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## **GHW International**

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

**(Stock Code: 9933)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**



#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 21 November 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which and subject to the terms and conditions therein, the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed, as the agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 9,500,000 Placing Shares at the Placing Price of HK\$2.60 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 9,500,000 Placing Shares represent (i) 0.95% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.94% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$2.60 per Placing Share represents: (i) a discount of approximately 12.75% to the closing price of HK\$2.98 per Share as quoted on the Stock Exchange on 21 November 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 19.80% to the average closing price of approximately HK\$3.242 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$24,700,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$357,000, are estimated to be approximately HK\$24,343,000. The Company intends to apply the net proceeds from the Placing for the general working capital of the Group.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement and the Placing is on a best effort basis. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 21 November 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which and subject to the terms and conditions therein, the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed, as the agent of the Company, to procure on a best effort basis not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 9,500,000 Placing Shares at the Placing Price of HK\$2.60 per Placing Share. Details of the Placing Agreement are set out below:

### **The Placing Agreement**

**Date:** 21 November 2024 (after trading hours of the Stock Exchange)

**Parties:** (i) the Company, as issuer; and  
(ii) I Win Securities Limited, as placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1% of the amount which is equal to the Placing Price

multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable based on the current market conditions.

### **Placees**

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

### **Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 9,500,000 Placing Shares represent (i) 0.95% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.94% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 9,500,000 Placing Shares is HK\$95,000.

### **Ranking of the Placing Shares**

The Placing Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares, including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Placing.

### **Placing Price**

The Placing Price of HK\$2.60 per Placing Share represents: (i) a discount of approximately 12.75% to the closing price of HK\$2.98 per Share as quoted on the Stock Exchange on 21 November 2024, being the date of the Placing Agreement; and (ii) a discount of approximately 19.80% to the average closing price of approximately HK\$3.242 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Placing**

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the approval from Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares and such approval not subsequently revoked prior to the completion of the Placing; and
- (ii) no representation, warranty or undertaking under the Placing Agreement having been breached by the Company or failure to perform by the Company of the obligations thereunder or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the completion of the Placing.

In the event that any of the above conditions is not fulfilled on or before 12 December 2024 (or such other date as may be agreed between the parties to the Placing Agreement in writing), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and determine and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Completion of the Placing**

Completion of the Placing shall take place on a date falling within seven Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such other date as may be agreed between the parties to the Placing Agreement in writing).

### **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 200,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval.

## **Termination**

The Placing Agent may, upon the occurrence of the following events, terminate the Placing Agreement by notice in writing given to the Company at any time on or prior to 9:00 a.m. on the date of completion of the Placing:

- (i) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in international financial, political or economic conditions, existing laws, currency exchange rates or exchange controls, as would be likely to materially adverse to the Group as a whole or would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient;
- (ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement;
- (iii) there is any adverse change in the financial condition of the Group as a whole whether or not arising in the ordinary course of business which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (iv) develops, occurs, or comes into effect the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would prejudice materially the consummation of the Placing or would otherwise make the Placing inadvisable or inexpedient.

If the Placing Agreement is terminated in accordance with the terms and conditions thereunder, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Company is an applied chemical intermediates provider in the integrated chemical services market, which primarily engages in the production and sales of chemicals and sales of chemicals produced by third party manufacturers based in mainland China, the Southeast Asia region, Europe and the United States. With headquarters in mainland China, we offer a comprehensive product portfolio with a wide range of applications and a full spectrum of services relating to chemical intermediates supply chain through our 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. Our business operation consists of four principal business segments which include polyurethane materials, animal nutrition chemicals, fine chemicals and pharmaceutical products and intermediates and supplements.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$24,700,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$357,000, are estimated to be approximately HK\$24,343,000, representing a net issue price of approximately HK\$2.43 per Placing Share. The Company intends to apply the net proceeds from the Placing for the general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group, to strengthen the Group's financial position, and enlarge the shareholders' base of the Company, which may in turn enhance the liquidity of the Shares. The Directors expect that the public float of the Company will increase upon completion of the Placing.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after completion of the Placing) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares held (Shares)	Approximate % of total number of issued Shares (%)	Number of Shares held (Shares)	Approximate % of total number of issued Shares (%)
Mr. Yin Yanbin ( <i>Note 1</i> )	553,141,500	55.31	553,141,500	54.79
Commonwealth GHW Limited ( <i>Note 2</i> )	186,058,500	18.61	186,058,500	18.43
Endless Reward	65,180,000	6.52	65,180,000	6.46
The Placees	—	—	9,500,000	0.94
Other public Shareholders	<u>195,620,000</u>	<u>19.56</u>	<u>195,620,000</u>	<u>19.38</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,009,500,000</u></u>	<u><u>100.00</u></u>

*Note 1:* Among these Shares, (a) 375,000,000 Shares are held by Commonwealth B Limited, which is owned as to 80% by Commonwealth Yanbin Limited which is in turn wholly owned by Mr. Yin Yanbin; and (b) 178,141,500 Shares are held by Commonwealth Happy Elephant Limited, which is owned as to approximately 98.26% by Commonwealth YYB Limited which is in turn wholly owned by Mr. Yin Yanbin. Mr. Yin Yanbin is the Chairman, Chief Executive Officer and an Executive Director.

*Note 2:* Reference is made to the announcement of the Company dated 6 November 2024. As disclosed in the announcement, the Company understands that the application for liquidation (the “**Liquidation**”) of Commonwealth GHW Limited has been submitted. Upon completion of the Liquidation, the Shares held by Commonwealth GHW will be proportionally distributed to its shareholders at that time (the “**Distribution**”). Upon completion of the Liquidation and the Distribution, the Directors expect that the public float of the Company will be restored to the minimum required percentage as prescribed by Rule 8.08(1)(a) of the Listing Rules.

## **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past 12 months immediately prior to the date of this announcement.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement and the Placing is on a best effort basis. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	GHW International, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 9933)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Endless Reward”	Endless Reward Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by SP Global Trust Limited, which is the trustee of GHW International Employee Incentive Trust



“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 22 May 2024 to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of such resolution, pursuant to which a maximum of 200,000,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual(s), institutional or other professional investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 9,500,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	I Win Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 21 November 2024 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$2.60 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 9,500,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 21 November 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.*