



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)

Pujiang International Announced Preliminary Annual Results for 2019
Overall Business Achieved Stable and High-quality Growth
Adjusted Profit Attributable to Owners of the Company¹ increased by 30.7% YoY

Financial Highlights

	For the Year end 31 December		
	2019 (RMB 000) (Unaudited)	2018 (RMB 000) (Audited)	Change
Revenue	1,812,415	1,383,335	+31.0%
Gross profit	456,098	326,501	+39.7%
Gross profit margin	25.2%	23.6%	+1.6pts
Adjusted Net Profit ¹	194,187	154,843	+25.4%
Adjusted profit attributable to owners of the Company	159,576	122,096	+30.7%
Adjusted diluted earnings per share (RMB) ²	0.2202	0.2034	+8.3%

1. Adjusted Net Profit is calculated by adding back the one-off listing expenses and equity settled share-based payment of an aggregate amount of RMB59.8 million to the Profit for the year.

2. Adjusted diluted earnings per share is calculated by dividing adjusted profit attributable to owners of the Company by the weighted average number of ordinary shares with the effect of dilution for the year.

[Hong Kong, 23 March 2019] **Pujiang International Group Limited** (“**Pujiang International**” or “**the Company**”, together with its subsidiaries, “**the Group**”) (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 annual results for the year ended 31 December 2019 (the “Year”).

In 2019, Pujiang International relied on the favorable market environment brought about by the “13th Five-Year Plan” and seized the growing opportunities in the infrastructure construction industry both in China and overseas and thus enhanced the profitability of the Company and achieved stable and high-quality growth of the overall business. For the year ended ended 31 December 2019, the total revenue of the Company amounted to RMB1,812.4 million, representing an increase of 31.0% on a year-on-year basis (“YoY”). The revenue increase was mainly due to a 70.3% increase in sales from the Cable Business. During the Year, the Company’s gross profit reached RMB456.1 million, representing a YoY increase of 39.7% while its adjusted net profit was RMB194.2 million, representing a YoY increase of 25.4%. The adjusted profit attributable to owners of the Company recorded approximately RMB159.6 million, representing a YoY increase of 30.7%.

Business Review

<u>Financial Highlights (Revenue)</u>	For the Year Ended 31 December		
	2019 (RMB 000) (Unaudited)	2018 (RMB 000) (Audited)	Change
Cable Business	883,523	518,797	+70.3%
Prestressed Materials Business	928,892	864,538	+7.4
Overall	1,812,415	1,383,335	+31.0%

The Cable Business recorded strong growth, revenue grew by 70.3% YoY

During the Year, revenue generated from the Cable Business increased by 70.3% from RMB518.8 million in 2018 to RMB883.5 million in 2019, mainly attributable to the 194.2% increase in sales to suspension cable projects from several high contract value projects in the Cable Business such as the 1915 Canakkale Bridge, Tiger Leaping Gorge Jinsha River Bridge and Taoyuan Jinsha River Bridge, and the increase in the number of bridge cable projects.

The profitability of the Prestressed Materials Business has enhanced

During the Year, revenue generated from the Prestressed Materials Business increased slightly by 7.4% from RMB 864.5 million in 2018 to RMB928.9 million in 2019, mainly attributable to an increase in sales of rare earth coated prestressed products and galvanised prestressed products, partially offset by the decrease in plain surface prestressed products.

New orders

The Group was awarded 83 new Cable business projects with a total contract value of approximately RMB1,005.9 million during the Year. As of 23 March 2020, the Company has 40 ongoing projects with a backlog amounting to RMB1,249.1 million. With the commencement of the on-going projects in hand, including the Shenzhen-Zhongshan Link – Lingding Yang Bridge, the Oujang North Estuary Bridge in China and 1915 Canakkale Bridge in Turkey, the Company expects that its revenue from the Cable Business will continue to grow in the 2020.

Business Updates

- In 2019, the Company has successfully developed a zinc-magnesium-alloy for the production of suspension cable, and due to this patented technology, the Company has successfully won the sales contract with an aggregate contract value of RMB400 million for the production of suspension cable for the Shenzhen-Zhongshan Link – Lingding Yang Bridge and the Fenglin Bridge in Guizhou Province.
- As of 23 March 2020, the Company has acquired a piece of land of approximately 63,000 sq. m for the construction site of the new production facility at Jiujiang, Jiangxi Province, and due to the delay caused by the COVID-19 pandemic, the Company is striving to commence the construction work in the second half of 2020, subject to the government's approval on the construction plan.
- In August 2019, the Company entered into an equity transfer agreement to acquire 26% equity interest in Shanghai Push Medical Device Technology Co., Limited ("**Shanghai Push**"). Shanghai Push is principally engaged in developing the technology of, manufacturing and sales of medical equipment, specializing in heart-related diseases, its products are marketed and sold under the PushMed® trademark. The Group is positive towards the prospects of Shanghai Push and is of the view that the acquisition of Shanghai Push is an attractive investment which will provide satisfactory return to the Company.

Outlook

Since December 2019, the National Development and Reform Commission has approved numerous

infrastructure construction projects, amounting to approximately RMB270 billion, focusing on high speed rail, transportation infrastructure aiming at fostering communication and the mobility of people between cities and rural areas, in particular, in the Western region, the Guangdong Province, Shandong Province, Hebei Province and Fujian Province.

As the Company's business are closely connected with the infrastructure investment in China, the Group envisaged that all the government directives and policies would present vast opportunities to the Company. In 2020, the Company will continue to expand the sales in the Cable Business as well as the sales in galvanised prestressed products. With the anticipated completion of the construction of new production facility in Jiujiang, Jiangxi Province in 2020, it is expected the Company's business scale could be further increased.

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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.