

[Press Release]



浦江国际集团有限公司
PUJIANG INTERNATIONAL GROUP LIMITED
 (于开曼群岛注册成立的有限公司)
(Stock code: 2060)

Pujiang International Achieved Stable Growth in its Overall Business, Interim Profit Surges 63.7%

<u>Financial Highlights</u>	Six months ended 30 June 2020		
	30 June 2020 (RMB 000) (Unaudited)	30 June 2019 (RMB 000) (Unaudited)	Change
Revenue	778,656	755,970	+3.0%
Gross profit	209,941	191,651	+9.5%
Gross profit margin	27.0%	25.4%	+1.6pts
Profit for the period	82,728	50,547	+63.7%

[Hong Kong, 27 August 2020] **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 unaudited interim results for the six months ended 30 June 2020 (the "Period").

With the implementation of the 13th Five-Year Plan, China has witnessed accelerating growth in the number of infrastructure projects. Though the economy has slowed down this year due to the COVID-19 pandemic, infrastructure, the economic growth engine, will continue to be supported by national policies in the future. Given the favorable market environment, the Company has seized the opportunities, enhanced its profitability, and achieved stable and high-quality growth in 2020. For six months ended 30 June 2020, the total revenue of the Company amounted to RMB778.7 million, representing an increase of 3.0% on a year-on-year basis ("yoY"). The increase was mainly attributable to the increase in revenue from the Cable Business. During the Period, the Company's gross profit reached RMB209.9 million, representing a yoY increase of 9.5%. In addition, The Group recorded profit for the period of RMB82.7 million for the six months ended 30 June 2020, representing an increase of 63.7% as compared to the corresponding period in 2019.

Business Review

<u>Financial Highlights (Revenue)</u>	Six months ended 30 June 2020		
	30 June 2020 (RMB 000) (Unaudited)	30 June 2019 (RMB 000) (Unaudited)	Change
Cable Business	407,456	341,009	+19.5%
Prestressed Materials Business	371,200	414,961	-10.5%
Overall	778,656	755,970	+3%

The Cable Business recorded stable growth, revenue grew by 19.5% yoy

During the Period, revenue generated from the Cable Business increased by 19.5% from RMB341.0 million in the first half of 2019 to RMB407.5 million in the first half of 2020, mainly attributable to the increase in the number of bridge cable projects.

The profitability of the Prestressed Materials Business has slightly decreased

During the Period, revenue generated from the Prestressed Materials Business decreased by 10.5% from RMB415.0 million in the first half of 2019 to RMB371.2 million in the first half of 2020, mainly attributable to a decrease in sales of rare earth coated prestressed products.

New orders

In the first half of 2020, the Group was awarded 27 new tenders and had signed new contracts with a total contract value of approximately RMB571 million for the Cable Business. As of 30 June 2020, the Group had 38 on-going projects with a backlog amounting to RMB966 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 the revenue from the Cable Business will continue to grow in 2020.

Business Updates

- As of 30 June 2020, the Group obtained 5 new registered patents and made 61 new patent applications since January 2020. For the Cable Business, the Group has successfully developed a 1860MPa-level strength galvanised magnesium alloy for suspension cables and hangers and heat-resistant protection systems; and for the Prestressed Materials Business, the Group has developed a new type of 15.2mm 1960MPa-high strength galvanised strands and high performance steel wires drawing-molding technique and degreasing-cooling vacuum acid-bath technology for the prestressed wires production lines.
- In July 2020, the Group made an investment in Shanghai International Superconductor Technology Co. Ltd (上海國際超導科技有限公司) ("Shanghai Superconductor"). Shanghai Superconductor is principally engaged in the provision of superconducting cables solutions as well as the research and development of superconducting cables technologies for power grids. As superconducting cables is a fast growing technology with industrial demand in China, the Group believes that Shanghai Superconductor presents a good investment for the Group and in line with the Group's business development and strategies.

Outlook

In the first quarter of 2020, China's economy slowed down due to the COVID-19 pandemic and in particular, many infrastructure projects were delayed due to the lockdown or travel restrictions in various cities. The COVID-19 pandemic in China was alleviated and remained since March 2020 and the government of the People's Republic of China (the "PRC government") implemented various policies in order to stimulate the economy and boost the overall economic growth in 2020. As discussed in a meeting of the Political Bureau of the PRC in March 2020, the PRC government plans to stabilise the economy by boosting domestic demand and it is expected that domestic investment in infrastructure will play an important role in revitalizing the economy. In the past few months, the PRC government has started to provide more funding and financing to the local government to catch up with the delayed progress of infrastructure projects.

The Group shall continue to take advantage of the governments' initiatives in transportation infrastructure sector as addressed in the "13th-Five Year Plan" promulgated by the PRC government in 2017 and other directives in relation to the improvement of transportation infrastructure aiming at alleviating poverty in certain areas by providing residents better access to and from other regions. As such, the growth in the infrastructure construction industry in China in 2020 is expected to remain strong.

It is expected that the Group's production and sales orders will resume normality in the second half of 2020. The COVID-19 pandemic may however, still have an adverse effect on the overall financial performance of the Group in 2020 although the Company cannot quantify the overall impact for the time being. In 2020, the Company intends to continue to focus the growth in the sales in the Cable Business as well as the sales in galvanised prestressed products.

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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.

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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