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HUAJIN INTERNATIONAL HOLDINGS LIMITED

華津國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE LAND USE RIGHTS**

THE ACQUISITION

The Board is pleased to announce that on 25 December 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, successfully bid for the state-owned construction land use rights of the Land offered for sale by the Vendor in the Auction. The Purchaser and the Vendor entered into the Auction Confirmations, among other things, confirming the successful bidding made by the Purchaser for the land use rights of the Land at a total bidding price of RMB109,630,000. The Land is located at Chau Lang Village, Gujing Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區古井鎮洲朗村) with an aggregate site area of approximately 284,860 sq. m.. The Land is designated for industrial use with a term of 50 years.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios (as defined in the Listing Rules) in relation to the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Board is pleased to announce that on 25 December 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, successfully bid for the state-owned construction land use rights of the Land offered for sale by the Vendor in the Auction. The Purchaser and the Vendor entered into the Auction Confirmations, among other things, confirming the successful bidding made by the Purchaser for the land use rights of the Land at a total bidding price of RMB109,630,000. The Land is located at Chau Lang Village, Gujing Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區古井鎮洲朗村) with an aggregate site area of approximately 284,860 sq. m.. The Land is designated for industrial use with a term of 50 years.

The Land Use Rights Transfer Contracts in respect of the Land is expected to be entered into between the Vendor and the Purchaser within 5 working days upon signing the Auction Confirmations.

THE AUCTION CONFIRMATIONS AND THE ACQUISITION

The principal terms of the Land Use Rights Transfer Contracts shall be substantially similar to the terms of the Auction Confirmations. The Land Use Rights Transfer Contracts will contain details of the Acquisition.

Set out below are the principal terms of the Auction Confirmations:

Date	: 25 December 2017	25 December 2017	25 December 2017
Parties	: the Purchaser; and the Vendor	the Purchaser; and the Vendor	the Purchaser; and the Vendor
Location of the Land	: Chau Lang Village, Gujing Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區古井鎮洲朗村)		
Code of the Land	: JCR2017-179 (Xinhui 23)	JCR2017-180 (Xinhui 24)	JCR2017-181 (Xinhui 25)
Site area	: 71,702 sq. m.	82,987 sq. m.	130,171 sq. m.
Nature of the Land	: industrial use	industrial use	industrial use
Term of the land use rights	: 50 years	50 years	50 years
Bidding deposit for the Auction	: RMB5,740,000	RMB6,310,000	RMB9,880,000
Consideration	: RMB28,690,000	RMB31,540,000	RMB49,400,000

CONSIDERATION FOR THE ACQUISITION

The Consideration listed above in aggregate of RMB109,630,000 for the Land was arrived at as a result of successful bidding of the Land by the Purchaser through public auction after taking into account the initial bidding price required under the listing-for-sale documents, the prevailing market condition, the location of the Land and the land price in the surrounding area. An aggregate sum of RMB21,930,000 has been paid by the Purchaser as the bidding deposit for the Auction. The bidding deposit will form part of the payment of the Consideration in relation to the Acquisition and the remaining balance will be paid by the Purchaser to the Vendor in cash within 30 days upon signing the Land Use Rights Transfer Contracts.

The Consideration will be financed by the Group's internal resources and/or borrowings.

INFORMATION ON THE VENDOR

The Vendor is a governmental body in the PRC and is responsible for, among other things, administering the examination and approval of land planning, assignment and transfer of the land use rights of the state-owned lands in Jiangmen City, Guangdong Province, the PRC and issue of different land certificates.

To the best of the knowledge, information and belief of the Board having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the Group is a leading cold-rolled steel processor in Guangdong Province, the PRC. The Group is principally engaged in processing of hot-rolled steel coils into cold-rolled steel strips, sheets and welded steel tubes and zinc coated steel products customised to the specification of the customers covering a wide range of industries, including light industrial hardware, home appliances, furniture, motorcycle/bicycle accessories, LED and lighting. The Group provides processing, cutting, slitting, warehousing and delivery services on customised cold-rolled steel products and zinc coated steel products.

In recent years, the local government of Jiangmen City has vigorously promoted the development and construction of the Daguang Bay Economic Zone* (大廣海灣經濟區). Gujing Town* (古井鎮) is one of the major towns as supported by the local government under the Daguang Bay Economic Zone* (大廣海灣經濟區). Within the same administrative division in Xinhui District, the Land in Gujing Town* (古井鎮) is located in the proximity of the Group's existing production plants in Muzhou Town* (睦洲鎮). The road distance between the Land and the Group's existing production plants is approximately 25 km and they are in close proximity to important highways. Under normal traffic conditions, it takes about 40 minutes to drive between the Land and the Group's existing production plants. The Group's existing production plants are in close proximity to ports along Xi River* (西江). The Land, near the coastal area of Yinzhou Lake* (銀洲湖), is also in close proximity to ports along Yinzhou Lake* (銀洲湖). Yinzhou Lake* (銀洲湖) is situated at the confluence of Xi River* (西江) and Tan River* (潭江) in the southwestern area of the Pearl River Delta of the PRC. The location of the Land allows for timely and cost-efficient transportation of the Group's raw materials and products by efficient highways and port facilities, both within Guangdong Province and other provinces of the PRC.

The Company considers the Acquisition is in line with the business strategies of the Group to increase production capacity by expanding the manufacturing facilities at the Land and it will present an ideal location for the Group to pursue its further development in the future.

The Board considers that the terms of the Acquisition was entered into on normal commercial terms, fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios (as defined in the Listing Rules) in relation to the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the state-owned construction land use rights of the Land, as contemplated under the Auction Confirmations, offered for sale by the Vendor at the Auction
“Auction”	the public auction held by the Vendor during which the Land was offered for sale
“Auction Confirmations”	the auction confirmation letters* (成交確認書) dated 25 December 2017 entered into between the Purchaser and the Vendor in respect of, among other things, confirming the successful bidding made by the Purchaser for the land use rights of the Land
“Board”	the board of Directors of the Company
“Company”	Huajin International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration of RMB109,630,000 for the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the 3 state-owned construction land parcels numbered JCR2017-179 (Xinhui 23), JCR2017-180 (Xinhui 24) and JCR2017-181 (Xinhui 25) situated in Chau Lang Village, Gujing Town, Xinhui District, Jiangmen City, Guangdong Province, the PRC* (中國廣東省江門市新會區古井鎮洲朗村) with a total site area of approximately 284,860 sq. m., being the subject matter of the Acquisition

“Land Use Rights Transfer Contracts”	the state-owned construction land use rights transfer contracts* (國有建設用地使用權出讓合同) to be entered into between the Vendor and the Purchaser in respect of the Land pursuant to the Auction Confirmations
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Jiangmen Huajin Metal Product Company Limited* (江門市華津金屬製品有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Jiangmen Municipal Bureau of Land and Resources* (江門市國土資源局)
“km”	kilometre(s)
“sq. m.”	square meters
“%”	per cent

By order of the Board
Huajin International Holdings Limited
Xu Songqing
Chairman

Hong Kong, 27 December 2017

As at the date of this announcement, the Board is comprised of Mr. Xu Songqing (Chairman), Mr. Luo Canwen (Chief Executive Officer), Mr. Chen Chunniu and Mr. Xu Songman as executive Directors, Mr. Xu Jianhong as non-executive Director, and Mr. Goh Choo Hwee, Mr. Tam Yuk Sang Sammy and Mr. Wu Chi Keung as independent non-executive Directors.

* *For identification purpose only and should not be regarded as the official English translation of the Chinese names. In the event of any inconsistency, the Chinese name prevails.*