

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PUJIANG INTERNATIONAL GROUP LIMITED

浦江國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2060)

CONNECTED TRANSACTION ACQUISITION OF 26% EQUITY INTEREST IN SHANGHAI PUSH

THE ACQUISITION

On 29 August 2019, Shanghai Pujiang Cable Co. Ltd. as the Purchaser (a non-wholly owned subsidiary of the Company) entered into an equity transfer agreement with, Ossen Group Co. Ltd. as the Vendor (a connected person of the Company) pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase 26% equity interest in Shanghai Push held by the Vendor at the Purchase Price of RMB104,000,000. 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.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Dr. Tang, the chairman of the Board, an executive Director and the controlling shareholder of the Company, directly and indirectly holds the controlling interest in the Vendor. As such, the Vendor is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Acquisition are more than 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 29 August 2019, the Purchaser (a non-wholly owned subsidiary of the Company) entered into the Agreement with the Vendor (a connected person of the Company) pursuant to which, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Interest at the Purchase Price of RMB104,000,000.

THE ACQUISITION

The principal terms of the Agreement is set out as follows:

Date

29 August 2019

Parties to the Agreement

- (1) Shanghai Pujiang as the Purchaser (a non-wholly owned subsidiary of the Company); and
- (2) Ossen Group as the Vendor (a connected person of the Company).

Dr. Tang, the chairman of the Board, an executive Director and the controlling shareholder of the Company, directly and indirectly holds the controlling interest in the Vendor, and hence, the Vendor is a connected person of the Company.

Interests to be acquired

The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Interest, representing 26% of the equity interest in Shanghai Push.

Purchase Price and payment terms

The Purchase Price for the Acquisition is RMB104,000,000 which shall be payable by the Purchaser to the Vendor within ninety days after the signing of the Agreement. The Purchase Price is expected to be funded by the Group's internal resources and bank financing to be obtained by the Group.

Basis for determining the Purchase Price

The Purchase Price was determined after arm's length negotiations between the parties following due consideration of the appraised value of Shanghai Push of approximately RMB401 million as at 31 July 2019, pursuant to a valuation conducted by an independent professional valuer adopting a present earning value approach taking into account the future estimated earnings of Shanghai Push. The Purchase Price of the Sale Interest was therefore determined as RMB104,000,000.

Completion

Completion of the Acquisition shall take place on the date of the registration of the Purchaser's acquisition of the 26% equity interest in Shanghai Push with the relevant government authorities in the PRC. Upon completion of the Acquisition, the Purchaser shall own 26% of the equity interest in Shanghai Push.

INFORMATION OF THE GROUP AND THE PURCHASER

The Group is principally engaged in providing materials for construction projects. It is 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.

The Purchaser is a company incorporated under the laws of the PRC with limited liability and is a non-wholly owned subsidiary of the Company. The Purchaser is principally engaged in manufacture and sale of bridge cables.

INFORMATION ABOUT THE VENDOR

The Vendor is an investment holding and a chemical product trading company established in the PRC with limited liability in the PRC. Dr. Tang, the chairman of the Board, an executive Director and the controlling shareholder of the Company, directly and indirectly holds the controlling interest in the Vendor.

INFORMATION ABOUT SHANGHAI PUSH

Shanghai Push is a company established in the PRC with limited liability. It 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. Shanghai Push was recognized as a High New Technology Enterprise in November 2018.

The product portfolio of Shanghai Push comprises six PushMed® devices, which includes (i) left atrial appendage occlude system (左心耳封堵器系統); (ii) atrial septal defect closure occluder (房間隔缺損封堵器); (iii) occluder for ventricular septal defect (“VSD”)(室間隔缺損封堵器); (iv) occluder for patent ductus arteriosus (動脈導管未閉封堵器); (v) occluder intervention transmission device (封堵器介入輸送裝置) and (vi) catcher for VSD treatment (室間隔缺損封堵治療使用的抓捕器). Each of these devices has been patented and has obtained the relevant medical device registration certificates. Shanghai Push has obtained the relevant permits to manufacture and sell its PushMed® implant devices and technologies in China. Shanghai Push’s left atrial appendage occlude system (左心耳封堵器系統), in particular, was recognized as a highly innovative technology and was therefore permitted to receive priority treatment in its product registration application from the National Medical Products Administration in accordance to the relevant PRC laws and regulations. Such device has also been included in the authorized medical device list under the Shanghai Government Medical Insurance Scheme. Currently, the product pipeline of Shanghai Push includes atrial transseptal puncture system (房間隔穿刺系統) and mitral valve repair system (二尖瓣修復系統).

Set out below is the summary of financial information of Shanghai Push for the two years ended 31 December 2017 and 2018 prepared in accordance with the accounting principles generally accepted in the PRC (the “**PRC GAAPs**”).

	For the financial year ended 31 December 2018 RMB'000 (unaudited)	For the financial year ended 31 December 2017 RMB'000 (unaudited)
Net profit/(loss) before taxation	(5,059.8)	366.8
Net profit/(loss) after taxation	(5,060.2)	366.8

Based on the unaudited management accounts, the net asset value of Shanghai Push as at 31 July 2019 was approximately RMB34.7 million. Pursuant to the valuation conducted by an independent professional valuer, the appraised value of Shanghai Push as at 31 July 2019 was approximately RMB401 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Shanghai Push was founded in 2012 and has successfully established its presence over the years in the research and development, and manufacture of implant devices and systems for heart-related diseases. Since its establishment, its PushMed® devices and technologies have been used by hospitals in numerous heart operations in China. As of the date of this announcement, Shanghai Push has registered and maintained 18 patents and has received approvals from the relevant government authorities to sell its devices in the European Union, India and China. In addition, according to market data, it is expected that there will be a growing demand for operations which would require these devices for heart operations due to an aging population. As part of Shanghai Push's business development and strategy, Shanghai Push is in the preparation for a listing application on the Science and Technology Innovation Board of Shanghai Stock Exchange (上海證券交易所科創板).

Shanghai Push was previously held by five individual shareholders, namely Dr. Tang as to 42% equity interest and four other individual shareholders including Ms. Yang Shanhua (“**Ms. Yang**”) as to 26% equity interest. Ms. Yang and the three other individual shareholders are independent third parties of the Group. In August 2019, Ms. Yang had decided to realize her investment and therefore dispose of her 26% equity interest in Shanghai Push to the Vendor at a purchase price of RMB104,000,000.

Having considered the prospects of Shanghai Push, the Group considered that this is an attractive investment opportunity, and negotiated with the Vendor to acquire the Sale Interest as an investment. After arm's length negotiation between the parties, the Vendor agreed to sell the Sale Interest to the Group at the purchase price of RMB104,000,000.

The Board has positive view towards the prospects of Shanghai Push and the Directors are of the view that the Acquisition is an attractive investment which will provide satisfactory return to the Group. The Board (including the independent non-executive Directors) is of the view that the terms of the Agreement and the Acquisition, which have been reached after arm's length negotiation between the parties, are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Dr. Tang, the chairman of the Board, an executive Director and the controlling shareholder of the Company, directly and indirectly holds the controlling interest in the Vendor. As such, the Vendor is a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Acquisition are more than 0.1% but are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save for Dr. Tang who abstained from voting on the board resolution approving the Acquisition, to the best of the Board's knowledge, information and belief having made all reasonable enquiries, no other Director has a material interest in the Acquisition, and no other Director has abstained from voting on the board resolutions approving the Acquisition.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of 26% equity interest of Shanghai Push by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the equity and transfer agreement dated 29 August 2019 entered into between the Company and the Vendor in relation to the Acquisition
“Board”	the board of Directors of the Company
“Company”	Pujiang International Group Limited (stock code: 2060), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Dr. Tang”	Dr. Tang Liang, the chairman of the Board, an executive Director and the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchase Price”	RMB104,000,000 in respect of the Acquisition
“Purchaser” or “Shanghai Pujiang”	Shanghai Pujiang Cable Co., Ltd. (上海浦江纜索股份有限公司), a company incorporated under the laws of the PRC with limited liability, is a non-wholly owned subsidiary of the Company. The Company effectively holds approximately 98.5% interests in the Purchaser
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	26% equity interest in Shanghai Push
“Shanghai Push”	Shanghai Push Medical Device Technology Co., Limited (上海普實醫療器械科技有限公司), a limited liability company incorporated in the PRC, which is held as to 42% equity interest by Dr. Tang, 26% by the Vendor and the rest by other independent shareholders prior to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Vendor” or
“Ossen Group” Ossen Group Co. Ltd., (奧盛集團有限公司), a limited liability
company incorporated in the PRC and a connected person of the
Company

“%” per cent

By Order of the Board
Pujiang International Group Limited
Tang Liang
Chairman

Hong Kong, 30 August 2019

As at the date of this announcement, the executive Directors are Dr. Tang Liang, Mr. Zhou Xufeng, Ms. Zhang Weiwen and Mr. Ni Xiaofeng; and the independent non-executive Directors are Ms. Pan Yingli, Mr. Chen Dewei and Mr. Zhang Bihong.