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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)

ANNOUNCEMENT ON THE PROPOSED ISSUANCE OF CORPORATE BONDS

This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Jujiang Construction Group Co., Ltd. (the “**Company**”) is pleased to announce that it was resolved to approve the issue of corporate bonds with an aggregate principal of not exceeding USD200 million (the “**Corporate Bonds**”) of the Company on 2 February 2018. The issue of Corporate Bonds is subject to shareholders’ approval by special resolution at the extraordinary general meeting of the Company to be held on 20 March 2018 (the “**EGM**”). Notice of the EGM will be despatched to the shareholders in accordance with the articles of association of the Company.

PROPOSED ISSUANCE OF CORPORATE BONDS

In order to further optimize the debt structure of the Company, expand the financing channels of the Company as well as lower the finance costs, the Company proposes to conduct the issue of the Corporate Bonds as and when the Board considers fit.

Details of the Corporate Bonds are set out as follows:

1. Issue size of the Corporate Bonds The issue size of the Corporate Bonds shall not exceed USD200 million (inclusive of USD200 million). The specific issuance size shall be determined by the Board or its authorized persons subject to the approval at the EGM based on the funding needs of the Company and the market conditions at the time of issuance within the aforesaid scope.
2. Types of bonds and maturity The term of maturity of the issue of the Corporate Bonds shall not exceed 5 years (inclusive of 5 years) and can be either single-term or multiple terms. The specific term structure of maturity and the issuance size of each type shall be determined by the Board or its authorized persons subject to the approval at the EGM based on the market conditions and the funding needs of the Company at the time of issuance.
3. Par value, issue price, bond interest rates and repayment method of principal and interest The specific par value, issue price and bond interest rates shall be determined by the Board or its authorized persons subject to the approval at the EGM together with the lead underwriter based on the market conditions and other factors at the time of issuance.
4. Issue methods and issue targets The Corporate Bonds will be issued in one or multiple tranches through public issue or non-public issue. The specific issuance method shall be determined by the Board or its authorized persons subject to the approval at the EGM together with the lead underwriter based on relevant requirements, the funding needs of the Company and the market conditions at the time of issuance. The issue targets are the qualified investors meeting the provisions of relevant laws and regulations.
5. Guarantee arrangement The Corporate Bonds will be guaranteed by the controlling shareholder of the Company.
6. Settlement system The Corporate Bonds will be settled on Euroclear System and Clearstream (each a global clearing and settlement system for securities).
7. Method of remittance of proceeds and use of proceeds Proceeds from this issuance is expected to be remitted back to the People's Republic of China (the "PRC") via either inter-company loan or direct remittance from foreign account of the Company to domestic account of the Company for usage in the PRC. The net proceeds after deducting issuance expenses is mainly expected to be for the domestic bank loans repayment, working capital support etc. The specific use of proceeds shall be adjusted based on the debt structure and determined based on the funding needs of the Company by the Board or its authorized persons subject to the approval at the EGM.
8. Underwriting method The balance of the Corporate Bonds will be underwritten by the lead underwriter or syndicate organized by the lead underwriter.
9. Place of listing Subject to satisfying the prerequisites of listing, the Company will submit an application regarding the listing of the Corporate Bonds for trading to the Stock Exchange as soon as possible after the issuance of the Corporate Bonds.
10. Validity of the resolution The resolution(s) of the issuance of the Corporate Bonds at the general meeting shall be effective for 24 months from the date of approval at the EGM.
11. Authorization to the Board or the person(s) authorized by the Board to handle matters relating to the issuance of the Corporate Bonds.

It is proposed that a special resolution be proposed to the Shareholders at the EGM to authorize the Board to undertake precautionary measures if it is anticipated that the Company may fail to repay the principal of and/or interest on the Corporate Bonds or the Company is in any default on the principal and/or interest payments of the Corporate Bonds upon maturity, including but not limited to:

- (a) distribute no profits to the Shareholders;
- (b) temporarily withhold the implementation of projects involving capital expenditures such as significant outbound investments and mergers and acquisitions;
- (c) reduce or suspend the payment of salaries and bonuses to the Directors and the senior management of the Company; and
- (d) disapprove any job transfer of the key responsible personnel.

The foregoing authorization shall be valid and effective from the date of approval at the EGM until the date of completion of the abovementioned authorized matters.

To ensure the smooth issuance of the proposed Corporate Bonds, it is proposed that the Board or the person(s) authorized by the Board be generally and unconditionally authorized at the EGM to handle all matters relating to the issuance of the bonds, which includes but not limited to the following:

- (1) To formulate a specific proposal on the issuance of the Corporate Bonds, and to amend and modify the terms of the issuance of the Corporate Bonds pursuant to the State laws, regulations and relevant rules of the securities regulatory authorities as well as the resolutions passed at the general meeting of the Company and in line with the actual conditions of the Company and the market, including but not limited to all matters in relation to the terms of the issuance such as the specific issue size, the maturity of the bonds, the type of the bonds, the clawback mechanism, the interest rate of the bonds and the method of determination of the same, the timing of issuance (including the number of tranches), whether guarantee is offered and the guarantee plan, whether innovative provisions such as put and call provisions shall be established, rating arrangements, specific application and subscription methods, specific placing arrangements, the terms and methods of repayment of the principal and interests thereon, the listing of the bonds, the termination of the issuance, and the use of the proceeds;
- (2) To engage intermediaries to handle the reporting matters relating to the application for the issuance of the Corporate Bonds as well as the listing matters of the Corporate Bonds issued after the completion of such issuance, including but not limited to the authorization, signing, execution, revision, completion of all necessary documents, contracts, agreements, pacts, announcements of all kinds and other legal documents in connection with the issuance and listing of the Corporate Bonds, as well as the disclosure of relevant information according to the laws, regulations and other normative documents;
- (3) To select a bond trustee manager for the issuance of the Corporate Bonds, sign a Bond Trusteeship Agreement (《債券受托管理協議》) and formulate the Rules for Bondholders' Meetings (《債券持有人會議規則》);
- (4) To make corresponding modifications on relevant matters, such as the specific proposal on the issuance of the Corporate Bonds based on the opinion of the regulatory authorities, or to determine whether the issuance of the Corporate Bonds shall be proceeded based on the actual conditions, in case of any changes in the policy of the regulatory authorities governing the issuance of the Corporate Bonds or changes in the market condition, except for matters which are subject to re-voting at the general meeting as provided by the laws, regulations and the Articles of Association of the Company;
- (5) To handle all other necessary matters in relation to the issuance and listing of the Corporate Bonds.

The foregoing authorizations shall be valid from the date of consideration and approval at the general meeting until the date of completion of the abovementioned authorized matters.

BENEFITS OF AND REASONS FOR THE ISSUANCE OF THE CORPORATE BONDS AND DEBT INSTRUMENTS

The Board believes that the proposed issuance of the Corporate Bonds and the matters thereunder can further optimize the debt structure of the Company, expand the financing channels of the Company as well as lower the finance costs, and such proposed issuance is also expected to provide working capital for the Company.

The issuance of the Corporate Bonds is subject to certain conditions including but not limited to the approval from the China Securities Regulatory Commission and any other government or regulatory authorities and may or may not proceed. Shareholders of the Company and potential investors shall exercise caution when dealing in the securities of the Company.

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

Zhejiang Province, the PRC, 2 February 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.