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Jujiang Construction Group Co., Ltd.

(A joint stock limited liability company incorporated in the People's Republic of China) (Stock Code: 1459)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS	For the six months ended 30 June		
	2017	2016	Change %
Revenue	2,080,395	1,999,078	4.07
Gross profit	114,435	118,180	(3.17)
Gross profit margin	5.50%	5.91%	(0.41)
Profit for the period	51,936	47,958	8.29
Net profit margin	2.50%	2.40%	0.10
Basic and diluted earnings per share (RMB)	0.10	0.09	

INTERIM RESULTS

The board (the Board) of directors (the Directors) of Jujiang Construction Group Co., Ltd. (the Company) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the Group) for the six months ended 30 June 2017, together with the comparative figures for the six months ended 30 June 2016. The interim results have been reviewed by the audit committee of the Company (the "Audit Committee").

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June

		2017	2016
	Notes	(Unaudited)	(Unaudited)
Revenue	4	2,080,395	1,999,078
Cost of sales		<u>(1,965,960)</u>	<u>(1,880,898)</u>
Gross profit		114,435	118,180
Other income and gains	4	8,638	16,364
Administrative expenses		(32,875)	(37,242)
Other expenses		(4,414)	(7,944)
Finance costs		<u>(17,354)</u>	<u>(22,434)</u>
PROFIT BEFORE TAX	5	68,430	66,924
Income tax expense	6	<u>(16,494)</u>	<u>(18,966)</u>
PROFIT FOR THE PERIOD		51,936	47,958
OTHER COMPREHENSIVE INCOME		<u> </u>	<u> </u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		<u>51,936</u>	<u>47,958</u>
Profit attributable to:			
Owners of the parent		51,558	47,975
Non-controlling interests		378	(17)
		<u>51,936</u>	<u>47,958</u>
Total comprehensive income attributable to:			
Owners of the parent		51,558	47,975
Non-controlling interests		378	(17)
		<u>51,936</u>	<u>47,958</u>
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	7	<u>0.10</u>	<u>0.09</u>

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (30 June 2016: Nil).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2017	As at 31 December 2016
	Notes	(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		133,431	135,336
Prepaid land lease payments		9,142	9,288
Intangible assets		2,441	2,102
Available-for-sale investment		-	3,600
Deferred tax assets		15,478	15,891
Trade receivables	8	16,670	26,648

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		As at 30 June 2017	As at 31 December 2016
	Notes	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Other payables and accruals		<u>7,223</u>	<u>24,804</u>
Total non-current liabilities		<u>7,223</u>	<u>24,804</u>
Net assets		1,057,392	

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company, formerly known as Qitang Commune Construction Agency, was established in PRC) on 25 October 1965 as a collective economy agency (). In July 1996, the Company was converted into a company with limited liability. The Company became a joint stock company with limited liability on 29 December 2014 and changed its name to Jujiang Construction Group Co., Ltd. in preparation for the listing. The registered office address of the Company is Gaoqiao Town, Jiaying City, Zhejiang Province, the PRC. ed (the Listing) on the Main Board of The Stock Exchange of Hong Kong Limited (the Stock Exchange) on 12 January 2016 (the Listing Date).

During the six months ended 30 June 2017

Construction contracting

Others design, survey, consultancy and other businesses

In the opinion of the directors, the holding company and the ultimate holding company of the Company is Zhejiang Jujiang Holdings Group Co., Ltd.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard *Interim Financial Reporting* and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange It was approved and authorised for issue by the Board on 25 August 2017.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in 2016.

The unaudited interim condensed consolidated financial statements are presented in Renminbi s, except when otherwise indicated.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new standards and interpretations effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 2
Amendments to IFRS 4
IFRS 9
Amendments to IFRS 10
and IAS 28

*Classification and Measurement of Share-based Payment Transactions*¹
*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*¹
*Financial Instruments*¹

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2017	Construction contracting	Others	Elimination	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:				
Sales to external customers	2,058,721	21,674	-	2,080,395
Intersegment sales	-	2,551	(2,551)	-
Total revenue	2,058,721	24,225	(2,551)	2,080,395
Segment results	63,487	4,943	-	68,430
Income tax expense	(14,675)	(1,819)	-	(16,494)
Profit for the period	48,812	3,124	-	51,936
Other segment information:				
Interest income	66	29	-	95
Finance costs	15,493	1,861	-	17,354
Depreciation	3,433	355	-	3,788
Amortisation	330	18	-	348
Provision for impairment of trade receivables, deposits and other receivables	1,726	90	-	1,816
Capital expenditure*	2,304	166	-	2,470
As at 30 June 2017	Construction contracting	Others	Elimination	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment assets	4,327,404	111,306	(190,052)	4,248,658
Segment liabilities	3,219,634	65,834	(94,202)	3,191,266
For the six months ended 30 June 2016	Construction contracting	Others	Elimination	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:				
Sales to external customers	1,989,598	9,480	-	1,999,078
Intersegment sales	-	27	(27)	-
Total revenue	1,989,598	9,507	(27)	1,999,078
Segment results	74,285	(7,361)	-	66,924
Income tax expense	(19,039)	73	-	(18,966)
Profit for the period	55,246	(7,288)	-	47,958

Other segment information:

Interest income	76	32	-	108
Finance costs	20,369	2,065	-	22,434
Depreciation	3,294	465	-	3,759
Amortisation	274	9	-	283
Provision for impairment of trade receivables, deposits and other receivables	4,712	3	-	4,715
Capital expenditure*	13,529	75	-	13,604

As at 30 June 2016	Construction contracting	Others	Elimination	Total
	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	4,183,799	104,833	(170,544)	4,118,088
Segment liabilities	3,164,315	65,285	(74,694)	3,154,906

Note:

* Capital expenditure mainly consists of additions of property, plant and equipment and intangible assets.

4. REVENUE, OTHER INCOME AND GAINS

(1) the values of services rendered; (2) appropriate proportion of contract revenue of construction contracting; and (3) the net invoiced value of goods sold, after allowances for returns and trade discounts.

Revenue and gains is as follows:

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Revenue		
Construction contracting	2,058,721	1,989,598
Others	21,674	9,480
	<u>2,080,395</u>	<u>1,999,078</u>
Other income and gains		
Interest income	95	108
Government grant	262	11,505
Dividend from available-for-sale investment	4,680	3,600
Gain on disposal of available-for-sale investment	164	-
Others	3,437	1,151
	<u>8,638</u>	<u>16,364</u>

5. PROFIT BEFORE TAX

tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Cost of construction contracting (including depreciation)	1,951,301	1,871,632
Cost of others	14,659	9,266
	<hr/>	<hr/>
Total cost of sales	1,965,960	1,880,898
Depreciation of items of property, plant and equipment	3,788	3,759
Amortisation of prepaid land lease payments	146	145
Amortisation of intangible assets	202	138
	<hr/>	<hr/>
Total depreciation and amortisation	4,136	4,042
Impairment of trade receivables	5,456	3,922
(Reversal of)/provision for impairment of deposits and other receivables	(3,640)	793
	<hr/>	<hr/>
Total impairment losses, net	1,816	4,715
Minimum lease payments under operating leases of land and buildings	351	206
	<hr/>	<hr/>
	1,047	1,119
Wages, salaries and allowances	19,743	17,415
Social insurance	15,643	13,122
Welfare and other expenses	3,373	3,370
	<hr/>	<hr/>
Interest income	727	923
	<hr/>	<hr/>
	(95)	(108)

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Current income tax – Mainland China		
- Charge for the period	16,981	17,733
- (Over)/under provision in prior years	(900)	168
Deferred income tax	413	1,065
	<hr/>	<hr/>
Tax charge for the period	16,494	18,966
	<hr/> <hr/>	<hr/> <hr/>

8. TRADE AND BILLS RECEIVABLES

Trade receivables represented receivables for contract works. The payment terms of contract customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period offered by the Group is one to three months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Trade receivables	590,889	662,703
Provision for impairment	(24,701)	(19,245)
	<hr/>	<hr/>
Trade receivables, net	566,188	643,458
Bills receivable	101,411	30,549
	<hr/>	<hr/>
	667,599	674,007
	<hr/>	<hr/>
Portion classified as non-current assets ⁽¹⁾	(16,670)	(26,648)
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Current portion	650,929	647,359
	<hr/> <hr/>	<hr/> <hr/>

(1) The non-current portion of trade receivables mainly represents the amounts of retentions held by customers at the end of each of the reporting period, which will be paid at the end of the retention period.

At the end of the reporting period, the amounts of retentions held by customers for contract works included in trade receivables for the Group are approximately as follows:

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Retentions in trade receivables	39,724	28,293
Provision for impairment	(124)	(74)
	<hr/>	<hr/>
Retentions in trade receivables, net	39,600	28,219
Portion classified as non-current assets	(16,670)	(26,648)
	<hr/>	<hr/>
Current portion	22,930	1,571
	<hr/> <hr/>	<hr/> <hr/>

provision for impairment of trade receivables, as at the end of each of the reporting period is as follows:

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Within 3 months	222,995	237,915
3 months to 6 months	22,332	28,571
6 months to 1 year	64,894	283,482
1 to 2 years	208,681	49,524
2 to 3 years	30,315	21,101
3 to 4 years	7,538	18,410
4 to 5 years	7,835	3,817
Over 5 years	1,598	638
	<u>566,188</u>	<u>643,458</u>

The movements in provision for impairment of trade receivables are as follows:

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
At beginning of the period	19,245	19,316
Impairment losses recognised	5,667	830
Impairment losses reversed	(211)	(901)
At end of the period	<u>24,701</u>	<u>19,245</u>

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of approximately RMB10,090,000 (unaudited) and approximately RMB10,090,000 with aggregate carrying amounts before provision of approximately RMB10,090,000 (unaudited) and approximately RMB10,090,000 as at 30 June 2017 and 31 December 2016, respectively.

The individually impaired trade receivables relate to customers that were in default in principal payments or were in financial difficulties and only a portion of the receivables is expected to be recovered.

An aged analysis of the trade receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Neither past due nor impaired	257,205	265,433
Past due within 1 year but not impaired	86,123	310,444
	<u>343,328</u>	<u>575,877</u>

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom that was no recent history of default.

Transferred financial assets that are not derecognised in their entirety

The Group endorsed and discounted certain bills receivable accepted by banks in Mainland China (the Endorsed Bills) with a carrying amount of approximately RMB91,854,000 (unaudited) and approximately RMB27,852,000 as at 30 June 2017 and 31 December 2016, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the Endorsement). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills during the period to which the suppliers have recourse approximately RMB91,854,000 (unaudited) and approximately RMB27,852,000 as at 30 June 2017 and 31 December 2016, respectively.

Transferred financial assets that are derecognised in their entirety

The Group endorsed and discounted certain bills receivable accepted by banks in the PRC (the Derecognised Bills), to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of, approximately RMB192,549,000 (unaudited) and approximately RMB121,066,000 as at 30 June 2017 and 31 December 2016, respectively. The Derecognised Bills have a maturity from one to six months at the end of the each

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Accumulated contract costs incurred plus recognised profits less recognised losses to date	27,381,531	27,429,443
Less: Accumulated progress billing received and receivable	24,812,924	24,545,067
	<u>2,568,607</u>	<u>2,884,376</u>

10. TRADE AND BILLS PAYABLES

An aged analysis of the trade payables, as at the reporting period, based on the invoice date, is as follows:

	As at 30 June 2017	As at 31 December 2016
	(Unaudited)	(Audited)
Within 6 months	1,063,951	267,491
6 months to 1 year	199,494	1,472,885
1 to 2 years	634,460	531,766
2 to 3 years	119,355	41,773
Over 3 years	17,748	16,608
	<u>2,035,008</u>	<u>2,330,523</u>

The trade payables are non-interest-bearing and are normally settled within terms from three to six months.

11. INTEREST-BEARING BANK BORROWINGS

	As at 30 June 2017			As at 31 December 2016		
	Effective interest rate (%)	Maturity		Effective interest rate (%)	Maturity	
Current						
Bank loans secured	4.4-20.4	2017-2018	555,360	4.35-21.6	2017	644,491
Bank loans unsecured	6.5	2017-2018	4,372	-	-	-
Other borrowings secured	4.7-9.2	2017-2018	5,984	-	-	-
Other borrowings unsecured	8.0	2017-2018	5,142	-	-	-
			<u>570,858</u>			<u>644,491</u>

Notes:

- (a) approximately RMB97,422,000 (unaudited) and approximately RMB98,215,000 as at 30 June 2017 and 31 December 2016, respectively, were pledged to secure general banking facilities granted to the Group.
- (b) As at 30 June 2017 and 31 December 2016 -bearing bank borrowings of approximately RMB541,736,000 (unaudited) and approximately RMB621,941,000, respectively, are jointly guaranteed by the controlling shareholder and other related parties of the Group, free of charge.

12. COMMITMENTS

As at 30 June 2017, the Group did not have any significant commitments.

13. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2017(30 June 2016:42(t)-58()52.2(n)-53(e)-44()-535-44(n)-42(t)-5862 621./56.(e)-55()5862 621./56 1 194.0

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

improving community functions and facilities in urban areas, the demand for construction industry is expected to maintain its momentum. Expected in 2017, the urbanization rate of China will be 59.2%. Urbanization rate represents the rate of change in the size of the urban population over a certain period. By 2020, it is projected that approximately 100 million of the rural population will settle in urban areas, which will bring significant demand for new urban residential construction. In line with the historical trend of increases in the average fee for construction projects, the total output value of construction industry in China increased from approximately RMB8,587.1 billion for the six months ended 30 June 2017, increased by 10.9% as compared with the same period in 2016.

BUSINESS REVIEW

In the first half of 2017, the Company made significant achievements in business expansion. While maintaining and furthering cooperation relationships with major customers, including

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expanded its business footprint to surrounding cities and other provinces, including undertaking two projects with a total cost of RMB408 million in Zhengzhou City, the provincial capital of Henan Province. Meanwhile, the Company also actively pushed forward the development of quality business by striving to undertake quality business with economy of scale and market influence to boost brand awareness. In the first half of the year, and among the contracted business projects newly undertaken, ten were worth over RMB50 million, and six over RMB100 million.

In addition, the Company has been placing a great deal of emphasis on innovation in production technologies. In the first half of 2017, the Company leveraged on

of technological cooperation with external parties, aiming to offer technical support to its ongoing projects, and in the first half of the year, one application for national patents filed by the Company was accepted, two patents were approved, and four excellent QC accomplishment awards at the municipal-level were granted.

In the first half of 2017, the Company won many important awards at the provincial, municipal and county levels, including 16 for overall performance, 11 for quality works, and dozens for construction safety and attainment of standards. In particular, the Zhenshi Headquarters Building project, a pioneer project in applying BIM Technology with achievements in adopting a standard construction process, was among the 17th batch of New Construction Technology Application Demonstration Projects, which enhanced our status as an influential brand.

For the six months ended 30 June 2017, approximately 99.0% of the revenue was contributed by the construction contracting business. The Group recorded a revenue of approximately RMB2,080.4 million for the six months ended 30 June 2017, increased by 4.07% as compared with the same period in 2016. Profit for the period rose by 8.3% to approximately RMB51.9 million. performance maintained a steady growth.

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For the six months ended 30 June

	2017		2016	
	RMB'million	%	RMB'million	%
Construction contracting business				
Residential	999.6	48.1	728.0	36.4
Commercial	821.1	39.5	940.9	47.1
Industrial	118.7	5.7	140.9	7.0
Public works	119.3	5.7	179.8	9.0
	<u>2,058.7</u>	<u>99.0</u>		

FINANCIAL REVIEW

Revenue and gross profit margin

Revenue increased by 4.07% from approximately RMB1,999.1 million for the six months ended 30 June 2016 to approximately RMB2,080.4 million for the six months ended 30 June 2017 primarily because of increase of construction constructing business amounting to approximately RMB69.1 million and increase of other amounting to approximately RMB12.2 million for the six months ended 30 June 2017. Increase in construction constructing business was a result of increase in revenue from residential construction projects amounting to approximately RMB271.6 million, which was offsetting by decrease in revenue from other construction projects amounting to

Finance costs

Finance costs decreased by 22.6% from approximately RMB22.4 million for the six months ended 30 June 2016 to approximately RMB17.4 million for the six months ended 30 June 2017 due to decrease in average of the loan balance during the period as compared with that average balance in last period.

Income tax expense

Income tax expenses decreased by 13.0% from approximately RMB19.0 million for the six months ended 30 June 2016 to approximately RMB16.5 million for the six months ended 30 June 2017. Such decrease was primarily due to over-provision for income tax in prior year and an income not subject to tax in relation to dividend income contributed from available-for-sales investment for the six months ended 30 June 2017. Our effective tax rate decreased from approximately 28.3% for the six months ended 30 June 2016 to approximately 24.1% for the six months ended 30 June 2017, the reason was mentioned as above.

Profit for the period

Profit for the period increased by 8.3% from approximately RMB48.0 million for the six months ended 30 June 2016 to approximately RMB51.9 million for the six months ended 30 June 2017. Net profit margin increased from approximately 2.40% for the six months ended 30 June 2016 to approximately 2.50% for the six months ended 30 June 2017, primarily due to the decrease in finance costs and administrative expenses

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

are primarily funded through cash generated from operating activities and interest-bearing borrowings. As of 30 June 2017 and 31 December 2016, the Group had cash and cash equivalents of approximately RMB57.5 million and approximately RMB65.0 million, respectively.

Treasury Policies

The Group monitors the cash flows and cash balance on a regular basis and seeks to maintain an optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies throughout the period under review. In the future, the Group intends to finance its operations through cash generated from operating activities, interest-bearing bank borrowings. Other than normal bank borrowings that the Group obtained from commercial banks and potential debt financing plans, the Group does not expect to have any material external debt financing plan in the near future.

Amounts due from contract customers

The amounts due from contract customers decreased from approximately RMB2,998.3 million as of 31 December 2016 to approximately RMB2,794.9 million as of 30 June 2017, representing 71.0% and 69.7% of the total current assets as of the same dates. The decrease in the proportion of the amounts due from contract customers to the total current assets was primarily because of the Group actively to issue billings to the customers.

Trade and bill payables

Trade and bills payables decreased from approximately RMB2,330.5 million as of 31 December 2016 to approximately RMB2,035.0 million as of 30 June 2017. Such decrease was a result of improvement of operating cash flow.

Borrowings and charge on assets

As of 30 June 2017, the Group relied on interest-bearing borrowings in the amount of approximately RMB570.9 million (31 December 2016: approximately RMB644.5 million) which are repayable within 1 year and carried effective interest rate with a range from 4.4% to 20.4% per annum (31 December 2016: 4.4% to 21.6% per annum).

As at 30 June 2017, certain general banking facilities of the Group were secured by the land use rights and buildings of approximately RMB97.4 million (31 December 2016: approximately RMB98.2 million).

Gearing ratio

The gearing ratio decreased from approximately 55.8% as at 31 December 2016 to approximately 46.8% as at 30 June 2017, such decrease was mainly attributing to repayments of interest-bearing bank and other borrowings during the period.

Gearing ratio represents net debt divided by total equity as of the end of a year/period. Net debt is defined as all borrowings deducted by cash and bank balances and pledged deposits.

Capital Expenditure

Capital expenditures decreased from approximately RMB13.6 million for the year ended 31 December 2016 to approximately RMB2.5 million for the six months ended 30 June 2017 primarily because the Group has made sufficient investments in the previous years to satisfy the needs of the business operations during the period.

Capital Commitments

As at 30 June 2017, the Group did not have any significant commitments.

Contingent liabilities

As at 30 June 2017

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments and capital assets as at 30 June 2017.

EMPLOYEE AND REMUNERATION POLICIES

As of 30 June 2017, the Group had total of 704 employees, of which 583 were based in Jiaxing City, and 121 were based in other areas in Zhejiang Province and in other provinces and regions in China. For the six months ended 30 June 2017, the Group incurred total staff costs of approximately RMB19.7 million, representing an increase of approximately 13.4% as compared with the same period in 2016, mainly attributable to increase in headcount and salary incremental.

The Group believes that the long-term growth depends on the expertise, experience and development of the employees. The salaries and benefits of the employees depend primarily on their type of work, position, length of service with us and local market conditions. In order to employees.

Develop business opportunities to undertake EPC and PPP projects

The Group plans to seize the opportunities emerging from the promotion of pilot projects for general contracting of construction works in Zhejiang Province, with an aim to strengthening resources integration for developing general contracting business and committing itself to nurturing integrated capabilities in design, procurement and construction. The Group will also proactively deploy more resources for EPC projects and focus on following up quality projects.

Moreover, according to Ipsos, an increasing number of infrastructure projects in China are expected to be completed on a PPP basis in the coming years. As such, the Group intends to develop business opportunities to undertake more projects on a PPP basis in the future. Under the PPP model, the Group would generally be responsible for financing, investment, management and construction of the project. The Group believes that PPP projects will enhance the profitability and brand recognition, and the Group intends to selectively undertake such projects in the future. PPP projects are awarded to qualified construction companies through a public bidding process held by relevant government authorities. The Group intends to leverage the strong relations with the local Jiaying government and the track record of high-quality public works construction projects to win such projects. By gaining expertise and developing the reputation as a premium PPP service provider, the Group plans to develop PPP operations in other regions of Zhejiang Province and other provinces and regions in China. Given the significant upfront investment required to undertake such projects, the Group also plans to finance future projects through a combination of the working capital and bank borrowings.

Push forward the strategy of major customers in full swing and expand market footprint

The Group plans to leverage the opportunity of cooperating with large real estate enterprises to push forward the strategy of major customers in full swing. By providing quality services and enhancing the quality of works projects, the Group will further enhance its partnership with major customers, including Country Garden, Vanke, Greentown, Sunac, Zhenshi and Tongkun. Meanwhile, the Group will proactively identify major potential customers in the future and fully leverage various communication and exchange channels for seeking opportunities for business cooperation, with a view to nurturing new major customers which can offer sustainable development and stable business.

In addition, the Groups plans to expand its 7(u)-42(r)-4ns r4(t)-47(i)-47(e)-44(s)-56()-249(f)-57(o)-42-42(u)-6(n)-53

OTHER INFORMATION

INTERIM DIVIDEND

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the model code for Securities Transactions by Directors of Listed
sactions on terms or less exacting than the requested standard set out in the Model Code. Upon specific enquiries, all Directors and Supervisors confirmed that they have complied with the relevant provisions of the Model Code throughout the six months ended 30 June 2017. The Company continues and will continue to ensure compliance with the corresponding provisions set out in the Model Code.

Senior management who, because of their office in the Company, are likely to be in possession of inside information, have also been requested to comply with the provisions of the Model Code.

EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, the Group has no significant events after the reporting period required to be disclosed.

PUBLICATION OF THE CONDENSED CONSOLIDATED INTERIM RESULTS AND 2017 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.jujiang.cn>) and the 2017 Interim Report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix 14 to the Listing Rules on 23 December 2015. The Audit Committee consists of three members, namely Mr. Wong Ka Wai, Mr. Lin Tao and Mr. Yu Jingxuan, all being our independent non-executive Directors. Mr. Yu Jingxuan has been appointed as the chairman of the Audit Committee, and is our independent non-executive director possessing the appropriate professional qualifications. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process and perform other duties and responsibilities as assigned by our Board.

The Audit Committee has discussed with the management and external auditor the accounting condensed consolidated financial statements for the six months ended 30 June 2017. The Audit Committee is of the opinion that the financial statements comply with the applicable accounting standards.

On behalf of the Board
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

Zhejiang Province, the PRC, 25 August 2017

As of the date of this announcement, the Board comprises Mr. Lv Yaoneng, Mr. Lv Dazhong, Mr. Li Jinyan, Mr. Lu Zhicheng, Mr. Shen Haiquan and Mr. Zheng Gang, as executive Directors; and Mr. Yu Jingxuan, Mr. Lin Tao, and Mr. Wong Kai Wai, as independent non-executive Directors.