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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)**

### **POSITIVE 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) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 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 2019 and the information currently available to the Board, the Group is expected to record a significant increase in profit attributable to owners of the Company for the year ended 31 December 2019 by not less than 150% as compared to that of approximately RMB6.4 million for the year ended 31 December 2018.

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

- (1) net realised gain on derivative financial instruments in amount of approximately RMB2.1 million was recognised by the Group during the year of 2019 as compared to net realised loss on derivative financial instruments in amount of approximately RMB27.3 million recognised during the year of 2018;
- (2) gain of approximately RMB6.9 million on disposal of 80% equity interest in a subsidiary in the second half of 2019;
- (3) the decrease in finance costs due to reduced average borrowing level in the year of 2019 when compared with the year of 2018; and
- (4) nevertheless, the combined positive effect of the increase in profit and reduction in expenses was partially offset by a reduction in the average processing fee (being the difference between the selling price and the cost of direct materials) charged for the Group’s products resulting in the drop of gross profit in the year of 2019.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019. 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 2019 may be different from the financial information disclosed herein and are expected to be published by late March 2020.

**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, 7 February 2020

*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.*