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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026 AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026	2025	
	Unaudited	Unaudited (Restated)	**Change**
	RMB'000	*RMB'000*	*%*
Revenue	**2,559,130**	2,321,201	**10.3**
Gross profit	**81,928**	84,587	**(3.1)**
Gross profit margin	**3.20%**	3.64%	**(0.44) ppt**
(Loss)/profit for the period	**(8,767)**	4,307	**(303.6)**
Net profit margin	**(0.34)%**	0.18%	**(0.52) ppt**
Basic and diluted earnings per share (RMB)	**(0.02)**	0.00	

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: Nil).

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 2026, together with the comparative figures for the six months ended 30 June 2025. The interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

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

For the six months ended 30 June 2026

		For the six months ended 30 June 2026	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited) (Restated)
CONTINUING OPERATIONS			
REVENUE	*4*	**2,559,130**	2,321,201
Cost of sales		**(2,477,202)**	(2,236,614)
Gross profit		**81,928**	84,587
Other income and gains	*5*	**24,308**	7,524
Administrative expenses		**(61,039)**	(64,350)
Impairment losses on financial and contract assets, net		**(36,644)**	(11,972)
Other expenses		**(2,992)**	(3,426)
Finance costs	*6*	**(10,286)**	(10,761)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*7*	**(4,725)**	1,602
Income tax expense	*8*	**(9,220)**	(963)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**(13,945)**	639
DISCONTINUED OPERATION			
Profit for the period from a discontinued operation	*9*	**5,178**	3,668
(LOSS)/PROFIT FOR THE PERIOD		**(8,767)**	4,307

	Notes	For the six months ended 30 June 2026 **2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited) (Restated)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(137)**	(248)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(137)**	(248)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(8,904)**	4,059
(Loss)/profit attributable to:			
Owners of the parent		**(11,689)**	(1,111)
Non-controlling interests		**2,922**	5,418
		(8,767)	4,307
Total comprehensive (loss)/income attributable to:			
Owners of the parent		**(11,784)**	(1,284)
Non-controlling interests		**2,880**	5,343
		(8,904)	4,059
Loss per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	*11*	**(0.02)**	(0.00)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**105,769**	111,970
Investment properties		**61,473**	64,278
Right-of-use assets		**11,393**	13,591
Goodwill		**–**	1,162
Other intangible assets		**1,565**	60,903
Deferred tax assets		**81,168**	86,341
Long term receivables		**–**	86,273
Total non-current assets		**261,368**	424,518
CURRENT ASSETS			
Inventories		**11,722**	19,870
Non-current assets due within one year		**–**	9,492
Trade and bills receivables	*12*	**1,850,589**	1,758,074
Contract assets	*13*	**2,305,598**	2,517,901
Prepayments, other receivables and other assets		**419,730**	424,428
Pledged deposits		**95,135**	125,112
Cash and cash equivalents		**287,454**	283,799
Total current assets		**4,970,228**	5,138,676
CURRENT LIABILITIES			
Trade and bills payables	*14*	**2,397,050**	2,531,039
Other payables and accruals		**597,528**	671,141
Interest-bearing bank and other borrowings	*15*	**438,847**	456,749
Tax payable		**222,424**	225,831
Total current liabilities		**3,655,849**	3,884,760
NET CURRENT ASSETS		**1,314,379**	1,253,916
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,575,747**	1,678,434

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*15*	**4,232**	90,705
Total non-current liabilities		**4,232**	90,705
Net assets		**1,571,515**	1,587,729
EQUITY			
Equity attributable to owners of the parent			
Share capital		**533,360**	533,360
Reserves		**1,001,937**	1,013,721
		1,535,297	1,547,081
NON-CONTROLLING INTERESTS		**36,218**	40,648
Total equity		**1,571,515**	1,587,729

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand, except when otherwise indicated.

This interim condensed consolidated financial information has not been audited.

2. CHANGES IN THE GROUP'S ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

	Six months ended 30 June 2026			
	Construction contracting *RMB'000* (Unaudited)	**Others** *RMB'000* (Unaudited)	**Eliminations** *RMB'000* (Unaudited)	**Total** *RMB'000* (Unaudited)
Segment revenue (note 4):				
Sales to external customers	**2,537,939**	**21,191**	**–**	**2,559,130**
Intersegment sales	**–**	**1,941**	**(1,941)**	**–**
Total segment revenue	**2,537,939**	**23,132**	**(1,941)**	**2,559,130**
(Loss)/profit before tax for the period	**(7,032)**	**2,257**	**50**	**(4,725)**
Income tax expense	**(9,327)**	**107**	**–**	**(9,220)**
Segment results	**(16,359)**	**2,364**	**50**	**(13,945)**
Other segment information:				
Interest income	**310**	**6**	**–**	**316**
Finance costs	**10,286**	**–**	**–**	**10,286**
Depreciation	**5,447**	**1,903**	**–**	**7,350**
Amortisation	**170**	**104**	**–**	**274**
Impairment losses recognised in profit or loss, net	**37,738**	**(1,094)**	**–**	**36,644**
Capital expenditure*	**2,887**	**1,576**	**–**	**4,463**

Note:

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

	Six months ended 30 June 2025			
	Construction contracting	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Segment revenue (note 4):				
Sales to external customers	2,293,035	28,166	–	2,321,201
Intersegment sales	–	7,704	(7,704)	–
Total segment revenue	2,293,035	35,870	(7,704)	2,321,201
Profit before tax for the period	2,466	4,041	(4,905)	1,602
Income tax expense	(940)	(23)	–	(963)
Segment results	1,526	4,018	(4,905)	639
Other segment information:				
Interest income	32	5	–	37
Finance costs	10,488	273	–	10,761
Depreciation	6,934	2,706	–	9,640
Amortisation	212	19	–	231
Impairment losses recognised in profit or loss	11,954	18	–	11,972
Capital expenditure*	3,798	8	–	3,806

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2026 and 31 December 2025.

	Construction contracting	Others	Eliminations	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment assets				
30 June 2026 (unaudited)	5,548,793	93,759	(410,956)	5,231,596
31 December 2025 (audited)	5,591,248	332,337	(360,391)	5,563,194
Segment liabilities				
30 June 2026 (unaudited)	4,006,815	20,259	(366,993)	3,660,081
31 December 2025 (audited)	4,050,806	194,201	(269,542)	3,975,465

Note:

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

4. REVENUE

Disaggregated revenue information for revenue from contracts with customers

Segments	For the six months ended 30 June 2026 Construction contracting *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Types of goods or services			
Construction contracting	**2,537,939**	**–**	**2,537,939**
Design, survey, training and consultancy	**–**	**6,985**	**6,985**
Sale of construction materials and civil defence products	**–**	**14,206**	**14,206**
Total	**2,537,939**	**21,191**	**2,559,130**
Geographical markets			
Chinese mainland	**2,495,082**	**21,191**	**2,516,273**
Indonesia	**42,857**	**–**	**42,857**
Total	**2,537,939**	**21,191**	**2,559,130**
Timing of revenue recognition			
Services transferred over time	**2,537,939**	**1,521**	**2,539,460**
Goods transferred at a point in time	**–**	**19,670**	**19,670**
Total	**2,537,939**	**21,191**	**2,559,130**

Segments	Construction contracting *RMB'000* (Unaudited)	Others *RMB'000* (Unaudited) (Restated)	Total *RMB'000* (Unaudited) (Restated)
	For the six months ended 30 June 2025		
Types of goods or services			
Construction contracting	2,293,035	–	2,293,035
Design, survey, training and consultancy	–	12,823	12,823
Sale of construction materials and civil defence products	–	15,343	15,343
Total	2,293,035	28,166	2,321,201
Geographical markets			
Chinese mainland	2,274,231	28,166	2,302,397
Indonesia	18,804	–	18,804
Total	2,293,035	28,166	2,321,201
Timing of revenue recognition			
Services transferred over time	2,293,035	404	2,293,439
Goods transferred at a point in time	–	27,762	27,762
Total	2,293,035	28,166	2,321,201

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

	For the six months ended 30 June 2026		
Segments	**Construction contracting**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Revenue			
External customers	**2,537,939**	**21,191**	**2,559,130**
Intersegment sales	**–**	**1,941**	**1,941**
Subtotal	**2,537,939**	**23,132**	**2,561,071**
Intersegment adjustments and eliminations	**–**	**(1,941)**	**(1,941)**
Total	**2,537,939**	**21,191**	**2,559,130**

	For the six months ended 30 June 2025		
Segments	Construction contracting	Others	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)	(Restated)
Revenue			
External customers	2,293,035	28,166	2,321,201
Intersegment sales	–	7,704	7,704
Subtotal	2,293,035	35,870	2,328,905
Intersegment adjustments and eliminations	–	(7,704)	(7,704)
Total	2,293,035	28,166	2,321,201

5. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Other income		
Government grants	**207**	1,110
Bank interest income	**316**	37
Others	**253**	1,752
Total other income	**776**	2,899
Gains		
Gain on disposal of a subsidiary	**23,302**	–
Financial assets at fair value through profit or loss	**230**	4,625
Total gains	**23,532**	4,625
Total other income and gains	**24,308**	7,524

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Interest on bank loans and other borrowings	**10,169**	10,587
Interest on lease liabilities	**117**	174
Total	**10,286**	10,761

7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Cost of construction contracting (including depreciation and research and development costs)	**2,455,806**	2,219,418
Cost of others	**21,396**	17,196
Total cost of sales	**2,477,202**	2,236,614
Depreciation of items of property, plant and equipment	**4,663**	6,282
Depreciation of investment properties	**1,747**	1,734
Depreciation of right-of-use assets	**940**	1,624
Amortisation of intangible assets	**274**	231
Total depreciation and amortisation	**7,624**	9,871
Research and development costs:		
Current period expenditure	**75,410**	102,835
	75,410	102,835
Impairment of trade receivables	**11,858**	10,509
Impairment of contract assets, net	**24,033**	(650)
Impairment of financial assets included in prepayments, other receivables and other assets	**753**	2,113
Total impairment losses, net	**36,644**	11,972
Auditor's remuneration	**950**	1,050
Employee benefit expenses (including directors' and supervisors' remuneration):		
– Wages, salaries and allowances	**30,687**	33,468
– Social insurance	**7,811**	5,550
– Welfare and other expenses	**1,845**	706
	40,343	39,724
Interest income	**(316)**	(37)

8. INCOME TAX EXPENSE

Most of the companies of the Group are subject to PRC Corporation Income Tax Law, pursuant to which tax has been provided based on the statutory rate of 25% (2025: 25%) of the assessable profits of each of these companies during the period as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC entities of the Company, which were taxed at 15%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited) (Restated)
Current – Chinese mainland		
Charge for the period	**2,662**	974
Overprovision in prior periods	**(36)**	–
Current – Elsewhere	**1,421**	294
Deferred	**5,173**	(305)
Total tax charge for the period from continuing operations	**9,220**	963
Total tax charge for the period from a discontinued operation	**1,755**	1,241
Total	**10,975**	2,204

9. DISCONTINUED OPERATION

On 30 June 2026, the Company entered into an equity transfer agreement with the Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司) (the "**Purchaser**") to sell the equity interest, being 80% of the equity interest in Tongxiang City Youth Quality Education Practice Base Co., Ltd. ("桐鄉市青少年素質教育實踐基地有限責任公司") (the "**Education Practice Base**"). The Education Practice Base engaged in building and operating a quality education practice base for youth. The Group decided to cease its involvement in the PPP project and focus on its construction service business. The disposal of the Education Practice Base was completed on 30 June 2026. The consideration for the transaction amounted to RMB 66,313,000, all of which had been received by the Company. Accordingly, results of Education Practice Base before the disposal has been presented as a discontinued operation in the Group's consolidated statement of profit or loss and other comprehensive income for the period ended 30 June 2026 and the comparative figures in the period ended 30 June 2025 have been restated.

10. DIVIDENDS

The board of directors did not recommend the payment of an interim dividend for the period ended 30 June 2026 (six months ended 30 June 2025: nil).

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss:		
Loss for the period attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(11,689)**	(1,111)

	For the six months ended 30 June	
	2026	2025
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic loss per share calculation	**533,360**	533,360

12. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables at amortised cost	**2,021,006**	1,809,830
Provision for impairment	**(421,826)**	(409,968)
Trade receivables, net	**1,599,180**	1,399,862
Bills receivable	**251,409**	358,212
Total	**1,850,589**	1,758,074

The majority of the Group's revenue is generated from construction services, and the settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods offered by the Group are 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables, including retentions based on the due date and others based on the billing date and net of loss allowance, as at the end of the reporting period is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**588,026**	433,483
3 months to 6 months	**71,456**	211,027
6 months to 1 year	**231,427**	98,636
1 to 2 years	**364,252**	337,048
2 to 3 years	**243,350**	224,008
3 to 4 years	**70,038**	67,736
4 to 5 years	**30,631**	27,924
Total	**1,599,180**	1,399,862

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
At beginning of the period/year	**409,968**	340,514
Impairment losses, net	**11,858**	69,454
At end of the period/year	**421,826**	409,968

13. CONTRACT ASSETS

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Contract assets arising from:		
Construction services	**2,457,959**	2,646,253
Design, survey, training and consultancy	**10,771**	10,747
Total	**2,468,730**	2,657,000
Impairment	**(163,132)**	(139,099)
Net carrying amount	**2,305,598**	2,517,901

14. TRADE AND BILLS PAYABLES

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 6 months	**1,245,176**	1,091,055
6 months to 1 year	**269,360**	320,988
1 to 2 years	**278,132**	370,883
2 to 3 years	**201,599**	314,787
Over 3 years	**402,783**	433,326
Total	**2,397,050**	2,531,039

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

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2026			31 December 2025		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Lease liabilities	**4.90**	**2026-2027**	**1,257**	4.90	2026	3,771
Bank loans – mortgaged/ guaranteed	**2.50-4.70**	**2026-2027**	**340,990**	3.10-4.70	2026	347,650
Bank loans – guaranteed	**2.50-4.84**	**2026-2027**	**85,000**	3.50-5.30	2026	85,000
Bank loans – other	**3.50**	**2026-2027**	**11,600**	–	–	–
Current portion of long term bank loans – guaranteed	**–**	**–**	**–**	4.41	2026	20,328
Total current			**438,847**			456,749
Non-current						
Lease liabilities	**4.90**	**2027-2032**	**4,232**	4.90	2027-2032	4,722
Bank loans – guaranteed	**–**	**–**	**–**	4.41	2027-2030	85,983
Total non-current			**4,232**			90,705

Notes:

(a) Certain of the Group's buildings with net carrying amounts of approximately RMB126,047,000 (unaudited) and approximately RMB128,461,000 (audited) as at 30 June 2026 and 31 December 2025, respectively, were used to secure general banking facilities granted to the Group.

(b) As at 30 June 2026 and 31 December 2025, the Group's interest-bearing bank and other borrowings of approximately RMB422,390,000 (unaudited) and approximately RMB432,650,000 (audited), respectively, were jointly guaranteed by the controlling shareholder and other related parties of the Group at no cost.

(c) The Group entered into a fixed asset loan contract with maximum loan amounts totalling RMB190,000,000. As at 30 June 2026 and 31 December 2025, the outstanding loan balances amounted to RMB Nil (unaudited) and RMB106,311,000 (audited).

16. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Established in 1965, Jujiang Construction Group Co., Ltd. ("**Jujiang Construction**" or the "**Company**", together with its subsidiaries, the "**Group**") is one of the earliest construction companies in Jiaxing. With over six decades of experience in the industry and proven track record, the Company has grown into one of the leading construction group companies in Jiaxing.

The Company successfully obtained the Premium Class Certificate for General Building Construction Contracting Work (the "**Premium Class Certificate**") and the Grade A Engineering Design (Construction Industry) Certificate (the "**Engineering Design Certificate**") on 28 January 2015 after undergoing a stringent review process. The Premium Class Certificate is the highest qualification awarded to building construction general contractors satisfying the high standards in relation to project management track record, technological innovation and scale of operations. The Engineering Design Certificate is awarded to those who meet high standards in relation to personnel qualifications, management capabilities and internal control. As the holder of these two key certificates as well as other certificates, the Group is able to provide fully-integrated construction solutions, which consist of construction contracting and design, survey and consultancy services for building construction projects of all types and scales nationwide.

MARKET REVIEW

In the first half of 2026, the Chinese economy demonstrated resilience against the backdrop of a complex and volatile external environment and ongoing deepening of domestic structural adjustments. According to preliminary estimates by the National Bureau of Statistics, gross domestic product reached approximately RMB69.57 trillion, representing a year-on-year increase of 4.7% at constant prices, of which added value of the secondary industry grew by 3.9% year on year. Added value of the construction industry amounted to approximately RMB3.60 trillion, representing a year-on-year decrease of 4.0%, reflecting that industry demand and construction activities remain under pressure.

Divergence continued on the investment front. In the first half of 2026, national fixed asset investment (excluding rural households) amounted to approximately RMB22.64 trillion, representing a year-on-year decrease of 5.7%; infrastructure investment dropped by 2.4% year on year, and investment in construction and installation engineering fell by 8.0% year on year. During the same period, the real estate market remained in a phase of profound adjustment: national real estate development investment stood at approximately RMB3.81 trillion, representing a year-on-year decrease of 18.0%; the floor area of properties under construction by property developers was approximately 5.54 billion sq.m., down 12.5% year on year, and new housing construction area declined by 23.4% year on year.

Further recovery in demand and capital flows was still pending. In the first half of 2026, the sales area of newly built commercial properties nationwide was approximately 401 million sq.m., down 11.6% year on year; the sales of newly built commercial properties reached approximately RMB3.79 trillion, representing a year-on-year decrease of 13.6%; and funds in place for real estate development enterprises amounted to approximately RMB4.02 trillion, representing a year-on-year decrease of 20.2%. Under the combined influence of shrinking real estate development investment, extended project collection cycles, and intensifying market competition, construction enterprises must place greater emphasis on customer credit, project cash flows, cost control and risk pricing.

Policies and industrial transformation have created structural opportunities for the sector. The 2026 Government Work Report proposed sustained efforts to stabilise the property market and promote high-quality urban renewal. The national work plan for housing and urban-rural development also identified smart construction, green building, modernised construction industrial chains, new building materials, and the integration of artificial intelligence with the housing and urban-rural development as key priorities. As urban development gradually shifts from incremental expansion to quality and efficiency enhancement of existing inventory, it is expected that urban renewal, public buildings, industrial parks, infrastructure safety upgrades, and digital-intelligent construction services are to become new sources of demand. However, the overall recovery of the sector remains contingent upon property market stabilisation, effective investment implementation, and improvement in financial situation across the industrial chain.

BUSINESS REVIEW

During the first half of 2026, in the face of diminishing industry demand and intensifying competition, the Group adhered to the principle of seeking progress while maintaining stability. We have enhanced our operational quality by focusing on business development, project management, cost efficiency, technological innovation and risk prevention and control. The Group's revenue increased by approximately 10.3% from approximately RMB2,321.2 million for the six months ended 30 June 2025 to approximately RMB2,559.1 million for the 6 months ended 30 June 2026, however, and the Group recorded net loss of approximately 8.8 million for the six months ended 30 June 2026 as compared with net profit of approximately 4.3 million for the six months ended 30 June 2025. The value of backlog decreased by approximately 7.4% to approximately RMB15,342.5 million as of 30 June 2026 from that of approximately RMB16,575.9 million as of 30 June 2025.

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

	For the six months ended 30 June	
	2026	2025
	RMB' million	*RMB' million*
Opening value of backlog	**16,151.4**	16,683.8
Net value of new projects [(1)]	**1,729.0**	2,185.1
Revenue recognised [(2)]	**(2,537.9)**	(2,293.0)
Closing value of backlog [(3)]	**15,342.5**	16,575.9

Notes:

(1) Net value of new projects means the total contract value of new construction contracting projects awarded to the Group during the relevant period indicated.

(2) Revenue recognised means the revenue that has been recognised from construction contracting projects during the relevant period indicated.

(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 reached 100% as at the end of the relevant period indicated.

Focusing on High-Quality Projects and Optimising Market Layout

In the first half of 2026, the Group continued to enhance its development quality, strengthen its comprehensive capabilities, and advance its overall high-quality and sustainable development, achieving a net value of approximately RMB1,729.0 million in newly contracted projects.

During the period, the Group secured six projects each with a contract value exceeding RMB100 million, including two with a contract value more than RMB300 million. Facing a downsizing market for new contracts, the Group continued to strengthen information screening, credit assessment, pre-tendering estimation, and end-to-end tender management, giving priority to projects with controllable risks, clear payment collection terms, and reasonable levels of return.

In terms of project types, industrial projects, public construction projects, and commercial and residential projects accounted for approximately 29%, 35%, and 36% of the total value of newly signed contracts respectively, demonstrating a more balanced business structure compared to the corresponding period of last year. In terms of regional distribution, newly signed contracts from locality of Jiaxing accounted for approximately 53%, of which Tongxiang City accounted for approximately 49%, Yiwu accounted for approximately 43%, and new business outside Zhejiang Province accounted for approximately 4%. While consolidating its core markets in Tongxiang and Yiwu, the Group continued to prudently expand into high-quality markets both within and outside the province.

The general contracting business for construction has also driven synergistic development of specialised engineering services. During the period, specialised subsidiaries achieved new contract awards approaching RMB250 million, of which the municipal engineering company contributed approximately RMB176 million, accounting for approximately 10% of the total value of newly signed construction contracts. The Group will further strengthen the synergy between general contracting and its specialised capabilities in municipal engineering, equipment installation, and other specialised fields, thereby enhancing its comprehensive service capabilities and customer loyalty.

During the period, iconic newly awarded projects of the Group included: the General Contracting Project for Section II of the Pan-Semiconductor Industrial Park (泛半導體產業園二標段總承包項目) awarded to Yiwu Construction Investment Jujiang Construction Co., Ltd. with a value exceeding RMB226 million; and the General Contracting Project for Plot 1 on the West Side of Fugang Avenue, Shuangjianghu Block II, Choujiang Subdistrict, New Community (新社區集聚稠江街道雙江湖區塊二富港大道西側項目地塊一總承包項目), with a value exceeding RMB500 million. The Group also achieved gratifying performance in public tendering, winning the tender for the Tongxiang Ecological Wetland Construction and Sewage Pipe Network Upgrade Engineering Project (桐鄉市生態濕地建設及污水管網提升工程) with a worth of RMB168 million, as well as Part (I) of the Tongxiang Phoenix Lake Smart Innovation Base Project (桐鄉市鳳凰湖智創基地項目(一)部分) and the Zhejiang Hengyong New Material Co., Ltd. (Phase I) Project (浙江恆湧新材料有限公司(一期)項目), among others.

Strengthening Project Management and Control and Consolidating Quality and Safety

The Group strengthened schedule management and control as well as resource coordination around its annual production targets, focusing on key milestones to dynamically analyse construction progress and tackle major and difficult projects. In the first half of the year, a total of 53 key milestones were established, with 41 completed as scheduled, achieving a milestone completion rate of approximately 77%. 11 projects were completed during the period. The Group will continue to improve its progress alert function, variance analysis, and corrective mechanisms so as to enhance its ability to fulfil contractual obligations.

In terms of production safety management, the Group continued to enhance routine and meticulous management at construction sites, focusing on closed-loop supervision throughout the entire process of critical and hazardous engineering works, such as deep foundation pits and high formwork support systems. During the period, a total of 130 inspection reports were issued, and 803 construction hazards of various types were identified and investigated, achieving a closed-loop hazard rectification rate of approximately 90.77%. In addition, the Group was awarded 5 provincial-level standardised construction sites.

In terms of engineering quality and technical services, the Group continued to refine its quality control system by specifying the processes for construction scheme planning as well as tiered technical and process briefings. During the period, the Group received one provincial-level "Installation Cup" for High-Quality Engineering Works, and completed the acceptance of two "Nanhu Cup" projects and one "Fengming Cup" project. In the first half of the year, 19 construction organisation designs and eight construction planning schemes were audited and approved, while the preparation and briefing of four project management schemes were completed. Additionally, 129 special construction schemes for critical and hazardous engineering works were audited, among which 16 passed expert review, with a scheme coverage rate of 100%.

Deepening Digital-Intelligent Construction to Drive Innovation

The Group continued to strengthen the operation, maintenance, and evaluation of its provincial-level enterprise technology centre, while deepening industry-academia-research collaboration and leveraging innovation platforms such as its postdoctoral research workstation. In the first half of 2026, the Group filed two provincial-level work method applications, had six national patent applications accepted, obtained two provincial-level quality control (QC) achievements, and served as the lead (participating) editor in the formulation of one group standard. It also initiated three municipal- level scientific research projects. The relocation project of Tongxiang Chinese Medicine Hospital (桐鄉市中醫院) was recognised as a municipal-level green construction project and a provincial-level demonstration project for new technologies application.

In terms of digital and intelligent applications, the Group continued to advance the adoption of BIM technology, smart construction sites and external digital services. During the period, it completed the overall architecture and implementation plan for its Smart Construction Site 3.0 programme, and developed prototypes for key modules covering the real-name workforce management system, AI-powered intelligent video surveillance, construction environment monitoring and intelligent tower crane safety monitoring. The modules are scheduled to be rolled out progressively from the third quarter of 2026 onward. Actual progress of these research, development and deployment initiatives is subject to testing outcomes, market demand and the availability of resources.

During the period, the Group's brand strength and achievements in digital-intelligent construction also received various external recognitions. The Group was honoured as a 2025 Zhejiang Province Advanced Construction Enterprise (2025年度浙江省建築業先進企業), among other accolades. The Tongxiang Feng Zikai Art Centre (Phase I) Project (桐鄉市豐子愷藝術中心(一期)項目) was awarded Second Prize in the Building Construction Category (Comprehensive) of the 2025 Zhejiang Province BIM Technology Innovation and Application Competition (2025年浙江省BIM技術創新應用大賽房建綜合組二等獎), while Section II of the Houmaodian Cluster Resettlement Project in Houzhai Subdistrict (後宅街道後毛店區塊集聚安置項目) was selected into the 2025 Gold and Excellent Application Achievements for Smart Construction Sites in Zhejiang Province (2025年度浙江省智慧工地金牌應用成果及優秀應用成果). These achievements reflect the industry's continued recognition of the Group's capabilities in technology application, smart construction site development and project management.

In terms of enterprise digitalisation, the Group integrated its production management processes and operational data records, completed functional enhancements to both the desktop and mobile versions of its production inspection system, and advanced coordinated data inspection, closed-loop rectification management and the automated consolidation of operational data. At the same time, the Group re-engineered its digital management system for project progress and output value, while continuing to develop an integrated enterprise- and project-level data platform to enhance operational efficiency, process transparency and the standardisation of management practices.

Enhancing Capital Efficiency and Reinforcing Risk Resilience

The Group continued to strengthen its capital coordination and cash flow management, with a focus on collection of contract payments, maintaining a balanced inflow and outflow position, and enhancing efficiency of capital utilisation. During the first half of the year, actual collection rate of contract payments was approximately 96%, while receipts-to-payments ratio was approximately 92.07%. The Group also continued to promote revitalisation of existing assets and classified disposal of properties used to offset construction costs, striving to improve cash turnover and asset utilisation efficiency.

On risk management, the Group accelerated the resolution of litigation matters and legacy issues, while strengthening contract review, supplier management, early project risk identification and monitoring of key risk matters. During the period, the number of newly filed lawsuits against the Group and the corresponding amounts in dispute decreased by approximately 22.6% and 21.3% year on year, respectively, reflecting an improvement in overall risk profile. The Group will continue to advance its risk management framework by shifting its focus from reactive remedial measures to proactive risk identification and in-process control.

For the six months ended 30 June 2026, the construction contracting business contributed approximately 98.6% of the revenue (for the six months ended 30 June 2025: approximately 98.2%). The following table sets forth a breakdown of our revenue by business and project type for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	RMB' million **(Unaudited)**	%	***RMB' million*** **(Unaudited)**	%
CONTINUING OPERATIONS				
Construction contracting business				
Residential	**461.7**	**17.9**	809.6	34.7
Commercial	**740.9**	**28.8**	453.9	19.4
Industrial	**925.2**	**36.0**	693.3	29.7
Public works	**410.1**	**15.9**	336.2	14.4
	2,537.9	**98.6**	2,293.0	98.2
Other business				
Design, survey and consultancy	**7.0**	**0.3**	12.8	0.5
Sale of construction materials and civil defense products	**14.2**	**0.6**	15.4	0.7
	21.2	**0.9**	28.2	1.2
Revenue from continuing operations	**2,559.1**	**99.5**	2,321.2	99.4
DISCONTINUED OPERATION				
Design, survey and consultancy	**14.0**	**0.5**	14.1	0.6
Total revenue	**2,573.1**	**100.0**	2,335.3	100.0

FINANCIAL REVIEW

Revenue and gross profit margin

Revenue increased by approximately 10.3% from approximately RMB2,321.2 million for the six months ended 30 June 2025 to approximately RMB2,559.1 million for the six months ended 30 June 2026, primarily attributed to an increase in the construction contracting business amounting to approximately RMB244.9 million for the six months ended 30 June 2026. The increase in construction contracting business was primarily due to the efforts contributed by the management team to explore new projects even the property markets remained weak during the six months ended 30 June 2026. The revenue from commercial, industrial and public works construction contracting business for the six months ended 30 June 2026 were increased by approximately RMB287.0 million, approximately RMB232.0 million and approximately RMB73.8 million, respectively, which partially offset by a decrease of revenue from residential construction contracting business of approximately RMB347.9 million for the six months ended 30 June 2026, as compared with the corresponding period last year. The Group increased its resources and focused in high value projects with good credit customers to mitigate its business risks.

Gross profit decreased by approximately 3.1% from approximately RMB84.6 million for the six months ended 30 June 2025 to approximately RMB81.9 million for the six months ended 30 June 2026, primarily due to the gross profit from others business decreased significantly by approximately RMB11.2 million to a gross loss of approximately RMB0.2 million, such decrease was offset by an increase in gross profit from construction contracting business. The gross profit margin decreased from approximately 3.64% for the six months ended 30 June 2025 to approximately 3.20% for the six months ended 30 June 2026, which was mainly due to a decrease in revenue from others business as its costs were increased. The gross profit margin of the construction contracting business remained stable at approximately 3.21% and 3.24% for the six months ended 30 June 2025 and 2026, respectively.

Other income and gains

Other income and gains increased by approximately 2.2 times from approximately RMB7.5 million for the six months ended 30 June 2025 to approximately RMB24.3 million for the six months ended 30 June 2026, primarily attributed to the Group recorded a gain on disposal of a subsidiary of approximately RMB23.3 million for the six months ended 30 June 2026 compared with the absence of such gains for the six months ended 30 June 2025. Such increase was offset by a decrease in gains on financial assets at fair value through profit or loss related to bills receivable from approximately RMB4.6 million for the six months ended 30 June 2025 to approximately RMB0.2 million for the six months ended 30 June 2026 due to the Group reduced to accept the bills receivable for the settlement.

Administrative expenses

The administrative expenses decreased by approximately 5.1% from approximately RMB64.4 million for the six months ended 30 June 2025 to approximately RMB61.0 million for the six months ended 30 June 2026, which was primarily due to a decrease in amortisation and depreciation expenses of approximately RMB1.3 million and a decrease in bank charge of approximately RMB1.1 million as a result of the Group reduced to accept the bills receivable for the settlement of accounts receivable for the six months ended 30 June 2026 as compared with the corresponding period in last year.

Impairment losses on financial and contract assets, net

Impairment losses on financial and contract assets, net, including trade receivables and other receivables, increased substantially by approximately 2.1 times from approximately RMB12.0 million for the six months ended 30 June 2025 to approximately RMB36.6 million for the six months ended 30 June 2026, as the property markets remained weak and repayment of long-outstanding accounts receivable were slower than expected.

Other expenses

Other expenses remained stable at approximately RMB3.4 million and approximately RMB3.0 million for the six months ended 30 June 2025 and 2026, respectively.

Finance costs

Finance costs decreased by approximately 4.4% from approximately RMB10.8 million for the six months ended 30 June 2025 to approximately RMB10.3 million for the six months ended 30 June 2026. Such decrease was primarily due to a decrease in average interest rates throughout the six months ended 30 June 2026.

Income tax expense

Income tax expense increased by approximately 8.6 times from approximately RMB1.0 million for the six months ended 30 June 2025 to approximately RMB9.2 million for the six months ended 30 June 2026, which was primarily attributable to an increase in unrecognized deductible temporary tax difference of approximately RMB11.0 million in relation to Impairment losses on financial and contract assets, net for the six months ended 30 June 2026 as absent of such difference in last year, which partially offset by an increase in additional tax concession on research and development costs by approximately RMB2.2 million for the six months ended 30 June 2026 as compared with the corresponding periods in last year. The effective tax rate also increased from approximately 33.9% for the six months ended 30 June 2025 to approximately 497.1% for the six months ended 30 June 2026.

Profit for the period from a discontinued operation

Profit for the period from a discontinued operation increased by approximately 41.2% from approximately RMB3.7 million for the six months ended 30 June 2025 to approximately RMB5.2 million for the six months ended 30 June 2026. The discontinued operation represents the business of a quality education practice base for youth, in which the Group disposed of its 80% equity interest on 30 June 2026.

(Loss)/Profit for the period

As a result of the foregoing, the Group recorded a net loss of approximately RMB8.8 million for the six months ended 30 June 2026 as compared with a net profit of approximately RMB4.3 million for the six months ended 30 June 2025. Net profit margin changed from approximately 0.18% for the six months ended 30 June 2025 to approximately -0.34% for the six months ended 30 June 2026.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The working capital for the Group's operations is primarily funded by cash generated from operating activities and interest-bearing bank and other borrowings. As at 30 June 2026 and 31 December 2025, the Group had cash and cash equivalents of approximately RMB287.5 million and approximately RMB283.8 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 to 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 and interest-bearing bank and other borrowings. Other than normal bank borrowings that the Group obtains from commercial banks and potential debt financing plans, the Group does not expect any material external debt financing plan in the near future.

Contract assets

The contract assets decreased by approximately 8.4% from approximately RMB2,517.9 million as at 31 December 2025 to approximately RMB2,305.6 million as at 30 June 2026, representing 49.0% and 46.4% of the total current assets as at the end of the corresponding periods. The decrease in absolute amounts of contract assets was primarily attributable to the Group issued the invoices to client for the billings as the construction works have reached the milestones.

Trade and bills receivables

Trade and bills receivables increased by approximately 5.3% from approximately RMB1,758.1 million as at 31 December 2025 to approximately RMB1,850.6 million as at 30 June 2026. Such increase was primarily attributable to an increase in the number of invoices for billings issued by the Group. The trade and bills receivables turnover days decreased from approximately 165 days as at 31 December 2025 to approximately 126 days as at 30 June 2026.

Trade and bills payables

Trade and bills payables decreased by approximately 5.3% from approximately RMB2,531.0 million as at 31 December 2025 to approximately RMB2,397.1 million as at 30 June 2026. Such decrease was due to the timely settlement of newly issued invoices during the period, the Company made payment to the suppliers on time. The trade and bills payables turnover days decrease from approximately 202 days as at 31 December 2025 to approximately 179 days as at 30 June 2026.

Borrowings and charge on assets

As at 30 June 2026, the Group relied on short-term and long-term interest-bearing borrowings in the aggregate amount of approximately RMB443.1 million (31 December 2025: approximately RMB547.5 million). The short-term interest-bearing borrowings amounting to approximately RMB438.8 million (31 December 2025: approximately RMB456.7 million) are repayable within 1 year and carried effective interest rate with a range from 2.50% to 4.90% per annum (31 December 2025: 3.10% to 5.30% per annum). As at 30 June 2026, the long-term interest bearing borrowings amounting to approximately RMB4.2 million (31 December 2025: RMB90.7 million) are repayable from 2027 to 2032 (31 December 2025: 2026 to 2032) and the interest rate is at 4.90% (31 December 2025: 4.41% to 4.90%).

As at 30 June 2026, certain general banking facilities were secured by buildings with a carrying value of approximately RMB126.0 million (31 December 2025: RMB128.5 million).

Gearing ratio

The gearing ratio decreased from 8.7% as at 31 December 2025 to approximately 3.8% as at 30 June 2026. The decrease was mainly attributable to a decrease in interest-bearing bank and other loans as at 30 June 2026.

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

Capital expenditure

For the six months ended 30 June 2026, the capital expenditures were approximately RMB4.4 million (six months ended 30 June 2025: approximately RMB3.8 million). The capital expenditure incurred for the six months ended 30 June 2026 was primarily related to renovation works in office buildings and the construction works in relation to the other intangible assets.

Capital commitments

As at 30 June 2026, the Group did not have any significant capital commitments (31 December 2025: nil).

Contingent liabilities

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: nil).

Fluctuation of RMB exchange rate and foreign exchange risks

The majority of the Group's business and all bank borrowings 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 impact on the business operations or financial results of the Group. The Group currently has no hedging policy with respect to the foreign exchange risks, therefore, the Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

On 30 June 2026, the Company and Purchaser entered into the equity transfer agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the 80% of the equity interest in the Education Practice Base, at the consideration of approximately RMB66.3 million (equivalent to approximately HK$76.3 million). The principal activities of the Education Practice Base is to operate and manage the quality education practice base for youth situated in Haihua Village, Tongxiang City, Zhejiang Province, the PRC. For details of the transactions, please refer to the Company's announcement dated 30 June 2026.

Save as disclosed, the Group had no significant investments held, material acquisitions and disposals during the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

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 2026.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 781 employees, of which 388 were based in Jiaxing City, and 393 were based in other areas in Zhejiang Province or in other provinces and regions in China. For the six months ended 30 June 2026, the Group incurred total staff costs of approximately RMB40.3 million, representing an increase of approximately 1.6% as compared with the same period in 2025 (i.e. RMB39.7 million), mainly attributable to headcount optimization and salary adjustments.

The Group believes that its 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 the Group and local market conditions. In order to improve the employees' skills and technical expertise, the Group provides regular training to the employees.

FUTURE PROSPECTS

Looking ahead to the second half of 2026, the macroeconomy is expected to maintain resilience supported by more proactive policies. Nevertheless, investment in property development, construction and installation works, as well as industry-wide liquidity are likely to remain under pressure. At the same time, structural opportunities arising from urban regeneration, development of "high-quality housing", enhancements to safety of public infrastructure, industrial park development, and continued advancement of intelligent and green construction are expected to benefit construction enterprises with comprehensive qualifications, strong technical capabilities and proven expertise in risk management.

The Group will remain committed to pursuing progress while maintaining stability, with high-quality business development as its core priority. It will consolidate its market position in Tongxiang and Yiwu by prudently pursuing opportunities both within and outside Zhejiang Province as well as in overseas markets, while strengthening collaboration with government investment platforms, state-owned enterprises and high-quality customers. The Group will further enhance its project opportunity screening, tender decision-making, pre-tender cost assessment, and contract terms review, with a focus on achieving an appropriate balance between project scale, profitability, cash flow and credit risk.

In terms of operational management, the Group will push forward end-to-end cost control and strengthen the closed-loop management spanning budgeting, construction, variation orders, final settlement, and post-project review. At the same time, the Group will step up the collection of contract payments and accounts receivable to enhance capital turnover efficiency, and revitalise underperforming and existing assets through category-specific strategies.

In terms of production and technology, the Group will continue to strengthen accountability for quality, safety and project progress, while enhancing controls over high-risk major works, rectification of potential hazards and real-name management of workforce. The Group will further deepen the application of BIM, smart construction sites, intelligent operation and maintenance, and artificial intelligence technologies, thereby promoting digital transformation at both enterprise and project levels. It will also leverage its provincial-level enterprise technology centre and postdoctoral research workstation to strengthen development of construction methodologies, patented technologies, QC measures and green construction technologies.

On top of that, the Group will continue to enhance its compliance management and early risk warning mechanisms, properly resolve litigation matters and legacy issues, optimise organisational processes, talent deployment and performance evaluation, and improve execution efficiency and overall service capabilities. In response to industry cyclical adjustments, the Group will uphold its bottom-line approach to safety and risk management with prudent allocation of resources, striving to achieve coordinated development across its business growth, operational efficiency and cash flow.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2026 and up to the date of this interim announcement, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**")). As at 30 June 2026, the Company did not hold any treasury shares.

DIRECTORS' COMPETING INTERESTS

Save as disclosed in this interim announcement, none of the controlling shareholders of the Company, 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 Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board comprises six executive Directors and three independent non-executive Directors. The Board has adopted the code provisions (the "**Code Provisions**") of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules. Throughout the six months ended 30 June 2026 and up to the date of this interim announcement, the Company has fully complied with the Code Provisions. The Directors will review the Company's 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 C3 to the Listing Rules as the Company's code of conduct regarding Directors' and Supervisors' securities 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 1 January 2026 to 30 June 2026.

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

Save as disclosed in this interim announcement, there are no major events subsequent to 30 June 2026 which would materially affect the Group's operating and financial performance as at the date of this interim announcement.

PUBLICATION OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS AND 2026 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 interim report of the Company for the six months ended 30 June 2026 (the "**2026 Interim Report**") containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company who have requested to receive printed copies of the 2026 Interim Report and published on the respective websites of the Stock Exchange and the Company in due course.

AUDIT COMMITTEE

The Audit Committee has discussed with the management and the external auditor of the Company the accounting principles and policies adopted by the Group, and discussed the internal control and financial reporting matters of the Group. The Audit Committee has reviewed the Group's unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026, and is of the opinion that the financial statements comply with the applicable accounting standards.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to amend the existing articles of association (the "**Articles**") of the Company (the "**Proposed Amendments**") for the purpose of (i) updating and bringing the Articles in line with the relevant provisions of the Company Law of the People's Republic of China (2023 Revision) and the relevant requirements of the market regulatory authorities; and (ii) the updates and certain housekeeping amendments based on the actual situation of the Company. The adoption of the Proposed Amendments and the adoption of the new Articles is subject to the approval of the shareholders by way of a special resolution to be proposed at the AGM and, if approved, will become effective upon such approval. Prior to the passing of the relevant special resolution at the AGM, the existing Articles shall remain valid. A circular containing, among other matters, details of the Proposed Amendments to the Articles, together with a notice convening the AGM will be published by the Company in due course.

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

Zhejiang Province, the PRC, 21 August 2026

As of the date of this announcement, the Board comprises Mr. Lyu Yaoneng, Mr. Lyu Dazhong, Mr. Li Jinyan, Mr. Lu Zhicheng, Mr. Shen Haiquan and Mr. Zheng Gang, as executive Directors; and Ms. Lam Fei Sui, Mr. Wang Xinglong and Mr. Ma Tao, as independent non-executive Directors.