 6 March 2024

As of the date of this announcement, the Board comprises Mr. Cai Zhuhua, Mr. Dong Honghui, Mr. Li Kaiyan and Mr. Gu Chunbin as executive Directors and Mr. Yang Zhifeng, Mr. Xiao Hui and Ms. Xiao Jingui as independent non-executive Directors.