

[Press Release]



浦江國際集團有限公司
PUJIANG INTERNATIONAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2060)

Interim Results for the Six Months Ended 30 June 2019
Overall Business Achieved High-quality Growth
Adjusted Profit* Surged by 77.1% yoy

Financial Highlights	Unaudited		
	Six Months Ended 30 June (RMB 000)		
	2019	2018	Change
Revenue	755,970	617,257	+22.5%
Gross profit	191,651	123,284	+55.5%
Gross profit margin	25.4%	20.0%	+5.4 pts
Profit for the period	50,547	51,340	-1.5%
Diluted earnings per share (RMB)	0.0534	0.0631	-15.4%
Adjusted Profit *	94,598	53,419	+77.1%
Adjusted diluted earnings per share (RMB)*	0.1227	0.0666	+84.2%

*By excluding one-off administrative expenses including listing expenses and share-based payment under the Company's share option scheme.

[Hong Kong, 28 August 2019] **Pujiang International Group Limited** (“**Pujiang International**” or “**the Company**”, Stock Code: 2060), the largest provider of bridge cables for the construction of super-long-span bridges in China and one of the leading prestressed materials manufacturers in China, delightedly announced its interim results for the six months ended 30 June 2019 (the “**Period**”).

In the first half of 2019, due to the China-US trade tension and a rise in the number of infrastructure projects driven by 13th Five Year Plan and “Belt and Road” Initiative, there has been increases in domestic infrastructure investment in China, which drove strong demand for the Company's products, both in the Cable Business and the Prestressed Materials Business. Pujiang International timely grasped such opportunities and achieved high-quality growth in overall performance. For the six months ended 30 June 2019, the total revenue of the Company amounted to RMB756.0 million, representing an increase of 22.5% as compared to the corresponding period last year. The revenue increase was mainly due to an 80% increase in sales from the Cable Business. During the Period, profit for the period reached RMB50.5 million, slightly dropped by 1.5% year-on-year (“yoy”). Such decrease was mainly due to the increase in one-off administrative expenses which includes listing expenses and share-based payment. By excluding these one-off administrative expenses, the Company's adjusted net profit for the period will be RMB94.6 million, representing a 77.1% yoy increase.

Business Review

Financial Highlights (Revenue)	Unaudited		
	Six Months Ended 30 June (RMB 000)		
	2019	2018	Change
Cable Business	341,009	189,457	+80.0%
Prestressed Materials Business	414,961	427,800	-3.0%
Overall	755,970	617,257	+22.5%

The Cable Business recorded strong growth, revenue grew by 80.0% yoy

Pujiang International is the largest provider of bridge cables for the construction of super-long-span bridges in China, providing manufacture, installation and sale of cables. Since its establishment, the Company has participated in numerous landmark super-long-span bridges projects which include 1915 Canakkale Bridge in Turkey which will become the largest suspension bridge in the world upon completion as well as San Francisco Oakland Bay Bridge, etc.

During the Period, revenue generated from the Cable Business increased by 80.0% from RMB189.5 million in the first half of 2018 to RMB341.0 million, mainly attributable to the increase in sales from several high contract value projects such as the Tiger Leaping Gorge Jinsha River Bridge and the Taoyuan Jinsha River Bridge, and the increase in the number of bridge cable projects. In addition, the gross profit margin for the Cable Business increased by 5.4 percentage points to 36.1% during the Period (1H2018: 31.5%) due to the sales of higher value projects.

The profitability of the Prestressed Materials Business has enhanced

Pujiang International is one of the leading prestressed materials manufacturers in China, providing the manufacture and sale of customised prestressed steel materials. The Company is one of the few manufacturers having the technologies and know-how to produce galvanised prestressed products for bridge cables in China and is also one of the earliest prestressed materials manufacturers to obtain certifications and accreditations from overseas recognised authorities which allowed its prestressed products to enter into overseas countries such as Japan and Korea.

Revenue generated from the Prestressed Materials Business decreased slightly by 3.0% from RMB427.8 million in the first half of 2018 to RMB415.0 million in the first half of 2019, mainly attributable to the drop in the sales of the Company's plain surface prestressed products partially offset by the increase in galvanised prestressed products. The gross profit margin for the Prestressed Business increased from 14.8% in the first half of 2018 to 16.5% in the first half of 2019 mainly due to the increase in sales of galvanised prestressed products which have a higher profit margin.

New orders

The Cable Business: the Company has signed new contracts with a total contract value of approximately RMB673.0 million.

As of 30 June 2019, the Company has 39 on-going projects with a backlog amounted to RMB1,122.7 million. With the commencement of the on-going projects in hand, including the 1915 Canakkale Bridge in Turkey and the Oujang North Estuary Bridge in China, the Company expects that its revenue from the Cable Business will continue to grow in the second half of year 2019. The Company will also continue to expand its sales network globally in order to propel its business expansion.

Outlook

Looking forward, with the implementation of the 13th Five-Year Plan and the "Belt and Road"

Initiative, the Company expects to see an increase in investment in infrastructure construction across China, in particular the Western region of China. According to the discussion in the 2018 Chinese Central Economic Work Conference, the Chinese government emphasized that the focus of infrastructure construction investment would no longer be on property development, but in the area of transportation, logistics and technological infrastructure. As such, the Company foresees a growing number of infrastructure projects within China and thus a higher demand for the Company's products.

In order to capture these growing opportunities, in the second half of 2019, while the Company will start to implement its construction plan for the production facility for the galvanised prestressed products, the Company will also focus on expanding its sales on bridge cables. The Company will continue to focus on the production and sale of bridge cables and the galvanised prestressed products which generally have a higher profit margin. The Company will seize the growing opportunities in the infrastructure construction industry both in China and overseas, enhance the core competitiveness and profitability of the Company and strengthen its market position in the growing infrastructure market.

For the Prestressed Materials Business, the Company has substantially completed all the steps for the land acquisition for the construction of the new production facility and warehouse in Jiujiang, Jiangxi Province and expects the construction of the new facility to be completed by June 2020. For the Cable Business, the expansion and upgrading of its research and development centre is well under way, and the Company has completed the design phase and entered into the approval process with government authorities.



Dr. Tang Liang (left), Executive Director and Chairman of the Board of Pujiang International Group Limited and Mr. Ling Dongying (right), Chief Financial Officer



Dr. Tang Liang (left), Executive Director and Chairman of the Board of Pujiang International Group Limited and Mr. Ling Dongying (right), Chief Financial Officer

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About Pujiang International Group Limited

Pujiang International Group Limited (2060.HK) is a technology-based innovative manufacturing group focusing on the manufacture of bridge cables and prestressed materials. Since its establishment, the Company has won numerous technological achievements, including 2 first prizes and 1 second prize of national scientific and technological awards, and has 152 registered patents. From 1991 to 2017, the Company is the largest provider of bridge cables for the construction of super-long-span bridges in China and the third largest prestressed materials manufacturer in China. The company has participated in over 800 bridge projects globally, for instance, the 1915 Canakkale Bridge which will become the largest suspension bridge in the world upon completion; the San Francisco Oakland Bay Bridge; the Humen No. 2 Bridge and the Xihoumen Bridge, being the two largest suspension bridges in China. Those projects have won more than 50 national quality awards such as Zhan Tianyou Civil Engineering Award and China Construction Engineering Luban Award.