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HJ Capital (International) Holdings Company Limited
華金國際資本控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 982)

PROFIT WARNING
ANTICIPATION OF DECREASE IN PROFIT

This announcement is made by the board (the “**Board**”) of directors of HJ Capital (International) Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions (as defined under 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 (Chapter 571 of the laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The Board would like to inform the shareholders of the Company and potential investors that as a result of the completion of the acquisition of Huafa Property Management Services (Hong Kong) Limited (華發物業管理服務(香港)有限公司) (formerly known as Concord Bright Holdings Limited (和輝集團有限公司)) in January 2020 to commence the provision of property management services and related value-added services in the PRC, as a business combination under common control, it is required to restate certain financial information of the Group for the same period in 2019. Based on the preliminary review of the Group’s unaudited management accounts for the year ended 31 December 2020, the Group is expected to record a net profit of not less than HK\$15 million for the year ended 31 December 2020, which represented a substantial decrease as compared with the restated net profit of the Group for the corresponding period in 2019.

The decrease in net profit for the year ended 31 December 2020, as compared with the restated net profit for the corresponding period in 2019, was mainly attributable to:

- (i) the net loss resulting from the discontinued operation for the financial printing services and related investments holding segment amounted to HK\$33,120,000, as disclosed in the interim report of the Company for the six months ended 30 June 2020 (“**Interim Report**”);

- (ii) the operating loss resulting from the discontinued financial services business (“**Discontinued Financial Services Business**”), owing to intensive peer competition in the financial services industry and the fluctuations in the market conditions, coupled with the disposal loss on the Discontinued Financial Services Business, as disclosed in the circular of the Company dated 16 October 2020; and
- (iii) the operating loss resulting from the discontinued operation for the hotel leasing business (“**Discontinued Hotel Leasing Operations**”), owing to COVID-19 epidemic which had led to significant decline in the number of tourists travelling to/within Mainland China and resulted in an adverse impact on the Discontinued Hotel Leasing Operations. As disclosed in the Interim Report, the Group decided not to renew the property lease framework agreement for the leasing of two hotel properties with effect from 1 September 2020, and concentrated its resources of the hotel business segment on the hotel consultancy and advisory business in order to cater to the market development trend and to reduce the operating loss.

As the Company is still in the process of finalizing the consolidated annual results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on the preliminary assessment by the Company’s management on the unaudited consolidated management accounts of the Group, which have not been audited by the auditor of the Company or reviewed by the audit committee of the Company, and are subject to possible adjustments arising from further review. The audited annual results of the Group for the year ended 31 December 2020 is expected to be announced in March 2021.

By order of the Board
HJ Capital (International) Holdings Company Limited
Li Guangning
Executive Director and Chairman

Hong Kong, 15 March 2021

As at the date of this announcement, the Board of the Company comprises Mr. Li Guangning (Executive Director and Chairman), Mr. Xie Wei (Executive Director and Chief Executive Officer), Ms. Guo Jin and Mr. Tze Kan Fat (all being Executive Directors); Ms. Zhou Youfen and Mr. Shong Hugo (all being Non-Executive Directors); Dr. Chen Jieping, Mr. Pu Yonghao and Mr. Guo Shihai (all being Independent Non-Executive Directors).