

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

NEGATIVE PROFIT ALERT

This announcement is made by Huajin International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 December 2018, the Group is expected to record a significant decrease by approximately 90% in profit attributable to owners of the Company for the year ended 31 December 2018 as compared to a profit of approximately RMB92.6 million for the corresponding period in 2017.

Based on the relevant information currently available, the Board considers that such decrease in profit was primarily attributable to, among others, the following factors:

- (1) the price of raw materials, namely hot-rolled steel coils, went up substantially since late March 2018, hitting the highest level in the past five years. In order to maintain our business flow in view of the keen competition in the market and rising raw material cost to our customers, we reduced our average processing fee (being the difference between the selling price and the cost of direct materials) charged for our products resulting in the drop of gross profit in the amount of approximately RMB70.9 million during the year of 2018; and
- (2) net realised loss on derivative financial instruments in amount of approximately RMB27.3 million was recognised by the Group during the year of 2018 as compared to net realised gain and fair value gain on derivative financial instruments in amount of approximately RMB9.3 million recognised during the year of 2017.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2018. The information contained in this announcement is only a preliminary assessment by the management of the Company based on figures and information made available to the Board as at the date hereof and is not based on any figures or information which has been reviewed by the audit committee or the independent auditors of the Company. The actual audited

annual results of the Group for the year ended 31 December 2018 may be different from the financial information disclosed herein and are expected to be published by late March 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 25 January 2019

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.