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## **GHW International**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9933)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF LAND AT MUKIM GEBENG, DAERAH KUANTAN, NEGERI PAHANG, MALAYSIA**

#### **THE ACQUISITION**

The Board is pleased to announce that on 19 February 2024, the Purchaser and the Vendor entered into the HOA, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Land at a consideration of RM37,026,000 (equivalent to approximately RMB55,539,000). The SPA will be entered into between the Purchaser and the Vendor within four months from the date of the HOA subject to the terms and conditions thereof.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment (or waiver, if applicable), of the conditions precedent, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.**

## INTRODUCTION

The board (the “**Board**”) of directors (the “**Directors**”) of GHW International (the “**Company**”) (together with its subsidiaries, the “**Group**”) is pleased to announce that on 19 February 2024, GHW International (Malaysia) SDN BHD (the “**Purchaser**”), a wholly-owned subsidiary of the Company, has entered in to a heads of agreement (the “**HOA**”) with MCKILP Development SDN BHD (the “**Vendor**”), for the acquisition (the “**Acquisition**”) of land (the “**Land**”) located at Mukim Gebeng, Daerah Kuantan, Negeri Pahang, Malaysia, at a consideration of RM37,026,000 (equivalent to approximately RMB55,539,000). A formal sale and purchase agreement (the “**SPA**”) in relation to the Acquisition will be entered into between the Purchaser and the Vendor within four months from the date of the HOA subject to the terms and conditions thereof.

## THE ACQUISITION

The principal terms of the HOA are as follows:

### Date

19 February 2024

### Parties

(1) the Vendor; and

(2) the Purchaser.

As at the date of this announcement, the Vendor is owned as to 51% by CHEC Holding (M) Sdn Bhd, a subsidiary of China Communications Construction Company Limited (“**China Communication**”), which is listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1800), and 49% by Asas Panorama Sdn Bhd, a subsidiary of IJM Corporation Berhad, which is listed on the Main Market of Bursa Malaysia Securities Bhd (stock code: 3336). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, (i) the controlling shareholder of China Communication is China Communication Construction Group (Ltd.) (中國交通建設集團有限公司), a state-owned enterprise under the State-owned Assets Supervision Administration Commission of the State Council which holds approximately 79.14% and 6.73% of the A shares and the H Shares of China Communication; and (ii) the substantial shareholder of IJM Corporation Berhad is Citigroup Nominees (Tempatan) Sdn Bhd — Employees Provident Fund Board which holds approximately 17.68% of its shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are independent third parties of the Company and its connected persons.

### **The Land to be Acquired**

The Land consists of land parcel located at Mukim Gebeng, Daerah Kuantan, Negeri Pahang, Malaysia which is permitted for industrial use. To the best of the Directors' knowledge having made all reasonable enquiries, the remaining term of the Land is approximately 41 years, ending on 25 May 2065.

### **Consideration and Funding of the Consideration**

Within 10 business days from the date of the HOA, RM740,520 (equivalent to approximately RMB1,110,780) will be paid to the Vendor, which will be refunded to the Purchaser upon signing of the SPA and payment of the Deposit (as defined below).

The consideration for the Land was RM37,026,000 (equivalent to approximately RMB55,539,000) and shall be paid by the Purchaser in the following manner:

- (1) RM7,405,200 (equivalent to approximately RMB11,107,800) (the “**Deposit**”) will be paid by the Purchaser to the Vendor within seven days from the date of the SPA; and
- (2) RM29,620,800 (equivalent to approximately RMB44,431,200) will be paid when the Purchaser obtains the consent for land transfer under the National Land Code 1965 of Malaysia.

The consideration will be funded by the Group's internal resources.

The consideration of the Land was determined between the Purchaser and the Vendor after arm's length negotiations with reference to (a) the prevailing market conditions, the location of the Land and the comparable market prices of in the same area; and (b) benefits of the Acquisition as set out in the section headed “Reasons for and benefits of the Acquisition”.

The Directors, including the independent non-executive Directors, confirm that the consideration is fair and reasonable and in the interests of the Company and the shareholders of the Company (the “**Shareholders**”) as a whole.

## **Condition Precedents**

The completion of the HOA is conditional on the following conditions being fulfilled or renegotiated:

- (1) the Vendor assisting the Purchaser to apply for the same tax incentive policy in accordance with the government approval letter;
- (2) the Vendor making sure the clearance of the Land will be done on scheduled date; and
- (3) the Vendor making sure that the municipal facilities and road are ready for project development,

within six months from the date of the HOA.

## **Guarantee**

The Vendor guarantees that the main infrastructure required (including but not limited main road connection system, main drainage and exhaust system, main water supply system and communication system) of the Land shall have been completed at the completion of the SPA (the “**Completion**”).

## **Completion**

The Completion will be subject to the terms of the SPA.

## **INFORMATION ABOUT THE GROUP, THE PURCHASER AND THE VENDOR**

### **The Group and the Purchaser**

The Group is an applied chemical intermediates provider in the integrated chemical services market headquartered in the People’s Republic of China (the “**PRC**”), which is primarily engaged in the production and sales of chemicals and sales of chemicals produced by third party manufacturers based in the PRC, the Southeast Asia region, Europe and the United States. The Group offers a comprehensive product portfolio with a wide range of applications and a full spectrum of services relating to chemical intermediates supply chain through the extensive global operation and sales network, including research and development on production processes, strong product customisation capabilities, manufacturing of quality chemical products, sourcing of wide-ranging chemicals manufactured by third party manufacturers, efficient and safe logistics services and after-sales services.

The Purchaser is a subsidiary of the Company established in Malaysia, which is principally engaged in the manufacture and trading of choline chloride, betaine, mixed methylamine and other chemical products.

### **The Vendor**

The Vendor is a company duly incorporated in Malaysia in 2022, which is principally engaged in property development. The Vendor has participated in the development of Malaysian-Chinese Kuantan Industrial Logistics Park.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group currently has two production plants located in Tai'an, Shandong Province, the PRC and Binh Duong Province, Vietnam, respectively which were engaged in production of chlorine chloride and other chemical products. In order to echo the national "Belt and Road" policy and decentralise our production system to the south-east Asia region, we selected Malaysia as our next expansion location for production of choline chloride, betaine and other chemical products. Such expansion plan not only mitigates geopolitical risk but also increases our production flexibility and optimises use of natural resources. We foresee that such expansion can also increase our market share of the abovementioned products.

The Land is located in Malaysia-China Kuantan International Logistics Park, which is a comprehensive industrial park that features international logistics, processing and manufacturing. The Company believes that the Acquisition and the subsequent construction of manufacturing facilities at the Land will promote our international trade business. The Board considers that the Acquisition is in the interest of the Group and the Shareholders as a whole.

Taking into account the above factors, the Directors consider that the terms of the HOA (including the consideration) are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Shareholders and the Company as a whole.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment (or waiver, if applicable), of the conditions precedent, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 19 February 2024

*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.*

*Unless otherwise specified herein, translations of RM into RMB are made for illustration purposes at the rate of RM1:RMB1.5.*