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GHW International

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9933)

PROFIT WARNING

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 2020 and other information currently available to the Board, the Group expects to record a loss attributable to owners of the Company of approximately RMB6 million for the year ended 31 December 2020, compared to a profit attributable to owners of the Company of approximately RMB29 million for the year ended 31 December 2019.

The expected loss attributable to owners of the Company for the year ended 31 December 2020 was mainly attributable to (i) the significant increase in selling and distribution expenses primarily due to the surged in both domestic and international logistic costs (including transportation, port charges, storage and shipment costs) under the novel coronavirus (COVID-19) pandemic, while in the meantime our sales volume of animal nutrition products, especially choline chloride, and polymeric methylene diphenyl diisocyanate has also increased during the year; (ii) the Group recorded a net exchange loss during the year mainly as a result of depreciation of US dollar against RMB, compared to a net exchange gain recorded during the year ended 31 December 2019; and (iii) the increase in finance costs due to the increase in average bank and other borrowing balance, including bank issued bill receivables discounted to banks, during the year.

The information contained in this announcement is only 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 2020 which have not been audited by the Company's independent auditor or the audit committee of the Company, 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 2020. Shareholders and potential investors are advised to read carefully the announcement of the Company's annual results for the year ended 31 December 2020 when it is published in March 2021 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, 12 March 2021

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. Sun Guibin as executive Directors, and Mr. Sun Hongbin, Mr. Wang Guangji and Ms. Zheng Qing as independent non-executive Directors.