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HUAJIN INTERNATIONAL HOLDINGS LIMITED

华津国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2738)

PROFIT WARNING

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 assessment of the Group’s unaudited consolidated management accounts for the six months ended 30 June 2022 (the “**Period**”) and the latest information currently available to the Board, the Group is expected to incur an unaudited consolidated net loss ranging from approximately RMB75 million to RMB85 million for the Period as compared with the unaudited consolidated net profit of approximately RMB 54.8 million for the six months ended 30 June 2021.

The Board considered that the expected net loss of the Group for the Period was mainly due to (i) the decrease in the revenue and sales volume of the Group’s products which were adversely affected by the downturn in market conditions; (ii) a decrease in the average processing fee (being the difference between the selling price and the cost of the raw materials) of the Group’s processed steel products and galvanized steel products affected by the price fluctuation of hot-rolled steel coils from the suppliers, (iii) the increase in the unit cost of sales, (iv) the write-down of inventories, and (v) the increase in finance costs.

The Company is still in the process of finalising the interim results of the Group for the Period. 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 interim results of the Group for the Period may be different from the financial information disclosed in this announcement, which is subject to finalisation and potential adjustments. The interim results announcement of the Group for the Period is expected to be published by late August 2022.

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, 20 August 2022

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