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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 2022 (the “**Current Year**”) and other information currently available to the Board, the Group expects to record a profit attributable to owners of the Company of approximately RMB270 million for the Current Year, compared to a profit attributable to owners of the Company of approximately RMB131 million for the year ended 31 December 2021.

Based on the information currently available, the expected profit attributable to owners of the Company for the Current Year 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 over the Current Year, 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 increases in shipment and logistics costs and provision of performance bonus to staff; (ii) research and development expenses incurred from artificial intelligence system transformation projects, production technology enhancement projects, expansion of research and

development team as well as rising cost of raw materials; (iii) finance costs due to the expansion of operating scale of the Group and further investments on our production plant development; and (iv) income tax expense, which was in line with the increase in profit generated for the Current 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 Current Year 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 Current Year. Shareholders and potential investors are advised to read carefully the announcement of the Company's annual results for the Current Year, which is expected to be published in late March 2023 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, 21 March 2023

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.