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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)

(I) UPDATE ON DELAY IN PUBLICATION OF THE 2023 ANNUAL RESULTS AND THE 2023 ANNUAL REPORT;
(II) FORMATION OF INDEPENDENT BOARD COMMITTEE AND INTENDED INDEPENDENT INVESTIGATION;
AND
(III) CONTINUED SUSPENSION OF TRADING

This announcement is made by Pujiang International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.49(3) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 1 April 2024 (the “**Announcement**”) in relation to the delay in publication of the announcement in relation to the annual results of the Group for the financial year ended 31 December 2023 (the “**2023 Annual Results**”), the possible delay in despatch of the 2023 annual report, the postponement of the meeting of the board of directors of the Company (the “**Board**”) and the suspension of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 April 2024.

UPDATE ON DELAY IN PUBLICATION OF THE 2023 ANNUAL RESULTS AND THE 2023 ANNUAL REPORT

As disclosed in the Announcement, there was a delay in the release of the 2023 Annual Results due to the collection of bank confirmation letters, the pending investigations by external agents on certain legal proceedings involving the Group and completion of other auditing procedures. Due to the delay in the publication of the 2023 Annual Results, there was a delay in the despatch of the 2023 Annual Report.

In the course of conducting audit work on the Group's 2023 Annual Results, the auditor of the Company requested the Company to provide additional information to address the audit matters. Amongst other matters communicated between the auditor and the Company, the following matters remained unresolved (the “**Unresolved Matters**”) and as such the audit procedures have not been completed as at 30 March 2024, being the latest date of release of the 2023 Annual Results:

1. in 2023, to facilitate the cross-guarantee arrangements between the Group and an independent third party supplier of the Group (the “**Supplier**”), (i) Shanghai Pujiang Cable Company Limited* (上海浦江纜索股份有限公司) (“**Shanghai Pujiang Cable**”), Zhejiang Pujiang Cable Co., Ltd.* (浙江浦江纜索有限公司) (Zhejiang Pujiang Cable) and Ossen (Jiujiang) New Materials Company Limited* (奧盛(九江)新材料有限公司), being subsidiaries of the Company, provided joint and several guarantee(s) in favour of independent third party lender(s) in respect of loan(s) obtained by the Supplier; (ii) the Supplier provided joint and several guarantee(s) in favour of independent third party lender(s) in respect of loan(s) obtained by Shanghai Pujiang Cable, a subsidiary of the Company; (iii) the Group has provided a series of loans to the Supplier in 2023 which remained outstanding as of 31 December 2023; and (iv) an executive director of the Company and/or other wholly-owned subsidiaries of the Group acted as borrower(s) and/or guarantor(s) in loan agreements entered into with independent third party lender(s) to facilitate the cross-guarantee arrangements;
2. the assessment by the Company's management on the potential impact of the legal proceedings the Group has been involved in relating to the alleged non-payment of loans the Group obtained as borrower(s), and/or guarantee(s) provided by the Group in favour of the Supplier or an executive director of the Company to facilitate the cross-guarantee arrangements;
3. the assessment by the Company's management on the potential impact of the other payables, loans and/or receivables the Group has been involved in which remained outstanding as of 31 December 2023; and

4. the assessment by the Company's management on the reconciliation of inventories of the Group as of 31 December 2023 and certain unidentified other payables as of 31 December 2023.

The Board and the management of the Company will continue to work closely with the auditor of the Company to facilitate the completion of the relevant audit procedures and to publish the 2023 Annual Results as soon as practicable. At this stage, the Company is not in a position to assess the expected date of publication of the 2023 Annual Results and the 2023 Annual Report as this will need to be agreed with the auditor and will be announced as and when appropriate. Further announcement(s) will be made by the Company regarding the 2023 Annual Results and the despatch of the 2023 Annual Report.

FORMATION OF INDEPENDENT BOARD COMMITTEE AND THE INTENDED INDEPENDENT INVESTIGATION

In light of the identification of the Unresolved Matters, it is necessary to ascertain, among others, (a) whether there is any additional cross-guarantees apart from those identified so far; (b) the circumstances leading to the signing of the cross-guarantees and whether the internal policy on reporting granting of financial assistance has been followed in respect of the cross-guarantees; (c) the legal ramifications of the legal proceedings; and (d) impact of the cross-guarantees and the legal proceedings on the financial statements of the Group.

On 31 May 2024, the Board has formed an independent board committee (the “**IBC**”), comprising Ms. Pan Yingli, Mr. Chen Dewei and Mr. Tang Zhi Bin, all of whom are independent non-executive directors of the Company. On 4 June 2024, the Company appointed Alvarez & Marsal Consulting (Shanghai) Limited, an independent forensic specialist, to conduct an independent forensic investigation into the Unresolved Matters (the “**Independent Investigation**”) as suggested by the auditor of the Company. It is expected that the Independent Investigation will include, among others, (i) assessing the current financial status of the Supplier, in particular the liquidity and repayment ability of the Supplier; (ii) confirming whether there is any connected relationships (including equity-related transactions and other relationships) between the Group and employees of the Group and the Supplier relating to the loans and guarantees; (iii) assessing the internal control procedures of the Company relating to the loans and the cross-guarantees by conducting interviews with the personnel of the Group responsible for approving the loans and the guarantees; (iv) reviewing other internal documents and the loans and guarantee documents; and (v) conducting other necessary investigation work and procedures relating to the Unresolved Matters.

Given the nature of the Unresolved Matters as understood by the Board as at the date of this announcement, it is expected that the Unresolved Matters will be included in the scope of the Independent Investigation. The Company will make further announcement(s) on the material development and progress in relation to the Independent Investigation as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 April 2024, and will remain suspended until further notice pending, among other matters, the result of the Independent Investigation and the finalization of the 2023 Annual Results.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 7 June 2024

As at the date of this announcement, the executive directors of the Company are Dr. Tang Liang, Mr. Zhou Xufeng, Mr. Hua Wei and Mr. Ni Xiaofeng; and the independent non-executive directors of the Company are Ms. Pan Yingli, Mr. Chen Dewei and Mr. Tang Zhi Bin.