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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 of Hong Kong Limited (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 six months ended 30 June 2022 (the “**Current Period**”) and other information currently available to the Board, the Group expects to record a profit attributable to owners of the Company of approximately RMB170 million for the Current Period, compared to a profit attributable to owners of the Company of approximately RMB27 million for the six months ended 30 June 2021.

Based on the information currently available, the expected profit attributable to owners of the Company for the Current Period was mainly attributable to an increase in gross profit as a result of (i) the good performance in our operations in the People’s Republic of China due to the increasing average selling prices of some of our major products and our successful procurement strategies of raw materials; and (ii) a net foreign exchange gain mainly as a result of appreciation of US dollar against Renminbi, which is partially offset by the increase in (i) selling and distribution expenses and administrative expenses due to the increasing operating scale of the Group, the significant increase in shipping and logistics costs and the provision of performance bonus to staff; (ii) research and development expenses incurred from artificial intelligent system transformation projects, production technology enhancement projects, expansion of research and development team as well as rising cost of raw materials; and (iii) income tax expense, which was in line with the increase in profit generated for the Current Period.

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 Current Period which have not been audited or reviewed 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 interim results for the Current Period. Shareholders and potential investors are advised to read carefully the announcement of the Company's interim results for the Current Period, which is expected to be published in late August 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, 23 August 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.