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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)

PROFIT WARNING

This announcement is made by Huajin International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary assessment by the Board with reference to the Group's unaudited consolidated management accounts for the year ended 31 December 2025 (the "**Reporting Period**"), the Group is expected to record a net loss attributable to the owners of the Company ranging from RMB1,180.0 million to RMB1,280.0 million for the Reporting Period. This compares to an audited consolidated net loss attributable to the owners of the Company of approximately RMB91.2 million for the year ended 31 December 2024.

The expected net loss of the Group for the year ended 31 December 2025 is mainly attributable to, among others, the following factors: (i) weak market demand and intense competition coupled with pressures from both domestic and international markets, as investment in downstream sectors slowed, exports were restricted, and price cuts by industry participants compressed gross profit margins, thereby leading to a decline in both revenue and profit; (ii) the volatile trade environment and increased tariffs, which resulted in lower sales volume of the Group's downstream customers, as well as the forfeiture of commitment fees and deposits of approximately RMB390.0 million arising from the Group's failure to meet the minimum offtake terms;(iii) high raw material costs (e.g., hot-rolled coils) amid unstable international trade, while the Group was unable to adjust its product selling prices accordingly, thereby pushing up production costs; (iv) low capacity utilisation (significantly lower than the prior year), which led to higher unit processing costs as fixed manufacturing overheads were allocated to a significantly reduced output volume; (v) impairment losses recognised on fixed assets amounting to approximately RMB297.5million; (vi) expected credit losses recognised on trade and other receivables amounting to approximately RMB 46.0million; (vii) write-down of inventories at the end of the year of amounting to approximately RMB12.7million assessed and made based on the prudence principle, which further widened the Group's net loss; and (viii) to effectively mitigate risks arising from fluctuations in raw material prices and reduce capital occupation pressure, the Group optimised and adjusted its business structure based on the original production and sales model and expanded its business to adopt processing with supplied materials as its main operation model since the second half of 2025; however, affected by the adaptation period of the customer base, periodic production capacity adjustment occurred in the short term, leading to a corresponding reduction in revenue, which further exacerbated the current net loss.

The Company is still in the process of finalising the Group's annual results for the year ended 31 December 2025. The information contained in this announcement is only a preliminary assessment by the Company's management based on figures and

information available to the Board as at the date hereof. Such information has not been reviewed by the Company's audit committee or independent auditors. The actual annual results of the Group for the year ended 31 December 2025 may differ from the financial information disclosed in this announcement, as they are subject to finalisation and potential adjustments. The audited annual results of the Group for the year ended 31 December 2025 are expected to be published by the end of March 2026.

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, 26 March 2026

As at the date of this announcement, the Board is comprised of Mr. Xu Songqing (Chairman) and Mr. Chen Chunniu (Chief Executive Officer) as executive Directors, Mr. Xu Jianhong as non-executive Director and Mr. Chan Oi Fat, Mr. Ou Qiyuan and Ms. Yip Nga Ting Cerin as independent non-executive Directors.