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GHW International

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9933)

POSITIVE PROFIT ALERT

This announcement is made by GHW International (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the 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 (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 a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 and other information currently available to the Board, the Group expects to record a profit attributable to owners of the Company of not less than RMB120 million for the year ended 31 December 2021, compared to a loss attributable to owners of the Company of approximately RMB5 million for the year ended 31 December 2020.

Based on the information currently available, the expected profit attributable to owners of the Company for the year ended 31 December 2021 was mainly attributable to the increase in gross profit as a result of the good performance of our operations in the People’s Republic of China after the recovery from the outbreak of the novel coronavirus (COVID-19) pandemic, partially offset by the increase in (i) selling and distribution expenses, administrative expenses and research and development expenses due to the increasing operating scale; (ii) losses on disposals of plant and equipment mainly resulted from the termination of production in our Xuzhou production plant and centralisation of our production functions in Tai’an; and (iii) finance costs due to the increase in average bank and other borrowings balance, including bank issued bill receivables discounted to banks, and loans from a related company during the year.

The information contained in this announcement is based on a preliminary assessment by the management of the Company with reference to the information currently available and the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 which have not been audited or confirmed by the Company's independent auditor or the audit committee of the Board, and are subject to possible adjustments upon further review. The Company is still in the process of finalising its annual results for the year ended 31 December 2021. Shareholders and potential investors are advised to read carefully the announcement of the Company's annual results for the year ended 31 December 2021, which is expected to be published in late March 2022 pursuant to the requirements of the Listing Rules.

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

By Order of the Board of
GHW International
Yin Yanbin
Chairman and Chief Executive Officer

Hong Kong, 18 March 2022

As at the date of this announcement, the Board comprises Mr. Yin Yanbin, Mr. Zhuang Zhaohui, Mr. Chen Zhaohui, Mr. Zhou Chunnian, Mr. Chen Hua and Mr. Diao Cheng as executive Directors, and Mr. Sun Hongbin, Mr. Wang Guangji and Ms. Zheng Qing as independent non-executive Directors.