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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)

**MAJOR AND CONNECTED TRANSACTION IN RELATION
TO THE DISPOSAL OF 80% EQUITY INTEREST
IN A NON-WHOLLY OWNED SUBSIDIARY**

THE DISPOSAL

The Board wishes to announce that on 30 June 2026 (after trading hours), the Company as Vendor, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest, being 80% of the equity interest in the Target Company, at the consideration of approximately RMB66.3 million (equivalent to approximately HK\$76.3 million). Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

Immediately prior to Completion, the Target Company is owned as to 80% by the Company and as to 20% by the Purchaser. The Purchaser is therefore a substantial shareholder, and accordingly a connected person, of the Company at the subsidiary level under Chapter 14A of the Listing Rules. The Disposal therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Purchaser is a connected person of the Company at the subsidiary level only; (ii) the Board (none of whom has a material interest in the Disposal and was required to abstain from voting on the relevant Board resolutions) has approved the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement, the Termination Agreement and the Disposal are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements only, but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all are less than 75%, the Disposal also constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

Under Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the transaction; and (ii) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, no Shareholder or any of their respective associates has any material interest in the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder, and accordingly no Shareholder would be required to abstain from voting on the resolution(s) approving the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder if the Company were to convene a general meeting of the Shareholders.

As at the date of this announcement (after trading hours), the Company has obtained written Shareholders' approval for the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder from the Closely Allied Group, namely Jujiang Holdings and Jujiang Equity Investment, holding in aggregate 400,000,000 Domestic Shares and representing approximately 75.00% of the total number of Shares in issue as at the date of this announcement, in lieu of convening an extraordinary general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the approval of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; (ii) financial information and other information of the Group; and (iii) such other information as required under the Listing Rules is expected to be published on or before 22 July 2026.

INTRODUCTION

The Board wishes to announce that on 30 June 2026 (after trading hours), the Company as Vendor, and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest, being 80% of the equity interest in the Target Company, at the consideration of approximately RMB66.3 million (equivalent to approximately HK\$76.3 million). Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

On the same date, the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company entered into the Termination Agreement, pursuant to which, among other things, the parties agreed to terminate the PPP Contract and the Implementation Agreement in relation to the PPP Project, which is conditional upon and to take effect on Completion.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date: 30 June 2026 (after trading hours)

Parties: (i) the Company (as Vendor); and
(ii) the Purchaser.

Subject matter: Pursuant to the Equity Transfer Agreement, the Company has agreed to sell, and the Purchaser has agreed to purchase, the Equity Interest, being 80% of the equity interest in the Target Company. As at the date of this announcement, the Target Company is held as to 80% by the Company and 20% by the Purchaser. Upon Completion, the Target Company will be wholly owned by the Purchaser.

Consideration and Payment Terms

The total consideration for the Disposal is RMB66,312,601.14 (equivalent to approximately HK\$76,291,533.76) (the “**Consideration**”). The Consideration was determined after arm’s length negotiations between the Company and the Purchaser, with reference to, among others, (i) the Valuation Report prepared by the Independent Valuer through the asset-based approach; (ii) the financial position and operating performance of the Target Company; and (iii) the matters set out in the section headed “Reasons for and Benefits of the Disposal” below.

The Consideration shall be paid by the Purchaser to the Company in the following manner:

- (a) RMB20,000,000 (equivalent to approximately HK\$23,009,664.06) has been paid by the Purchaser to the Company prior to the signing of the Equity Transfer Agreement;
- (b) as the Equity Interest is currently subject to the Share Charge in favour of the Bank, the Purchaser shall, within five (5) Business Days after execution of the Equity Transfer Agreement, pay RMB35,454,513.96 (equivalent to approximately HK\$40,789,822.78) (the “**Settlement Sum**”) of the Consideration directly into the account designated by the Bank, which amount shall be used exclusively for the discharge of the indebtedness secured by the Share Charge. If the underlying loan is overdue, the Settlement Sum shall be applied directly in repayment of principal, accrued interest and expenses; if not yet due, the Settlement Sum shall be deposited into a special account maintained by the Company with the Bank and supervised by the Bank, and shall be applied solely toward repayment when the loan falls due. During the supervision period, the Company may not use such funds without the written consent of the Purchaser. The Bank shall, within one (1) Business Day after receipt of the Settlement Sum, procure the discharge of the registration of the Share Charge over the Equity Interest and on the date of such discharge the Company shall co-operate with the Purchaser to complete the change-of-shareholder registration of the Equity Interest with the relevant market regulation authority; and
- (c) within fifteen (15) Business Days after the change of shareholders of the Target Company has been duly registered with the relevant market regulation authority, the Purchaser shall pay the remaining Consideration of RMB10,858,087.18 (equivalent to approximately HK\$12,492,046.92) into the Company’s designated account.

If the Equity Interest is subject to undisclosed encumbrances or restrictions not disclosed under the Equity Transfer Agreement such that the change-of-shareholder registration cannot be effected, resulting in the Disposal being incapable of being performed, the Purchaser shall be entitled to refuse to pay the Consideration. If the Purchaser has already made any payment, any sums already paid by the Purchaser shall be refunded by the Company within three (3) Business Days of receipt of

the Purchaser's written notice, together with interest thereon at the loan prime rate published by the National Interbank Funding Center (authorised by the People's Bank of China) from time to time, accruing from the date of receipt of such payment by the Company until the date of full refund.

Effectiveness and Completion

The Equity Transfer Agreement shall come into effect upon being signed by the legal representatives or authorised representatives of the Company and the Purchaser and sealed with their respective company seals, and upon the relevant shareholders' approval for the Equity Transfer Agreement having been obtained from each of the Company and the Target Company. The Company and the Purchaser shall, within 10 days after the effective date, jointly assist the Target Company in submitting the application for change-of-shareholder registration to the competent administration for market regulation and in completing such registration, so as to register the Equity Interest into the name of the Purchaser.

Under the Equity Transfer Agreement, the effective date is the delivery date of the Equity Interest, from which date the Purchaser becomes a shareholder of the Target Company and the shareholder rights and obligations in respect of the Equity Interest pass to the Purchaser.

Upon Completion, the Target Company will be owned as to 100% by the Purchaser and the Target Company will cease to be a subsidiary of the Company. The Company will cease to hold any shares of the Target Company and the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

Default and Termination

Pursuant to the Equity Transfer Agreement, (i) if the Company fails to procure registration of the change of shareholders within 10 days of effectiveness of the Equity Transfer Agreement, it shall pay liquidated damages of RMB10,000 per day, and the Purchaser may terminate after 10 days' delay (in which case liquidated damages of 10% of the Consideration become payable by the Company); and (ii) corresponding provisions apply to the Purchaser if it fails to make payment when due.

VALUATION

Valuation

The Consideration (i.e. approximately RMB 66.3 million) was determined by the parties on an arm's length basis and with reference to, among others, (i) the Valuation Report prepared by the Independent Valuer through the asset-based approach, which sets out the value of all shareholders' equity interests in the Target Company as at 31 December 2025 (the "**Valuation Benchmark Date**"); and (ii) the percentage of equity interests in the Target Company to be disposed of by the Company. As at the Valuation Benchmark Date, the book value of the net assets of the Target Company was RMB42,261,964.19, the adjusted book value was RMB63,469,315.45 and the appraised value was RMB80,424,410.22. The reasons for the difference between the book value and the appraised value of the asset items are set out in the sub-section headed "Reasons for the appreciation" below. On this basis, it was determined that 80% of the appraised value (i.e. approximately RMB64.3 million) shall be taken into consideration, among others, in determining the Consideration. Please refer to the section headed "Consideration and Payment Terms" for further details.

Valuation approach and methodology

In arriving at the appraised value of the Target Company, the Independent Valuer considered the three generally accepted valuation approaches: the market approach, the income approach, and the asset-based approach.

The market approach was not adopted for this valuation. This was primarily because the marketisation and information transparency of the PRC property rights trading market remain immature, and there were no transaction cases or reference data for entities in the same industry, of a similar scale, and sufficiently comparable to the Target Company. It was therefore not feasible to identify appropriate comparables or to ensure a reliable valuation outcome.

The income approach was also not adopted. This was because the Target Company's historical earnings have been unstable and its future income cannot be reliably forecasted, given the uncertainties surrounding its business model (the investment, development, construction and management of a government-linked youth education practice base) and the realisation of its future returns.

The Independent Valuer adopted the asset-based approach to assess the market value of the net assets of the Target Company as at the Valuation Benchmark Date. The asset-based approach refers to a valuation method that determines the value of the evaluated object by evaluating the value of various assets and liabilities both on and off the balance sheet based on the balance sheet of the evaluated unit on the Valuation Benchmark Date. Considering that during this valuation, the evaluated unit can provide and the Valuer may also collect materials required for the asset-based approach externally and conduct comprehensive inspection and valuation of the assets and liabilities of the evaluated unit, the asset-based approach therefore applies to this valuation.

The Independent Valuer selected the asset-based approach because the Target Company's property rights documentation is clear, its financial records are complete, each of its assets and liabilities can be separately identified, the Target Company had provided the historical records of the assets and liabilities within the valuation scope together with its operating and financial information for prior years, and the Target Company is a going concern. In these circumstances, the asset-based approach reflects the fair value of the Target Company's individual assets and liabilities and provides a prudent and reliable basis for assessing its value as at the Valuation Benchmark Date.

Summary of valuation results under the asset-based approach

As at the appraisal reference date, the audited net asset value of the Target Company was approximately RMB42.3 million. Following audit reclassification adjustments, the adjusted book value of the net assets was approximately RMB63.5 million. The appraised value of the net assets under the asset-based approach is approximately RMB80.4 million, representing an appreciation of approximately RMB17.0 million, or 26.71%, over the adjusted book value.

A summary of the valuation results is as follows:

Item	Book Value RMB'000 (A)	Adjusted Book Value RMB'000 (B)	Appraised Value RMB'000 (C)	Appreciation/ (Depreciation) RMB'000 (D=C-B)	Appreciation/ (Depreciation) Rate % (E=D/B×100)
Current assets	34,107.6	9,703.4	9,703.4	–	–
Non-current assets	149,548.1	195,736.6	212,691.7	16,955.1	8.66
Of which:					
– Fixed assets	1,736.9	161,634.3	188,681.3	27,047.0	16.73
– Construction in progress	2,196.8	2,196.8	2,196.8	–	–
– Long-term receivables	86,273.5	–	–	–	–
– Intangible assets	59,341.0	31,905.5	21,813.6	(10,091.9)	(31.63)
Total assets	183,655.6	205,440.0	222,395.1	16,955.1	8.25
Current liabilities	55,410.8	54,099.4	54,099.4	–	–
Non-current liabilities	85,982.9	87,871.3	87,871.3	–	–
Total liabilities	141,393.7	141,970.7	141,970.7	–	–
Net assets (shareholders' equity)	<u>42,262.0</u>	<u>63,469.3</u>	<u>80,424.4</u>	<u>16,955.1</u>	<u>26.71</u>

Note: Any discrepancies in totals are due to rounding.

In assessing the appraised value, the Independent Valuer reviewed, among other things, the historical financial information of the Target Company, the operating performance of the PPP Project, and the project return analysis referenced in the Termination Agreement.

Reasons for the appreciation

The appreciation in the net asset of the Target Company was mainly attributable to the increase in the appraised value of its fixed assets. The appreciation of fixed assets over their adjusted book value was approximately RMB27.0 million (or approximately 16.73%). This was mainly attributable to the revaluation of the Target Company's electronic equipment and transportation equipment: while these are carried at cost less accumulated depreciation for accounting purposes, the valuation was conducted using the replacement cost method (full replacement cost multiplied by the comprehensive newness rate), resulting in a higher appraised value. This appreciation was partially offset by a decrease of approximately RMB10.1 million (or approximately 31.63%) in the appraised value of intangible assets.

Key assumptions of the valuation

The following key assumptions were adopted in the preparation of the Valuation Report:

1. It is assumed that the Target Company will continue to operate as a going concern in the foreseeable future, in line with its current business model and operational scale, and that its individual assets will continue to be used according to their current use and manner.
2. It is assumed that there will be no material changes to the relevant national and local laws, regulations, systems, or social, political and macroeconomic policies in the PRC where the Target Company operates.
3. It is assumed that there will be no material changes in the relevant bank credit interest rates, tax bases and tax rates, and policy-related charges in relation to the Target Company.
4. It is assumed that the Target Company's professional and senior management personnel will remain relatively stable, with no significant loss of core personnel, and that its future production and operation management model and product structure will remain relatively stable.
5. It is assumed that the Target Company's management is responsible and will steadily implement the Company's development plans, will comply with relevant national laws and regulations, and that there will be no major violations affecting the Target Company's development or the realisation of its income.
6. It is assumed that the accounting policies and accounting methods adopted in the financial information provided by the Target Company over the years are substantially consistent in all material respects, and that all information provided by the Company and the Target Company, including financial, operational and legal title information, is true, accurate and complete.
7. It is assumed that the Target Company will not be affected by any unforeseen events or force majeure that could have a material adverse impact on its business operations and value and its future production and operation, including any major safety liability accidents.

The Directors have reviewed the assumptions adopted by the Independent Valuer and have been advised that the key assumptions adopted therein are commonly used in valuing similar equity interests. No irregularities have been noted by the Directors in relation to the quantitative inputs in such valuation. Accordingly, the Directors (including the independent non-executive Directors) consider that the key assumptions, quantitative inputs and methodology adopted in the Valuation Report are fair and reasonable.

Further details of the valuation approach, methodology and assumptions will be set out in the Valuation Report to be included in the circular of the Company to be published in due course in respect of the Disposal.

TERMINATION AGREEMENT

On 30 June 2026, the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company entered into the Termination Agreement in relation to the termination of the PPP Contract and the Implementation Agreement, which is conditional upon and to take effect on Completion.

Parties

- (i) the Tongxiang City Education Bureau, being the project implementing agency authorised by the Tongxiang City People's Government for the PPP Project;
- (ii) the Target Company, being the project company established for the implementation of PPP Project who has been responsible for the operation of the PPP Project;
- (iii) the Purchaser, being the government investment representative authorised by the Tongxiang City People's Government for the PPP Project; and
- (iv) the Company, being the social capital party* (社會資本方) who was successfully awarded the PPP Project, and had been responsible for construction, but without participation in the operation, of the PPP Project.

Termination of PPP Contract and Implementation Agreement

Pursuant to the Termination Agreement, upon the effective date of the Termination Agreement, the Implementation Agreement and the PPP Contract shall be voluntarily terminated. Upon the effective date of the Termination Agreement, the rights and obligations of the parties under the Implementation Agreement and the PPP Contract shall terminate.

Any other agreements or contracts in connection with the PPP Project shall be determined through negotiation between the Target Company after completion of the Equity Transfer and relevant party(ies) under the Termination Agreement.

The parties under the Termination Agreement agreed that they shall not pursue any compensation or liability for breach of contract against each other in respect of the termination of the Implementation Agreement and the PPP Contract, and any losses arising from such termination, if any, shall be handled in accordance with the Termination Agreement.

Equity Transfer and exit of the Company

Under the Termination Agreement, the Company agreed to transfer its 80% Equity Interest in the Target Company to the Purchaser, and the Purchaser agreed to acquire such Equity Interest from the Company. Upon Completion, the Target Company will be owned as to 100% by the Purchaser.

The Target Company shall continue to exist after the execution of the Termination Agreement. The Company will exit the Target Company by way of Equity Transfer, and such exit shall not affect the normal operation of the Target Company.

Handover and continuing obligations

The Company shall cooperate with the Purchaser in completing all procedures required for the Equity Transfer, including but not limited to business registration procedures relating to the Equity Interest, legal representative, directors, supervisors, general manager, articles of association and business licences of the Target Company, as well as tax registration procedures.

The Company shall also hand over to the personnel designated by the Purchaser all relevant documents and materials relating to the PPP Project, if any. The handover date shall be the date on which the Company and the Purchaser completed the handover, and the handover list is signed, sealed and confirmed by both parties.

The obligations of the Company such as quality warranty under the Engineering Construction Contract shall not be terminated as a result of the execution of the Termination Agreement.

Pursuant to the Termination Agreement, the parties agreed that upon the effective date of the Termination Agreement, the guarantee provided by the Company in respect of the fixed asset loan of RMB210 million obtained by the Target Company from the Tongxiang Branch of China Construction Bank* (中國建設銀行桐鄉市支行) shall be released, and the Company shall no longer assume the corresponding joint and several guarantee liability.

INFORMATION ON THE PURCHASER

The Purchaser, Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司), is a limited liability company established in the PRC and is owned as to 100.0% by Tongxiang Jinyuan Equity Investment Management Co., Ltd.* (桐鄉市金源股權投資管理有限公司). It is the government investment representative authorised by the Tongxiang City

People's Government for the Tongxiang City Youth Quality Education Practice Base PPP Project, and currently holds 20% of the equity interest in the Target Company. Its principal business is investment, development and operation of education and cultural infrastructure projects in Tongxiang City.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save for the Purchaser being a connected person of the Company at the subsidiary level by virtue of its 20% equity interest in the Target Company, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE COMPANY

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1459). The Group is principally engaged in construction contracting and design, survey and consultancy services for building construction projects.

INFORMATION ON THE TARGET COMPANY

The Target Company, 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), is a limited liability company established in the PRC in September 2015. Immediately prior to the date of the Equity Transfer Agreement, the Target Company is owned as to 80% by the Company and as to 20% by the Purchaser.

The Target Company is the project company implementing the Tongxiang City Youth Quality Education Practice Base PPP Project, a public-private partnership project for the investment, financing, construction, operation and management of a quality education practice base for youth situated in Haihua Village, Tongxiang City, Zhejiang Province, the PRC. The PPP Project was approved by the Tongxiang City People's Government pursuant to the Reply on Approving the Implementation Plan for the Tongxiang City Youth Quality Education Practice Base PPP Project (Tong Zheng Han [2018] No. 35) (《關於同意桐鄉市青少年素質教育實踐基地PPP項目實施方案的批復》(桐政函〔2018〕35號)). The Tongxiang City Education Bureau has been authorised by the Tongxiang City People's Government to act as the project implementing agency for the PPP Project, and the Purchaser is the government investment representative authorised by the Tongxiang City People's Government for the PPP Project.

Pursuant to the PPP Contract dated 7 December 2018, the Target Company was granted a concession period of 15 years to invest in, finance, construct, operate and maintain the practice base. The total project investment is approximately RMB263.09 million. Construction of the practice base was completed in February 2021, with trial operation commencing in July 2021 and formal operation in August 2021.

The PPP Project has a total land area of approximately 36,510.94 sq.m. and leased collective land of approximately 150 mu. The total gross floor area is approximately 53,235.94 sq.m., comprising new buildings of approximately 41,368.59 sq.m. and renovated buildings of approximately 10,867.35 sq.m. The PPP Project involves renovation of buildings including the administrative complex building and themed education halls, and construction of practice base buildings including swimming pool, dormitory and canteen facilities.

Set out below is certain audited financial information of the Target Company for the two financial years ended 31 December 2024 and 31 December 2025, respectively:

	For the year ended	
	31 December	
	2025	2024
	(audited)	(audited)
	RMB'000	RMB'000
Revenue	27,875	26,343
Profit before taxation	3,886	406
Profit after taxation	2,910	311

	As at 31 December	
	2025	2024
	(audited)	(audited)
	RMB'000	RMB'000
Net asset value	42,262	39,352

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in construction contracting and design, survey and consultancy services for building construction projects. The Target Company's PPP project lies outside the Group's core business segments and was originally entered into in 2018 to diversify the Group's business and to gain experience in the PPP sector.

Having considered (i) the historical financial performance of the Target Company; (ii) the long-term capital commitments and ongoing operating cost requirements of the PPP Project; (iii) the projected return on the PPP Project as estimated in the project return analysis referred to in the related termination arrangements; (iv) the existence of the Share Charge over the Equity Interest in favour of the Bank and the associated repayment obligations of the Group; and (v) the favourable terms of the Disposal as compared with the appraised value of the Equity Interest, the Board considers that the Disposal represents an opportunity for the Group to:

- (a) realise its investment in the Target Company at or close to its appraised value;

- (b) discharge in full the indebtedness secured by the Share Charge, thereby releasing the Equity Interest from encumbrance and improving the Group's gearing position;
- (c) recycle capital toward the Group's core construction contracting business and ancillary services, including replenishment of working capital; and
- (d) reduce the Group's exposure to the operational and financing risks of a long-tenor PPP arrangement that lies outside its principal business focus.

Based on the above, the Board considers that the terms of the Equity Transfer Agreement (including the Consideration), the Termination Agreement and the Disposal are on normal commercial terms and are fair and reasonable, and the entering into of the Equity Transfer Agreement and the Termination Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, the Company will cease to hold any equity interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company. The financial results, assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

The Group is expected to record a gain on the Disposal of approximately RMB29.7 million (equivalent to approximately HK\$34.2 million) (before taxation), which is calculated based on the difference between (i) the Consideration of approximately RMB66.3 million; and (ii) the portion of the audited net asset value of the Target Company as at 31 December 2025 attributable to the 80% Equity Interest being disposed of, being approximately RMB33.8 million, after deduction of estimated expenses incidental to the Disposal of approximately RMB2.8 million. The actual amount of the gain on the Disposal to be recorded by the Group will be subject to the review and final audit by the auditor of the Company, and may therefore be different from the amount mentioned above.

The expected net proceeds from the Disposal (after deducting relevant expenses incidental to the Disposal) of approximately RMB63.5 million (equivalent to approximately HK\$73.1 million) are intended to be applied as follows: (i) approximately RMB35.5 million (being the Settlement Sum) for the discharge of the indebtedness owing by the Company to the Bank that is secured by the Share Charge; and (ii) the remaining balance for general working capital of the Group.

LISTING RULES IMPLICATIONS

Immediately prior to Completion, the Target Company is owned as to 80% by the Company and as to 20% by the Purchaser. The Purchaser is therefore a substantial shareholder, and accordingly a connected person, of the Company at the subsidiary level under Chapter 14A of the Listing Rules. The Disposal therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that (i) the Purchaser is a connected person of the Company at the subsidiary level only; (ii) the Board (none of whom has a material interest in the Disposal and was required to abstain from voting on the relevant Board resolutions) has approved the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; and (iii) the independent non-executive Directors have confirmed that the terms of the Equity Transfer Agreement, the Termination Agreement and the Disposal are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and the Shareholders as a whole, the Disposal is subject to the reporting and announcement requirements only, but is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all are less than 75%, the Disposal also constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors has a material interest in the Equity Transfer Agreement, the Termination Agreement, the Disposal or the transactions contemplated thereunder, and no Director was required to abstain from voting on the relevant resolutions of the Board.

WRITTEN SHAREHOLDERS' APPROVAL

Under Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the transaction; and (ii) written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, no Shareholder or any of their respective associates has any material interest in the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder, and accordingly no Shareholder would be required to abstain from voting on the resolution(s) approving the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder if the Company were to convene a general meeting of the Shareholders.

As at the date of this announcement, Jujiang Holdings and Jujiang Equity Investment are holding 204,000,000 Domestic Shares and 196,000,000 Domestic Shares respectively, representing in aggregate 400,000,000 Domestic Shares, or approximately 75.00% of the total number of Shares in issue. The Directors are of the view that Jujiang Holdings and Jujiang Equity Investment constitute a

closely allied group of Shareholders for the purposes of Rules 14.44 and 14.45 of the Listing Rules, having regard to the following factors:

- (1) the Closely Allied Group comprises two corporate Shareholders, namely Jujiang Holdings (holding 204,000,000 Domestic Shares, approximately 38.25%) and Jujiang Equity Investment (holding 196,000,000 Domestic Shares, approximately 36.75%). The Directors consider that a group comprising two long-standing corporate Shareholders is not large or dispersed;
- (2) each of Mr. Lyu Yaoneng, Jujiang Holdings and Jujiang Equity Investment has been and remains a Controlling Shareholder of the Company within the meaning of the Listing Rules since the listing of the Company's H shares on the Stock Exchange in January 2016. The Directors consider that Jujiang Holdings and Jujiang Equity Investment have a long-standing, stable and coordinated shareholder relationship. Jujiang Holdings was incorporated on 18 August 2011 and Jujiang Equity Investment was incorporated on 19 August 2011. Shortly thereafter, they became the shareholders of the predecessor of the Company in a 51%/49% shareholding structure, which was maintained after the demerger of the predecessor of the Company. Jujiang Holdings and Jujiang Equity Investment have also held interests in certain related entities in the same 51%/49% shareholding structure in a number of subsidiaries of the Company since then;
- (3) each of Jujiang Holdings and Jujiang Equity Investment has been a Shareholder of the Company, or its predecessor, since August 2011. Their shareholding relationship has remained stable through the demerger of the predecessor of the Company in 2011, the pro rata capital increases of the predecessor of the Company in 2012 and 2013, the conversion of the predecessor of the Company into a joint stock limited liability company in 2014, and since the Listing; and
- (4) Jujiang Holdings and Jujiang Equity Investment have voted in the same way on all Shareholders' resolutions of the Company (whether routine or non-routine), save where any of them was required to abstain from voting.

As at the date of this announcement (after trading hours), the Company has obtained written Shareholders' approval for the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder from the Closely Allied Group, namely Jujiang Holdings and Jujiang Equity Investment, holding in aggregate 400,000,000 Domestic Shares and representing approximately 75.00% of the total number of Shares in issue as at the date of this announcement, in lieu of convening an extraordinary general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be convened for the approval of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the Equity Transfer Agreement, the Termination Agreement, the Disposal and the transactions contemplated thereunder; (ii) financial information and other information of the Group; and (iii) such other information as required under the Listing Rules is expected to be published on or before 22 July 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bank”	Gaoqiao branch of Zhejiang Tongxiang Rural Commercial Bank Co., Ltd.* (浙江桐鄉農村商業銀行股份有限公司高橋支行)
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in the PRC are generally open for business
“Closely Allied Group”	together, Jujiang Holdings and Jujiang Equity Investment, holding 400,000,000 Domestic Shares in aggregate, representing approximately 75.00% of the total number of issued Shares as at the date of this announcement
“Company” or “Vendor”	Jujiang Construction Group Co., Ltd. (巨匠建設集團股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 1459)
“Completion”	completion of the Disposal pursuant to the terms and conditions of the Equity Transfer Agreement
“Completion Date”	the date on which Completion shall take place
“connected person(s)”	has the meaning ascribed to it in the Listing Rules

“Consideration”	the total consideration of approximately RMB66.3 million (equivalent to approximately HK\$76.3 million) payable by the Purchaser to the Company under the Equity Transfer Agreement for the Equity Interest
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and in case of the Company, means Mr. Lyu Yaoneng, Jujiang Holdings and Jujiang Equity Investment
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Equity Interest by the Company to the Purchaser pursuant to the Equity Transfer Agreement
“Domestic Share(s)”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC natural persons or entities established under the laws of the PRC
“Equity Interest”	80% of the equity interest in the Target Company, being the subject matter of the Disposal
“Equity Transfer Agreement”	the equity transfer agreement dated 30 June 2026 entered into between the Company as vendor and the Purchaser in respect of the Disposal
“Engineering Construction Contract”	the engineering construction contract* (《工程施工合同》) dated 7 December 2018, entered into between the Target Company and the Company, pursuant to which the Company acted as the main contractor, and was responsible for the engineering works of the PPP Contract
“Group”	the Company and its subsidiaries from time to time
“H Share(s)”	overseas listed foreign invested shares in the share capital of the Company, which are listed on the Main Board of the Stock Exchange with a nominal value of RMB1.00 each
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Implementation Agreement”	the agreement dated 30 October 2019 entered into among the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company in relation to the implementation of the PPP Contract
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Independent Valuer”	Jiaxing Qiuzhen Real Estate Asset Appraisal Co., Ltd.* (嘉興求真房地產資產評估有限公司), an independent PRC asset valuer
“Jujiang Equity Investment”	Zhejiang Jujiang Equity Investment Management Co., Ltd.* (浙江巨匠股權投資管理股份有限公司), a limited liability company established in the PRC, directly interested in approximately 36.75% of the issued Shares of the Company. Jujiang Equity Investment is one of the Controlling Shareholders of the Company
“Jujiang Holdings”	Zhejiang Jujiang Holdings Group Co., Ltd.* (浙江巨匠控股集團有限公司), a limited liability company established in the PRC, directly interested in approximately 38.25% of the issued Shares of the Company, and held by Mr. Lyu Yaoneng as to approximately 51.33%. Jujiang Holdings is one of the Controlling Shareholders of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lyu Yaoneng”	Mr. Lyu Yaoneng (呂耀能), one of the Controlling Shareholders and the chairman of the Company
“percentage ratios”	the “percentage ratios” as defined in rule 14.07 of the Listing Rules
“PPP Contract”	the Tongxiang City Youth Quality Education Practice Base Project PPP Contract (《桐鄉市青少年素質教育實踐基地項目PPP合同》) dated 7 December 2018 entered into between the Tongxiang City Education Bureau and the Target Company

“PPP Project”	the Tongxiang City Youth Quality Education Practice Base PPP Project* (桐鄉市青少年素質教育實踐基地PPP項目), a public-private partnership project regarding the investment, financing, development, construction, operation, maintenance and management of a quality education practice base for youth in Tongxiang City, Zhejiang Province, the PRC, approved by the Tongxiang City People’s Government pursuant to the Reply on Approving the Implementation Plan for the Tongxiang City Youth Quality Education Practice Base PPP Project (Tong Zheng Han [2018] No. 35) (《關於同意桐鄉市青少年素質教育實踐基地PPP項目實施方案的批復》(桐政函〔2018〕35號))
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	Tongxiang City Education and Culture Development Investment Co., Ltd.* (桐鄉市教育文化發展投資有限公司), a limited liability company established in the PRC, being the government investment representative authorised by the Tongxiang City People’s Government for the PPP Project, and the holder of 20% of the equity interest in the Target Company immediately prior to Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Sum”	RMB35,454,513.96 (equivalent to approximately HK\$40,789,822.78), being the portion of the Consideration to be paid by the Purchaser directly into the account designated by the Bank to discharge the indebtedness secured by the Share Charge
“Share(s)”	the Domestic Share(s) and the H Share(s) of the Company
“Share Charge”	the share charge granted by the Company in favour of the Bank over the Equity Interest as continuing security for the indebtedness owing by the Company to the Bank
“Shareholders”	the holder(s) of the Shares
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	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), a company incorporated in the PRC with limited liability, owned as to 80% by the Company and 20% by the Purchaser immediately prior to the date of the Equity Transfer Agreement
“Termination Agreement”	the agreement dated 30 June 2026 entered into among the Tongxiang City Education Bureau, the Target Company, the Purchaser and the Company in relation to the termination of the PPP Contract and the Implementation Agreement, conditional upon and to take effect on Completion
“Tongxiang City Education Bureau”	Tongxiang City Education Bureau* (桐鄉市教育局), being the project implementing agency authorised by the Tongxiang City People’s Government for the PPP Project
“Valuation Report”	the asset valuation report in respect of the Target Company prepared by the Independent Valuer, using the asset-based approach with 31 December 2025 as the valuation benchmark date
“%”	per cent.

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.8692 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

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

Zhejiang Province, the PRC, 30 June 2026

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

* *For identification purpose only*