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Jujiang Construction Group Co., Ltd.

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(Stock Code: 1459)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2017	2016	Change %
Revenue	4,803,019	4,032,168	19.1
Gross Profit	276,692	224,697	23.1
<i>Gross Profit Margin</i>	<i>5.76%</i>	<i>5.57%</i>	<i>0.19</i>
Profit for the year	125,203	90,234	38.8
<i>Net Profit Margin</i>	<i>2.61%</i>	<i>2.24%</i>	<i>0.37</i>
Basic and diluted earnings per share (RMB)	0.23	0.17	

ANNUAL RESULTS

The board (the **Board**) of directors (the **Directors**) of Jujiang Construction Group Co., Ltd. (the **Company**) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the **Group**) for the year ended 31 December 2017, together with the comparative figures for the previous year as follows:

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

		For the year ended 31 December	
		2017	2016
	Notes		
Revenue	5	4,803,019	4,032,168
Cost of sales		<u>(4,526,327)</u>	<u>(3,807,471)</u>
Gross profit		276,692	224,697
Other income and gains	5	10,365	20,218
Administrative expenses		(66,632)	(73,332)
Other expenses		(12,923)	(4,823)
Finance costs		<u>(39,047)</u>	<u>(42,741)</u>
PROFIT BEFORE TAX	6	168,455	124,019
Income tax expense	7	<u>(43,252)</u>	<u>(33,785)</u>
PROFIT FOR THE YEAR		125,203	90,234
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>125,203</u>	<u>90,234</u>
Profit attributable to:			
Owners of the parent		123,792	89,684
Non-controlling interests		1,411	550
		<u>125,203</u>	<u>90,234</u>
Total comprehensive income attributable to:			
Owners of the parent		123,792	89,684
Non-controlling interests		1,411	550
		<u>125,203</u>	<u>90,234</u>
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	8	<u>0.23</u>	<u>0.17</u>

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

		As at 31 December	
		2017	2016
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		132,559	135,336
Prepaid land lease payments		8,997	9,288
Other intangible assets		2,407	2,102
Available-for-sale investment		-	3,600
Deferred tax assets		17,113	15,891
Trade receivables	9	25,173	26,648
Prepayments, deposits and other receivables		40,412	47,707
Other non-current assets		15	116
		<hr/>	<hr/>
Total non-current assets		226,676	240,688
CURRENT ASSETS			
Prepaid land lease payments		291	291
Inventories		12,028	7,612
Amounts due from contract customers	10	3,084,495	2,998,346
Trade and bills receivables	9	926,544	647,359
Prepayments, deposits and other receivables		437,571	488,918
Pledged deposits		18,752	18,110
Cash and cash equivalents		83,859	65,013
		<hr/>	<hr/>
Total current assets		4,563,540	4,225,649
CURRENT LIABILITIES			
Trade and bills payables	11	2,586,026	2,330,523
Other payables, advances from customers and accruals		232,574	216,549
Amounts due to contract customers	10	132,125	113,970
Interest-bearing bank and other borrowings	12	549,561	644,491
Tax payable		159,044	130,544
		<hr/>	<hr/>
Total current liabilities		3,659,330	3,436,077
NET CURRENT ASSETS			
		<hr/>	<hr/>
NET CURRENT ASSETS		904,210	789,572
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,130,886	1,030,260

	As at 31 December	
	2017	2016
	Notes	
NON-CURRENT LIABILITIES		
Other payables and accruals	<u>827</u>	<u>24,804</u>
Total non-current liabilities	<u>827</u>	<u>24,804</u>
Net assets	<u>1,130,059</u>	<u>1,005,456</u>
EQUITY		
Equity attributable to owners of the parent		
Share capital	533,360	533,360
Reserves	<u>590,474</u>	<u>466,682</u>
	1,123,834	1,000,042
Non-controlling interests	<u>6,225</u>	<u>5,414</u>
Total equity	<u>1,130,059</u>	<u>1,005,456</u>

1.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in Annual Improvements 2014-2016 Cycle	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

These revised standards do not have any significant impact on the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) Construction contracting this segment engages in the provision of services relating to construction contracting in architecture;
- (b) Others provision of services on designing, surveying and mapping, monitoring and consulting services in the engineering of municipal management and construction, installation of lifting equipment, sale of construction materials and civil defence products and provision of services relating to construction contracting in architecture.

purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured

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.

Year ended	Construction	Others	Eliminations	Total
31 December 2017	contracting			

Note:

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

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Impairment/(reversal of impairment) of trade receivables	11,413	(71)
(Reversal of impairment)/impairment/of deposits and other receivables	(4,089)	2,254
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Total impairment losses, net	7,324	2,183
Minimum lease payments under operating leases of land and buildings	796	994
	2,830	2,369
Employee benefit expenses (including directors' and executives' remuneration):	38,855	37,609
- Wages, salaries and allowances	32,237	28,942
- Social insurance	5,442	6,241
- Welfare and other expenses	1,176	2,426
Interest income	(432)	(381)
Gain on disposal of items of property, plant and equipment, net	(2,998)	(1,451)
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7. INCOME TAX EXPENSE

	Year ended 31 December	
	2017	2016
Current income tax – Mainland China		
- Charge for the year	45,374	31,826
- Over provision in prior years	(900)	-
Deferred income tax	(1,222)	1,959
	<hr/>	<hr/>
Tax charge for the year	43,252	33,785
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A reconciliation of the income tax expense applicable to profit before tax at the statutory effective income tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Year ended 31 December	
	2017	2016
Profit before tax	168,455	124,019
Income tax charge at the statutory income tax rate	42,114	31,005
Income not subject to tax	(1,170)	-
Expenses not deductible for tax purposes	1,578	1,544
Adjustments in respect of current tax of prior year	(900)	-
Tax losses not recognised	1,630	1,236
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Tax charge for the year at the effective rate	43,252	33,785
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8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year ended 31 December 2017.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2017 and 2016 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2017 and 2016.

The following reflects the income and share data used in the basic earnings per share computation:

Year ended 31 December

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 31 December	
	2017	2016
Retentions in trade receivables	69,894	28,293
Provision for impairment	(146)	(74)
Retentions in trade receivables, net	69,748	28,219
Portion classified as non-current assets	(25,173)	(26,648)
Current portion	44,575	1,571

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

	As at 31 December	
	2017	2016
Within 3 months	338,663	237,915
3 months to 6 months	63,112	28,571
6 months to 1 year	141,979	283,482
1 to 2 years	181,790	49,524
2 to 3 years	19,576	21,101
3 to 4 years	13,106	18,410
4 to 5 years	7,020	3,817
Over 5 years	3,868	638
	769,114	643,458

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

	Year ended 31 December	
	2017	2016
At beginning of the year	19,245	19,316
Impairment losses recognised	11,413	830
Impairment losses reversed	-	(901)
At end of the year	30,658	19,245

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of approximately RMB10,598,000 and approximately RMB10,090,000 with aggregate carrying amounts before provision of approximately RMB10,598,000 and approximately RMB10,090,000 as at 31 December 2017 and 2016, respectively.

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10. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

	As at 31 December	
	2017	2016
Amount due from contract customers	3,084,495	2,998,346
Amount due to contract customers	(132,125)	(113,970)
	<u>2,952,370</u>	<u>2,884,376</u>

	As at 31 December	
	2017	2016
Accumulated contract costs incurred plus recognised profits less recognised losses to date	31,689,928	27,429,443
Less: Accumulated progress billings received and receivable	(28,737,558)	(24,545,067)
	<u>2,952,370</u>	<u>2,884,376</u>

11. TRADE AND BILLS PAYABLES

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

	As at 31 December	
	2017	2016
Within 6 months	1,272,495	267,491
6 months to 1 year	725,478	1,472,885
1 to 2 years	300,129	531,766
2 to 3 years	233,826	41,773
Over 3 years	54,098	16,608
	<u>2,586,026</u>	<u>2,330,523</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

g community functions and facilities in urban areas, the demand for construction industry is expected to maintain its momentum. The urbanization rate of China was 58.5% in 2017. Urbanization rate represents the rate of change in the size of the urban population over a certain period. According to the report by Ipsos, 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 RMB19,356.7 billion for the year ended 31 December 2016 to approximately RMB21,395.4 billion for the year ended 31 December 2017, representing an increase of 10.5%.

BUSINESS REVIEW

In 2017, with its constant focus on the yearly development strategy and business plan, management of the Company restructured the business vigorously and pushed for the optimization

e consolidating and developing the regional competitive advantage, the Company actively expanded new business areas and ensured the smooth realization of all the objectives. During the year, the net value of new projects significantly increased by approximately 63.5% to approximately RMB7.3 billion as compared with the same in last year. As at 31 December 2017, the outstanding backlog in terms of contract value was approximately to RMB8.0 billion.

The following table sets forth the movement of backlog of the construction projects during the years:

	Year ended 31 December	
	2017	2016
	RMB'million	RMB'million
Opening value of backlog	5,422.6	4,999.4
Net value of new projects ⁽¹⁾	7,305.4	4,468.0
Revenue recognized ⁽²⁾	(4,751.2)	(4,044.8)
Closing value of backlog ⁽³⁾	<u>7,976.8</u>	<u>5,422.6</u>

Notes:

- (1) Net value of new contracts means the total contract value of new construction contracting contracts which were awarded to us during the relevant year indicated.
- (2) Revenue recognized means the revenue that has been recognized during the relevant year indicated, such amounts are before deducting business tax.
- (3) Closing value of backlog means the total contract value for the remaining work of construction projects before the percentage of completion of such projects reach 100% as of the end of the relevant year indicated.

With the Company's development strategy of "major customers", the Company has not only enhanced good relationship with local customers, but also expanded its engagement with China's top ten real estate companies. Since 2016, the Company has been committed to nurturing new and high-quality customers such as Country Garden Holdings Company Limited (), China Vanke Co., Ltd. (), Sunac China Holdings Limited () and Greentown China Holdings Limited, and in 2017, it has further expanded the cooperation and successfully seized the opportunity to strive for new large-scale development projects. In the past, the Company's major customers were local large customers such as Zhenshi Holding Group Co., Ltd., Jushi Group Co., Ltd., Tongkun Group Co., Ltd.* and Zhejiang Huayou

Cobalt Co., Ltd., representing approximately 13.4% of the Company's total contract value for the same period last year. However, following the transformation of the Company's development strategy and the improvement of project quality, customers are more confident in establishing a long-term partnership with the Company. This year, China's top ten real estate companies (Country Garden, Vanke, Sunac and China Fortune Land Development Co., Ltd.) accounted for a total of approximately 26.8% of the total contract value of the Company in 2017, representing an increase of approximately 3.1 times as compared to 2016, reflecting an increase in the proportion of major customers in the Company's contract value. At the same time, the Company actively

it successfully won the bid for the Phase I of Engineering Procurement Construction () through in EPC projects. The Company was aggressively following up the negotiations about public-private partnership () projects. It also pushed for the research on the prefabricated structure for precast concrete () for completing preliminary work on the preparations for building an industrialization base.

With the Company's development strategy of "going out", the customer base is also increasingly diversified. In terms of our footprint in China, the Company expand2(f)-46()JTJ2G2(r)-57(e)-55(m)-36(eu)-42(c)-44

The Company has been placing a great deal of emphasis on innovation in production technologies.
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to offer technical support to its on-going projects, explore new technologies and construction methods for its projects, and facilitate the declaration of patented technologies. In 2017, five applications for national patents filed by the Company were accepted, two patents were approved, and one excellent QC accomplishment award at the provincial-level, and three at the municipal-level were granted, effectively promote the upgrading of construction technology. Meanwhile, the strengthened application of the Building Information Model () Technology in the projects had brought about fruitful results in respect of BIM awards. During the year, the Group was awarded the Second Prize of BIM Awards , the Third Prize of Long Tu Cup (), the titles of Best Practice Enterprise (份) and Application of Benchmarking Project (), MagiCAD benchmark users (MagiCAD) and other accolades, which had significantly enhanced the recognition of the Group.

For the year ended 31 December 2017, approximately 98.9% of the revenue was contributed by the construction contracting business. The Group recorded revenue of approximately RMB4,803.0 million for the year ended 31 December 2017, increased by 19.1% year-by-year. The net profit for the year ended 31 December 2017 as compared to the net profit for the year ended 31 December 2016 increased by approximately 38.8% to approximately RMB125.2 million. The following table sets forth a breakdown of our revenue by business and project type for the years indicated:

	Year ended 31 December	
2017	RMB	2016
RMB'million	[()-4(1)6(1)-

Gross profit increased by approximately 23.1% from approximately RMB224.7 million for the year ended 31 December 2016 to approximately RMB276.7 million for the year ended 31 December 2017 mainly due to the increase in business activities of the construction contracting business for the reasons discussed above. The gross profit margin improved from approximately 5.57% for the year ended 31 December 2016 to approximately 5.76% for the year ended 31 December 2017, such increase is mainly attributing to increase in gross profit margins of the residential construction projects which is in line with our strategies to focus on quality customers and high-margin projects. During the year, the Group increased to work with the major property developers which projects have higher profit margins.

Other income and gains

Other income and gains decreased by approximately 48.7% from approximately RMB20.2 million for the year ended 31 December 2016 to approximately RMB10.4 million for the year ended 31 December 2017 primarily because the Company received one-off government grants of approximately RMB11.0 million in relation to the Listing during prior year as no such government grant was received during the year.

Administrative expenses

The administrative expenses decreased by approximately 9.1% from approximately RMB73.3 million for the year ended 31 December 2016 to approximately RMB66.6 million for the year ended 31 December 2017 which primarily because (i) decrease in tax expenses as the local government suspended to charge surcharge and (ii) decrease in professional fee in relation to the Listing, such expenses were incurred for the year ended 31 December 2016.

Other expenses

Other expenses increased by approximately RMB8.1 million from RMB4.8 million for the year ended 31 December 2016 to approximately RMB12.9 million for the year ended 31 December 2017, primarily as increase in impairment on receivables amounting to approximately RMB5.1 million.

Finance costs

Finance costs decreased by approximately 8.6% from approximately RMB42.7 million for the year ended 31 December 2016 to approximately RMB39.0 million for the year ended 31 December 2017 primarily attributing to decrease in average interest rates and average loan balances.

Income tax expense

Income tax expenses increased by 28.0% from approximately RMB33.8 million for the year ended 31 December 2016 to approximately RMB43.3 million for the year ended 31 December 2017 primarily because of an increase in the provision of tax as a result of the increased profit. The effective tax rate decreased from 27.2% for the year ended 31 December 2016 to 25.7% for the year ended 31 December 2017 primarily because dividend income do not subject to assessable profits and tax adjustment in relation to previous year.

Profit for the year

Profit for the year increased by approximately 38.8% from approximately RMB90.2 million for the year ended 31 December 2016 to approximately RMB125.2 million for the year ended 31 December 2017. Net profit margin increased from approximately 2.24% for the year ended 31 December 2016 to approximately 2.61% for the year ended 31 December 2017, primarily due to the improvement of gross profit margins and decrease in administrative and finance costs.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The working capital for the comes from cash generated from operating activities, interest-bearing bank and other borrowings. As of 31 December 2017 and 2016, the Group had cash and cash equivalents of approximately RMB83.9 million and approximately RMB65.0 million, respectively. Increase in cash and cash equivalents is a result of improvement of net cash flows from operating activities. The cash inflows from operating activities increased from approximately RMB287,000 for the year ended 31 December 2016 to approximately RMB153.2 million for the year ended 31 December 2017.

Treasury Policies and Objectives

The Group monitors the cash flows and cash balance on a regular basis and seek to maintain optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies. In the future, the Group intends to finance its operations through cash generated from operating activities, interest-bearing bank and other borrowings. Other than normal bank borrowings that the Group obtain 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 increased from approximately RMB2,998.3 million as of 31 December 2016 to approximately RMB3,084.5 million as of 31 December 2017, representing 71.0% and 67.6% of the total current assets as of the same dates. The proportion of the amounts due from contract customers to the total current assets was decreased due to the Group strict control over the billings process. Increase in absolute amounts of amounts due from contract customers primarily because of the usual timing difference between the date of completion of construction works and the date of progress billings and the duration of the construction projects typically range from one to three years leading to an accumulated effect of the balance of amounts due from contract customers.

Borrowings and charge on assets

As of 31 December 2017, the Group relied on interest-bearing bank and other borrowings in the amount of approximately RMB549.6 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 31 December 2017, certain general banking facilities were secured by the land use rights and buildings of approximately RMB95.5 million (31 December 2016: approximately RMB98.2 million).

Gearing ratio

The gearing ratio decreased from 55.8% as at 31 December 2016 to 39.6% as at 31 December 2017. The decrease was mainly attributable to a steady increase in the total equity during the year and repayments of the bank loans.

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

Capital Expenditure

Capital expenditures decreased from approximately RMB21.2 million for the year ended 31 December 2016 to approximately RMB6.6 million for the year ended 31 December 2017. During the year ended 31 December 2017, the Group purchased the construction equipment for business expansion.

Capital Commitments

As at 31 December 2017, the Group did not have any significant commitments.

Contingent liabilities

As at 31 December 2017, the Group had no material contingent liabilities.

Fluctuation of RMB Exchange Rate and Foreign Exchange Risks

Assets and liabilities are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation. The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have material

Secondly, the Company will expand the industrial chain. It will seize the opportunities arising

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The foregoing restrictions do not apply to: (i) the purchase by the Controlling Shareholders, their subsidiaries or close associate(s) (as appropriate) for investment purpose of not more than 10% equity interest in other listed companies whose business competes or is likely to compete with the principal business and other businesses; or (ii) the holding by the Controlling Shareholders, their subsidiaries or close associate(s) (as appropriate) of not more than 10% equity interest in other companies whose business competes or is likely to compete with the principal business and other businesses, as a result of a debt restructuring of such companies (collectively referred to as Investment Companies for scenarios (i) and (ii)). For the avoidance of doubt, the exceptions above do not apply to such Investment Companies which the Controlling Shareholders, their subsidiaries or close associate(s) (as appropriate) are able to control their respective board of directors notwithstanding the fact that not more than 10% of the equity interests of such Investment Companies are being held by the Controlling Shareholders, their subsidiaries or close associate(s) (as appropriate).

Save as disclosed in this announcement, none of the Controlling Shareholders, Directors and their respective close associates has any interests in any business which directly or indirectly competes or is likely to compete with the principal business and other businesses, which would require disclosure under Rule 8.10 of the Rules Governing the Listing of Securities on the Stock Exchange (the **Listing Rules**).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board comprises six executive Directors and three independent non-executive Directors. The Board has

Code Provisions

Code **CG Code**

December 2017 and up to the date of this announcement, the Company has fully complied with the Code Provisions, except code provision A.2.1 of the CG Code as more particularly described below.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Group do not have a separate chairman and general manager (which is equivalent to chief executive officer) and Mr. Lv Yaoneng currently performs these two roles. The Board believes that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider segregating the roles of chairman of the Board and general manager of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Company has complied with the CG Code. The Directors will review the corporate governance policies and compliance with the CG Code each financial year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the model code as set out in Appendix 10 to the Listing Rules (**Model Code**) transactions. Upon specific enquiries, all Directors and Supervisors confirmed that they have complied with the relevant provisions of the Model Code throughout the period from the Listing Date to the date of this announcement.

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.

EVENT AFTER THE REPORTING PERIOD

On 20 March 2018, the resolution in relation to issuance of corporate bonds with an aggregate principal of not exceeding USD200 million () were considered and approved at the extraordinary general meeting () of the Company. For details of term of the Corporate Bonds, please refer to the circular of the Company dated 2 February 2018. The relevant resolutions for the issuance of the Corporate Bonds shall be effective for 24 months from the date of approval at the EGM.

Save as disclosed above, there is no significant event of the Group occurred after the end of the reporting period.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017 (31 December 2016: Nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 12 May 2018 to 12 June 2018, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer of shares of the Company,

share registrar, Tricor Investo

East, Hong Kong, for registration not later than 4:30 p.m. on 11 May 2018, being the business day before the first day of closure of the register of members.

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statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the

institute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been

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

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jujiang.cn) and the 2017 Annual 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.

ANNUAL GENERAL MEETING

AGM

AUDIT COMMITTEE

The audit committee of the Company has reviewed together with the management and external auditor of the Company has reviewed the accounting principles and policies adopted by the Group and discussed the internal control and financial reporting matters including a review of the annual results of the Group for the year ended 31 December 2017.

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

Zhejiang Province, the PRC, 29 March 2018

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.

** for identification purposes only*