

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same respective meanings as defined in the prospectus dated 30 December 2015 (the “**Prospectus**”) issued by Jujiang Construction Group Co., Ltd. (the “**Company**”).

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巨匠建设

JUJIANG CONSTRUCTION GROUP

Jujiang Construction Group Co., Ltd.

巨匠建設集團股份有限公司

(A joint stock limited liability company established in the People's Republic of China)

(Stock Code: 1459)

CLARIFICATION ANNOUNCEMENT

This announcement is made by the Company in response to the Articles.

Having regard to the requirements of Rule 2.13 of the Listing Rules, the Company confirms that the current disclosures in the Prospectus are accurate and complete in all material aspects and not misleading or inaccurate. The Company further confirms that there is no omission of material information in the Prospectus which is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Company.

The Board wishes to affirm the statements made in the Prospectus and that, after having taken into account Rule 11.13 of the Listing Rules, there has been no significant change affecting any matters contained in the Prospectus and that no significant new matters have arisen, the inclusion of information in respect of which would have been required to be in the Prospectus had it arisen prior to the issue of the Prospectus.

This announcement is made by the Company in response to news articles (the “**Articles**”) which appeared in certain newspapers recently regarding some statements made by Mr. Lv Yaoneng (“**Mr. Lv**”), the Company’s Controlling Shareholder, chairman of the Board, executive Director and general manager, containing certain information which appears to be not disclosed in the Prospectus.

The Board of the Company notes that the Articles published by certain newspapers in Hong Kong recently reported, among other things, the following statements made by Mr. Lv (the “**Statements**” and each, a “**Statement**”) during his interviews (the “**Interviews**”) with such newspapers:

- (i) The Company’s revenue will increase by at least 10% in 2015;
- (ii) The Company’s gross profit margin will increase to 6% in 2016;
- (iii) Tax rate for the construction industry in the PRC is expected to increase from 3% to 6%; and
- (iv) China Vanke Co., Ltd is one of the Company’s customers.

The Company wishes to clarify that Statements (i), (ii) and (iv) above do not accurately and completely reflect Mr. Lv’s statements and intention during the Interviews while Statement (iii) only represents his personal view on the development of future tax rate for the construction industry in the PRC.

The Company wishes to further clarify as follows:–

- (A) As regards Statement (i), the 10% increment growth as mentioned by Mr. Lv during the Interviews purports to refer to the expected increase of the total output value of the construction industry in Zhejiang Province. As disclosed on page 78 of the Prospectus, the total output value of the construction industry in Zhejiang Province is expected to increase from RMB2,557.0 billion for the year ending 31 December 2015 to RMB3,994.8 billion for the year ending 31 December 2019, representing a CAGR of 11.8%.
- (B) As regards Statement (ii), the gross profit margin increment of approximately 0.5% to 1% as mentioned by Mr. Lv during the Interviews purports to refer to the estimated increase of gross profit margins for the new projects after obtaining the Premium Class Certificate and Engineering Design Certificate. As disclosed on page 118 of the Prospectus, since obtaining the two certificates in early 2015, the Group has contracted to undertake more than 15 new construction projects, of which the gross profit margins are estimated to be approximately 0.5% to 1.5% higher than those of its comparable services in 2014 while the gross profit margin of the Group was approximately 5.4% for the year ended 31 December 2014. Hence, the statement made by Mr. Lv does not constitute profit forecast under Rule 14.61 of the Listing Rules.
- (C) As regards Statement (iii), the Company confirms that it is only Mr. Lv’s personal view on the future development of the tax rate for the construction industry in the PRC and does not represent the opinion of the Board as a whole. Mr. Lv mentioned during the Interviews that the tax rate for the construction industry in the PRC is expected to increase from 3% to 6% primarily based on his personal view of the expected future replacement of business tax with value-added tax in accordance with the Trial Scheme for the Conversion of Business Tax to Value-added Tax (營業稅改徵增值稅試點方案) dated 16 November 2011 jointly issued by the Ministry of Finance and the SAT. As at the Latest Practicable Date and the date of this announcement, the notice regarding specific implementation plan and timetable for the construction industry in the PRC has not yet been promulgated.

(D) As regards Statement (iv), the Company confirms that a subsidiary of China Vanke Co., Ltd (H shares stock code: 2202 and A shares stock code: 00002) became one of the customers of the Company after the Track Record Period. The Company further confirms that there has been no material change from the disclosures of the Prospectus that the Group's customers mainly consisted of real estate developers, government bodies and industrial and manufacturing companies and such subsidiary of China Vanke Co., Ltd is not one of the major customers of the Group.

Having regard to the requirements of Rule 2.13 of the Listing Rules, as at the date of this announcement, the Company confirms that the current disclosures in the Prospectus are true, accurate and complete in all material aspects and not misleading or deceptive in any material respect. The Company further confirms that there is no omission of material information in the Prospectus which is necessary to enable an investor to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Company.

The Board wishes to affirm the statements made in the Prospectus and that, after having taken into account Rule 11.13 of the Listing Rules, there has been no significant change affecting any matters contained in the Prospectus and that no significant new matters have arisen, the inclusion of information in respect of which would have been required to be in the Prospectus had it arisen prior to the issue of the Prospectus.

Based on the above and taking into account Rule 11.13 of the Listing Rules, the Directors consider that the information above does not constitute material information that would require an amendment to the Prospectus or the issuance of a supplemental prospectus with regard to the Statements.

Prospective investors should read the Prospectus carefully and the Company strongly cautions prospective investors not to place any reliance on any information contained in press articles or disseminated through other media, including, in particular, any financial projections, valuation or other forward-looking statements, certain of which may not be consistent with the information contained in the Prospectus. Potential investors are urged to rely only on information contained in the Prospectus before making any investment decision in respect of the H Shares.

By order of the Board of Directors
Jujiang Construction Group Co., Ltd.
Mr. Lv Yaoneng
Chairman

Hong Kong, 6 January 2016

As of the date of this announcement, the Board of the Company 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. Xu Guoqiang, Mr. Lin Tao, and Mr. Wong Kai Wai, as independent non-executive Directors.