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HUAJIN INTERNATIONAL HOLDINGS LTD:
BUSINESS IS BOOMING FOR THIS COMPANY

A '*barometer*' that has the ability to give one an indication as to the future direction of the economy of the People's Republic of China (PRC), in renminbi terms, is the extent of contracts for future deliveries that the country's suppliers of essential goods have on their books, today.

The industrial strength of the second-largest economy of the world requires to be fed, regularly, by producers of such commodities as steel, iron, paper, cotton, silk, plastic, synthetic materials, etc, etc, etc.

The latest economic statistics, supplied by the PRC Government in respect of the first quarter of this year, states that the **G**ross **D**omestic **P**roduct (**GDP**) – the total value of goods produced and services provided – at 6.70 percent, is indicative of an economy that is stabilising – at least in the near term.

The economy of the PRC is known to be continuing to metamorphose, from being investment-led and export-led to becoming consumer-led.

Everybody and his cat knows of this determination because, some years ago, economists in the PRC strongly advocated a different direction for the country, following seemingly near-term insolvable problems with regard to a number of the PRC's major trading partners.

For those people who, some years ago, foresaw the dire need to change the country's past direction, they can congratulate themselves because, by all accounts, their accepted economic policies seem to be producing positive results.

But, by the same token, one has to ponder whether or not the PRC Government's decision to continue along the road of a policy of loose consumer credit will, sometime in the future, come back to haunt the county's pen-pushers.

(Banks in the PRC are known to take their orders from on high.)

Debt service is quite likely, probably sooner than later, to become a problem for many consumers who have bitten off more than they can chew.

One company, recently floated on the Main Board of The Stock Exchange of Hongkong Ltd, is in the business of supplying manufacturers in the PRC with cold-rolled carbon steel.

The company is Huajin International Holdings Ltd () (Code: 2738).

The difference between cold-rolled carbon steel and hot-rolled carbon steel is that when hot-rolled steel is further treated, it increases its strength and its strength-to-weight ratio, thus enabling it to hold tighter tolerances, during fabrication and machining.

In addition, cold rolling is essential in order to smooth and finish the surface of hot-rolled steel.

The Initial Public Offering (IPO)

Huajin International Holdings published and disseminated its Global Offering Prospectus on April 5, 2016.

It Offered 150 million, one-cent Shares are the Indicative Offer Price Per Share, ranging from a low of $HK1.88 to a high of $HK2.48.

Investors of the Hongkong Special Administrative Region (HKSAR) of the PRC were Offered 15 million Shares and the remaining 135 million Shares were to be Placed with International Investors.

On April 14 (last Thursday), Management announced the results of the Global Offering.

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