

TARGET

Intelligence Report

VOLUME XXVI No. 57

THURSDAY

March 14, 2024

**HUAJIN INTERNATIONAL HOLDINGS LTD:
THIS COMPANY SUFFERED,
DURING THE 2022 FINANCIAL YEAR;
IS IT ON THE ROAD TO RECOVERY, TODAY ?**

For the first time in the past five Financial Years, Huajin International Holdings Ltd (華津國際控股有限公司) (Code: 2738, Main Board, The Stock Exchange of Hongkong Ltd), suffered a miserably Net Loss Attributable To Shareholders.

The Total Revenue in respect of the 2022 Financial Year, ended December 31, 2022, was recorded at renminbi (RMB) 4,663,563,000.00, representing a fall of 11.89 percent, Year-On-Year.

The Net Loss, for the 2022 Financial Year, was RMB165,299,000.00, compared with a Net Profit, reported with regard to the 2021 Financial Year, of RMB62,039,000.00.

At Page Eight of the 2022 Annual Report of the Company, Mr Xu Song Qing (許松慶), the Chairman of the Board of Directors of the Company, explained the problems that faced Management, during the 2022 Financial Year.

‘The year of 2022 continued to be a challenging and difficult year to the Group. Due to the changes in the economic environment related to the Covid-19 pandemic in Mainland China during the year of 2022, the Group was experiencing negative conditions including mainly decreased revenue and increased loss during the year under review.

‘During the year of 2022, the Group generated revenue of approximately RMB4,663.6 million, representing a decrease of RMB629.4 million or 11.9%, as compared to that of approximately RMB5,293.0 million during the year of 2021. Loss attributable to owners of the Company during the year of 2022 was approximately RMB165.3 million when compared with profit attributable to owners of the Company of approximately RMB62.0 million for the year of 2021.

‘The sales volume of processed steel products and galvanized steel products in aggregate was approximately 958,126 tonnes during the year of 2022, representing an increase of approximately 90,681 tonnes or

10.5%, as compared to that of approximately 867,445 tonnes during the year of 2021.

‘Even though there was an increase in the sales volume of processed steel products and galvanized steel products during the year of 2022, the net loss of the Group during the year of 2022 was mainly due to (i) the decrease in the revenue 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 increase in administrative expenses; (v) the increase in finance costs; and (vi) partially offset by a deferred tax credit.

‘In order to maintain its business growth in the long run, the Group invested substantially in property, plant and equipment to strengthen the scale and processing capacity of the existing production base and facilities. In 2022, the Group acquired property, plant and equipment and incurred construction costs of approximately RMB181.3 million.

‘For corporate social responsibility, the Group is committed to striking a balance between earnings and sustainable development. We believe outstanding business environment, society and corporate governance are fundamental to maintaining long-term sustainable success. The Group encourages our staff to participate in community services with non-profit organizations, social enterprises and governments to benefit countries and communities where the Group operates...’.

The business of Huajin International Holdings Ltd is that of an investment holding company, engaged in, inter alia, being a cold-rolled steel processor in the Guangdong Province of The People’s Republic of China (PRC).

In fact, at Page 28 of the 2022 Annual Report, it is maintained that the Company ‘*is a leading cold-rolled steel processor*’ in the PRC.

At the first paragraph of Page 28 of the 2022 Annual Report of the Company, under the heading, ‘**BUSINESS REVIEW**,’ one was informed of the following intelligence:

‘The Group is principally engaged in processing of hot-rolled steel coils into cold-rolled steel strips, sheets and welded steel tubes and galvanized steel products customised to the specification of the customers covering a wide range of industries, including light industrial hardware, home appliances, furniture, motorcycle/bicycle accessories, LED (light-emitting diode, a semiconductor diode that glows when a voltage is applied) and lighting. The Group provides processing, cutting, slitting, warehousing and delivery services on customized cold-rolled steel products and galvanized steel products.’

The Business Review continues by stating:

‘During the year of 2022, the Group generated revenue of approximately RMB4,663.6 million, representing a decrease of RMB629.4 million or 11.9%, as compared to that of approximately RMB5,293.0 million during the year of 2021. Loss attributable to owners of the Company during the year of 2022 was approximately RMB165.3 million when compared with profit attributable to owners of the Company of approximately RMB62.0 million for the year of 2021.

‘Even though there was an increase in the sales volume of processed steel products and galvanized steel products during the year of 2022, the net loss of the Group during the year of 2022 was mainly due, among others, to (i) the decrease in the revenue which were adversely affected by the downturn in market conditions; (ii) the 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 increase in administrative expenses; (v) the increase in finance costs; and (vi) partially offset by a deferred tax credit.

‘The sales volume of processed steel products and galvanized steel products in aggregate was approximately 958,126 tonnes during the year of 2022, representing an increase of approximately 90,681 tonnes or 10.5%, as compared to that of approximately 867,445 tonnes during the year of 2021 ...’.

Under ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers’ views, but reserves the right so to do subject to the laws of libel.