

[Press release]



浦江国际集团有限公司
PUJIANG INTERNATIONAL GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2060)

Pujiang International's Overall Profitability Continued to Improve, Profit Surged 39.5% Year-on-Year in 2020

Financial Highlights	For the year ended 31 December		
	2020 (RMB'000)	2019 (RMB'000)	Change (%)
Revenue	1,947,102	1,812,415	7.4
Gross profit	517,842	456,098	13.5
Profit for the year	187,370	134,350	39.5
	2020 (RMB)	2019 (RMB)	Change (%)
Earnings Per Share(Diluted)	0.1861	0.1376	35.2

[Hong Kong, 18 March 2021] **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 audited annual results for the year ended 31 December 2020 (the "Period").

During the Period, the COVID-19 pandemic resulted in a far-reaching impact on the global economy. Even so, China's economy still delivered an impressive report with its GDP exceeding the trillion yuan mark, demonstrating its remarkable resilience. Capitalizing on the above favorable market environment, Pujiang International has continued to improve its profitability by grasping market opportunities once again achieved high quality growth in its overall business in 2020. For the year ended 31 December 2020, the total revenue of the Company amounted to RMB 1,947 million, representing an increase of 7.4% on a year-on-year basis ("yoy"). During the Period, the Company's gross profit reached RMB 518 million, representing a yoy increase of 13.5%. In addition, the Group recorded profit for the period of RMB 187 million for the year ended 31 December 2020, representing an increase of 39.5% as compared to the corresponding period in 2019.

Final Dividend

The Board of Directors recommends the payment of a final dividend of HK\$0.05 per ordinary share for the year ended 31 December 2020.

Business Review

<u>Financial Highlights (Revenue)</u>	For the year ended 31 December		
	2020 (RMB'000)	2019 (RMB'000)	Change (%)
Cable Business	1,023,893	883,523	+15.9%
Prestressed Materials Business	923,209	928,892	-0.6%
Overall	1,947,102	1,812,415	+7.4%

The Cable Business recorded continuous growth, revenue grew by 15.9% yoy

During the period, revenue generated from the Cable Business increased by 15.9% from RMB884 million in 2019 to RMB1,024 million in 2020, mainly attributable to the increase in the sales of stay cables.

In 2020, the Group continued to focus on the production and sale of bridge cables, which generally have a higher profit margin compared to the Prestressed Materials Business. Also, during the year, the Group has successfully developed several new patented technologies for the application of bridge cables, including a new type of zinc-magnesium alloy for the production of suspension cables and a de-humidifying wrapping system for main cables. In 2020, the Group have completed 60 projects for the Cable Business.

The revenue of the Prestressed Materials Business was nearly the same as 2019, with its gross profit increased

During the period, revenue generated from the Prestressed Materials Business decreased slightly by 0.6% from RMB929 million in 2019 to RMB923 million in 2020, mainly attributable to a decrease in sales of rare earth coated prestressed products, partially offset by the increase in the sales of galvanised products. The gross profit margin for the Prestressed Materials Business increased from 16.8% in 2019 to 18.0% in 2020 mainly due to an increase in gross profit margin of galvanised prestressed products.

For the Prestressed Materials Business, the Group has focused on the sales of rare earth coated prestressed products and galvanised prestressed products due to higher profit margin as compared to plain surface prestressed products. In order to capture the growing demand of galvanised prestressed products, the plan to expand the production capacity for such products is underway. In 2020, we have made significant progress in the construction of the new production capacity for the Prestressed Materials Business and the Group expects that the production facility will be completed by end of 2021.

Further, in December 2020, the Group has entered into a merger agreement for the privatization of Ossen Innovation Co. Ltd. ("Ossen Innovation"). As of the date of this announcement, the Prestressed Materials Business is held by Ossen Innovation, which is held as to 65.9% by the Company and the remaining interest by public shareholders by way of American depository shares publicly traded on NASDAQ. The Group expects that after the privatization, the Group will have a more efficient and costeffective structure, which will offer the Board a greater flexibility to manage the Group's operations.

New orders

During 2020, the Group was awarded 85 new projects and had signed new contracts with a total contract value of approximately RMB999.7 million for the Cable Business. As of the date of this announcement, we have 36 on-going projects with a backlog amounting to RMB

939 million. With 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 Group expects that its revenue from the Cable Business will continue to grow in 2021.

Business Updates

- The Group continued to explore various investment opportunities that would be beneficial to the shareholders of the Company (the “Shareholders”). In July 2020, the Group entered into a capital injection agreement to acquire 40% equity interest in Shanghai International Superconductor Technology Co. Ltd. (上海国际超导科技有限公司) (“Shanghai Superconductor”) by way of capital injection of RMB166.0 million. Shanghai Superconductor is a company established in the PRC with limited liability and was wholly-owned by Shanghai Electric Cable Research Co., Ltd. (上海电缆研究所有限公司) prior to the capital injection. It is principally engaged in the provision of superconducting cables solutions as well as the research and development of superconducting cables technologies for power grid. The Board believes that the Group’s investment in Shanghai Superconductor would complement the development of the Group’s business and research and development capabilities.
- In September 2020, Shanghai Push Medical Device Technology Co., Limited (“Push Medical”), a company held as to 23.4% by the Group, lodged a filing in respect of the commencement of the tutoring period for the preparation of the application of A shares listing in the PRC. The tutoring stage of Push Medical is a prerequisite prior to the submission of the application of A shares listing to the Shanghai Stock Exchange.
- As of 31 December 2020, we have obtained 23 new registered patents.

Outlook

Looking ahead, as part of the “14th Five-Year plan” announced in 2021, “self-sufficiency in technology” was mentioned as one of the key factors to support the country’s sustainable development. The PRC Government has therefore introduced various initiatives to achieve this goal and one of the research focuses is to enhance the technologies in the manufacture of “hightech materials” and “transportation infrastructure”. With all these initiatives, it is anticipated that technology infrastructure projects will be introduced in the next few years and therefore demand for the Group’s products will increase. With the Group’s advanced technologies and know-how in high-technology metallic materials and applications, the Group would benefit from these initiatives and the Group would continue to apply additional resources to enhance its research and development capabilities.

In addition, the PRC Government has also continued its effort in boosting domestic investment by improving transportation infrastructure in certain areas, this includes transportation infrastructure construction plan within the Yangtze River Region (長江幹線過江通道佈局規劃(2020-2035)). According to the plan, it is expected that approximately 240 new bridges and tunnels will be built and the new land transportation system would facilitate the mobility of goods and people. The new system would create a solid foundation for the development of telecommunication and energy infrastructure and stimulate the economy development within the Yangtze River Region.

With the PRC Government’s initiatives, the Group sees significant potential market opportunities for its products and is confident that the business segments of the Group would continue to grow. Further, the Group would continue to strengthen its technological

capabilities and make significant investment in the research and development area.

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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 151 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.

This press release is issued by **Hong Kong Zhixin Financial News Agency Limited** for and on behalf of **Pujiang International Group Limited**. For further information, please contact:

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