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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)

**INSIDE INFORMATION
TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION
AND
RESUMPTION OF TRADING**

Financial advisor to the Company



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

On 14 November 2022, the Company released an announcement regarding trading halt pending the release of an announcement containing inside information about a very substantial acquisition (the “**Announcement**”). On 14 November 2022, the Group entered into agreements with Novus Life Sciences Limited (the “**Target Company**”) and its shareholders in relation to the proposed acquisition of equity interests in the Target Company and the proposed loan facility granted to the Target Company (the “**Acquisition**”). On 28 November 2022, the Group entered into an agreement with 2 shareholders of the Target Company in relation to the proposed grant of warrant to the 2 relevant shareholders (collectively, the “**Transactions**”). On 12 December 2022, the Company made a further announcement to inform the shareholders that further negotiations will be conducted with the Parties on the valuation and structure of the Transactions.

In the course of the vetting of the Announcement, the Stock Exchange has expressed concerns on the valuation and structure of the Transactions. With consideration of the Stock Exchange’s concerns, and that an extended period of time is required to negotiate the terms of the Transactions, to issue the Announcement and the related circular before the completion of the Transactions, the Company, the Target Company, the Grantors and the Subscribers (the “**Parties**”) have mutually agreed to terminate the Transaction Agreements with immediate effect. The Parties have accordingly entered into a termination agreement on 14 December 2022 to terminate the Transactions, whereupon the Parties’ respective obligations under the Transaction Agreements have ceased and terminated. As a result of the termination of the Transaction Agreements, the Acquisition and the proposed grant of warrants will not proceed in the immediate future.

As the Transaction Agreements have been terminated, the proposed Transactions set out in this announcement shall not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

For information purpose only, the principal terms of the agreements relating to the proposed Transactions (the “**Transaction Agreements**”) are set out below.

I. THE NOVUS SUBSCRIPTION AGREEMENT

Date : 14 November 2022

Parties : (a) the Company, as the subscriber; and
(b) the Target Company, as the issuer.

Subscription of new shares : The Company to conditionally subscribe for 472,210 new shares in the Target Company

Consideration : The consideration was approximately HK\$66.1 million in cash, which was determined after arm’s length negotiation between the Company and the Target Company

II. THE NOVUS SUBSCRIPTION OPTION AGREEMENT

Date : 14 November 2022

Parties : (a) the Company, as the grantee; and
(b) the Target Company, as the grantor.

Subscription of share option : The Target Company to conditionally grant the share options entitling the Company to subscribe for 787,000 option shares

Consideration : HK\$1.0

Aggregate price : The aggregate price payable by the Company was approximately HK\$110.2 million in cash upon exercise of the share options, which was determined after arm's length negotiation between the Company and the Target Company

III. THE NOVUS CALL OPTION AGREEMENT

Date : 14 November 2022

Parties : (a) the Company, as the grantee;

(b) Capital Fund Limited;

(c) Mr. Wong Kai Lun;

(d) Mr. Wong Chung Lim;

(e) Mr. Lai King Yin;

(f) Alam Jeffrey Mark; and

(g) Ms. Liu Lee, Lih Ming (each of them being a shareholder of the Target Company, collectively, the "**Grantors**").

Call option : The Grantors have agreed to grant the call option to the Company to require the Grantors to sell the respective call option shares

Consideration : HK\$1.0 in respect of each Grantor

Aggregate price : The aggregate price payable by the Company to the Grantors upon exercise of the call option was approximately HK\$218.0 million in cash, which was determined after arm's length negotiation between the Company and the Target Company

IV. THE WARRANT SUBSCRIPTION AGREEMENT

Date : 28 November 2022

Parties : (a) the Company, as the issuer;
(b) Mr. Wong Kai Lun; and
(c) Mr. Lai King Yin, as the subscriber (collectively, "**Subscribers**").

Number of Warrants : An aggregate of 81,104,400 warrant shares, representing 40,552,200 warrants conferring rights to subscribe for 40,552,200 warrant shares issued to each of the Subscriber, to be issued under the Specific Mandate to be sought at the EGM

Initial Warrant Subscription Price : HK\$1.60 per warrant share

V. THE NOVUS CONDITIONAL LOAN FACILITY AGREEMENT

Date : 14 November 2022

Parties : (a) the Company; and
(b) the Target Company.

Facility : Loan facility with a maximum principal amount of RMB1,000,000,000

Interest : 5.375% per annum.

INFORMATION ON THE COMPANY

The Company is a China-based investment holding company principally engage in the manufacture, installation and sales of customized prestressed steel materials and cables.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability, the Target Company principally engaged in the development of novel formulation of biomaterial for use in orthopaedics and maxillofacial surgery and investment holding. The Target Company has developed an advanced bone cement with patent. Comparing with other traditional bone cement products in the market, the bone cement developed by the Target Company has a bending strength and compressive strength of at least 50 MPa and 110 MPa respectively, of which the compressive strength is 37.5% higher than the traditional bone cement products. The bone cement developed by the Target Company can also be used in (i) the treatment of bone cysts and bone arthritis; (ii) spinal operations; (iii) plastic surgery; and (iv) dental operations. The Target Company has also developed a medical grade bioactive 3D printing filament for 3D printer is able to produce permanent and temporary surgical implants for various applications.

TERMINATION OF THE COLLECTIVE AGREEMENTS

In the course of the vetting of the Announcement, the Stock Exchange has expressed concerns on the valuation and structure of the Transactions. With consideration of the Stock Exchange's concerns, and that an extended period of time is required to negotiate the terms of the Transactions, to issue the Announcement and the related circular before the completion of the Transactions, the Company, the Target Company, the Grantors and the Subscribers have mutually agreed to terminate the Transaction Agreements with immediate effect. The Parties have accordingly entered into a termination agreement on 14 December 2022 to terminate the Transactions, whereupon the Parties' respective obligations under the Transaction Agreements have ceased and terminated. As a result of the termination of the Transaction Agreements, the Acquisition and the proposed grant of warrants will not proceed in the immediate future.

The Directors consider that the termination will not have any material adverse impact on the existing business operation and financial position of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Company's shares on the Stock Exchange was halted with effect from 3:39 p.m. on Wednesday, 9 November 2022. Application has been made by the Company for resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 15 December 2022.

The Group has been carrying its normal day-to-day operations during the trading halt of its shares. As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects.

As the Transaction Agreements have been terminated, the proposed Transactions set out in this announcement shall not proceed. Shareholders and potential investors of the Company are advised to 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, 14 December 2022

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