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JIANDE INTERNATIONAL HOLDINGS LIMITED
建德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 865)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The board (the "**Board**") of directors (the "**Directors**") of Jiande International Holdings Limited (the "**Company**") is pleased to present the results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2016 together with the unaudited and restated comparative figures for the previous year which are set out as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	**2016** *RMB'000*	2015 *RMB'000* (restated)
Revenue	*4*	**158,125**	103,196
Cost of sales		**(112,251)**	(48,379)
Gross profit		**45,874**	54,817
Other income		**3,786**	5,472
Other losses		**(1,519)**	(2,371)
Fair value change of investment properties	*8*	**9,307**	2,000
Selling expenses		**(7,075)**	(5,824)
Administrative expenses		**(12,138)**	(9,692)
Finance costs		**(326)**	(207)
Deemed listing expenses	*16*	**(542,104)**	–
(Loss) profit before tax		**(504,195)**	44,195
Income tax expense	*5*	**(14,325)**	(21,894)
(Loss) profit and total comprehensive (expense) income for the year	*6*	**(518,520)**	22,301
(Loss) profit and total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(518,956)**	22,200
Non-controlling interests		**436**	101
		(518,520)	22,301
		RMB	*RMB*
(Loss) earning per share	*7*		
— Basic		**(11.76) cents**	0.54 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTES	**2016** *RMB'000*	2015 *RMB'000* (restated)
NON-CURRENT ASSETS			
Plant and equipment		**279**	668
Investment properties	*8*	**104,985**	119,200
Deferred tax assets	*12*	**8,690**	7,184
		113,954	127,052
CURRENT ASSETS			
Properties held-for-sale	*9*	**813,106**	752,091
Trade and other receivables		**50,874**	44,573
Prepaid land appreciation tax		**4,761**	1,647
Restricted bank deposits		**46,820**	36,368
Time deposits, bank balances and cash		**128,485**	122,533
		1,044,046	957,212
Assets classified as held for sale	*10*	**23,522**	–
		1,067,568	957,212
CURRENT LIABILITIES			
Trade payables		**30,080**	5,689
Other payables and accruals		**114,977**	132,340
Pre-sales proceeds received on sales of properties	*11*	**281,720**	165,214
Amounts due to related parties		**–**	57,148
Secured bank borrowings		**99,900**	170,000
Income tax payable		**21,699**	14,799
		548,376	545,190
Liabilities directly associated with assets classified as held for sale	*10*	**8,722**	–
		557,098	545,190
NET CURRENT ASSETS		**510,470**	412,022
TOTAL ASSETS LESS CURRENT LIABILITIES		**624,424**	539,074
NON-CURRENT LIABILITIES			
Deferred tax liabilities	*12*	**18,503**	15,873
		18,503	15,873
NET ASSETS		**605,921**	523,201
CAPITAL AND RESERVES			
Share capital	*13*	**25,451**	389,190
Reserves		**571,173**	125,150
Equity attributable to owners of the Company		**596,624**	514,340
Non-controlling interests		**9,297**	8,861
TOTAL EQUITY		**605,921**	523,201

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company is P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands and Room 1910, Fortress Tower, 250 King's Road, North Point, Hong Kong, respectively. The principal activity of the Company is investment holding and upon completion of the Acquisition (as defined hereinunder), its subsidiaries are principally engaged in property development in the People's Republic of China (the "**PRC**"). In the opinion of the Directors, as at 31 December 2016, the ultimate holding companies are Fame Build Holdings Limited and Talent Connect Investments Limited, companies incorporated in the British Virgin Islands with limited liabilities on 16 June 2014 and 13 June 2014 which are wholly owned by Mr. Shie Tak Chung and Mr. Tsoi Kin Sze, respectively (collectively referred as the "**Vendors**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

On 25 October 2016, a very substantial acquisition and reverse takeover of the Company involving a new listing application was completed. The Company acquired the entire issued share capital of China General (HK) Company Limited ("**China General**"), a company incorporated in Hong Kong with limited liability, from the Vendors in consideration of the allotment of 4,086,592,788 ordinary shares of the Company (the "**Consideration Shares**") to the Vendors in equal shares (the "**Acquisition**"). China General is an investment holding company which is collectively owned as to 100% by the Vendors immediately before the completion of the Acquisition. China General and its subsidiaries (the "**China General Group**") are principally engaged in the property development in the PRC. The details of the Acquisition are set out in the Company's circular dated 29 February 2016.

Prior to the Acquisition, the Company's shares have been suspended from trading on the Stock Exchange since 27 November 2009 due to insufficient level of operation and poor financial and liquidity position and upon suspension, the Company and its subsidiaries became inactive. Upon completion of the Acquisition, the Company allotted and issued the Consideration Shares to the Vendors, which are also the ultimate controlling parties of the Company subsequent to the Acquisition, in exchange of the entire issue share capital of China General. As a result, the substance of the Acquisition was a reverse asset acquisition of a listed non-operating shell company and did not constitute a business under Hong Kong Financial Reporting Standard ("**HKFRS**") 3 "Business Combination". As a result, the Acquisition is accounted for as a share-based payment transaction under HKFRS 2 "Share-Based Payment".

For accounting purpose, the Company is deemed to have been acquired by China General which is deemed as the accounting acquirer. These consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the China General Group and accordingly:

(i) The assets and liabilities of the China General Group are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Company are recognised at fair value and the Consideration Shares allotted and issued to effect the Acquisition are measured at the fair value of the equity consideration deemed to be issued to the former owners of the Company. Since the shareholders of China General deemed to have issued shares with a fair value in excess of the net liabilities assumed of the Company, the difference is recognised in profit or loss as deemed listing expenses; and

(iii) The comparative information presented in these consolidated financial statements is restated to be that of the China General Group.

In preparing these consolidated financial statements, the Group has applied the equity-settled share-based payment transaction to account for the Acquisition. The results of the Company have been consolidated to the China General's consolidated financial statements since the completion date of the Acquisition and further details of the Acquisition and the deemed listing expenses are set out in note 16 to the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[5]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2017
[5] Effective for annual period beginning on or after 1 January 2017 or 1 January 2018, as appropriate

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported (e.g. sales of properties) and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company performs a detailed review.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

Except as described above, the Directors consider that the application of the other new and amendments to HKFRSs will have no significant impact on the Group's consolidated financial statements in coming year.

4. REVENUE

The Group is engaged in the property development and revenue represents the net amounts received and receivable for properties sold by the Group in the normal course of business to customers.

5. INCOME TAX EXPENSE

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Current tax:		
PRC Enterprise Income Tax ("**EIT**")	**8,923**	11,693
PRC Land Appreciation Tax ("**LAT**")	**4,278**	13,693
	13,201	25,386
Deferred tax *(note 12)*	**1,124**	(3,492)
	14,325	21,894

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

Current tax provision represents provision for PRC EIT and PRC LAT. Under the Law of People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25%.

In addition, under the Provisional Regulations of LAT (《中華人民共和國土地增值税暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值税暫行條例實施細則》) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures in relation to the gains arising from sales of properties in the PRC effective from 1 January 2004, with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

Under the relevant tax law and implementation regulations in the PRC, withholding income tax is applicable to dividend earned and payable to investors that are "non-tax resident enterprises" in respect of profits earned by PRC subsidiaries since 1 January 2008, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Under such circumstances, dividends paid by the PRC subsidiaries to offshore group entities shall be subject to the withholding tax at 10% or a lower treaty rate. The Group is subject to withholding tax in relation to the dividend paid by the PRC subsidiaries. As the Company has decided not to declare any dividends from undistributed earning of the PRC subsidiaries amounting to approximately RMB105,703,000 (2015: RMB103,991,000) as at 31 December 2016 to the Company in the foreseeable future, no deferred tax liability has been recognised in respect of these undistributed earnings during the both years.

6. (LOSS) PROFIT FOR THE YEAR

	2016	2015
	RMB'000	*RMB'000*
		(restated)
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,181**	265
Depreciation of plant and equipment	**426**	682
Rental expense in respect of rented premise under operating lease	**99**	87
Gross rental income from investment properties	**(2,452)**	(2,877)
Less: direct operating expenses incurred	**458**	614
Net rental income from investment properties	**(1,994)**	(2,263)
Cost of properties held-for-sale recognised as an expenses	**99,645**	41,867
Staff costs		
— salaries and allowances	**3,805**	3,792
— retirement benefits scheme contributions	**914**	893
Total staff costs, excluding Directors' remunerations	**4,719**	4,685

7. (LOSS) EARNING PER SHARE

The calculation of the basic (loss) earning per share attributable to the owners of the Company is based on the following data:

	2016	2015
	RMB'000	*RMB'000*
		(restated)
(Loss) profit for the year attributable to owners of the Company for the purpose of basic (loss) earning per share	**(518,956)**	22,200
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic (loss) earning per share	**4,411,989**	4,086,593

The weighted average number of shares used for the purpose of calculating basic loss per share for the year ended 31 December 2016 is determined by reference to the number of ordinary shares issued for the Acquisition and the number of ordinary shares outstanding after the completion of the Acquisition.

The weighted average number of shares used for the purpose of calculating basic earning per share for the year ended 31 December 2015 is determined by reference to the number of ordinary shares issued for the Acquisition.

No diluted (loss) earning per share for the year ended 31 December 2016 and 2015 is presented because the Group did not have any potential ordinary shares outstanding during both years.

8. INVESTMENT PROPERTIES

	RMB'000
Fair value	
At 1 January 2015 (restated)	117,200
Increase in fair value recognised in profit or loss	2,000
At 31 December 2015 (restated)	119,200
Increase in fair value recognised in profit or loss	9,307
Reclassified as assets held for sale	(23,522)
At 31 December 2016	104,985

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Unrealised gains on investment properties revaluation included in consolidated statement of profit or loss and other comprehensive income	**9,307**	2,000

All of the Group's property interests held under operating leases to earn rentals or intended to earn rentals in future or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The carrying amount of investment properties are situated on land under the medium term lease in PRC.

9. PROPERTIES HELD-FOR-SALE

Properties held-for-sale in the consolidated statement of financial position comprise:

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Properties held-for-sale		
Properties under development	**653,541**	694,825
Completed properties	**159,565**	57,266
	813,106	752,091

All of the properties under development and completed properties held-for-sale are located in the PRC. All the properties held-for-sale are stated at cost.

At 31 December 2016, property under development of RMB160,084,000 (2015: RMB597,398,000) are not expected to be realised within one year.

10. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS HELD FOR SALE

The major classes of assets and liabilities classified as held for sale as at 31 December 2016 are as follow:

	RMB'000
Assets classified as held for sale:	
Investment properties	23,522
Liabilities classified as held for sale:	
Deposits received on sales of use rights of investment properties	8,722

During the year ended 31 December 2016, the Group entered into provisional leasing agreements with independent third parties to sell the rights of use of car parking spaces for 20 years and grant a occupancy right to extend additional 20 years at a nominal amount and the Group received sale deposits of approximately RMB8,722,000 as of 31 December 2016. The Directors considered the terms of the lease have transferred substantially all the risks and rewards of the car parking spaces to the lessee and derecognised as investment properties when the buyers start to use the car parking spaces in 2017. Accordingly, the investment properties and related deposits received which were expected to be sold or utilised within twelve months were classified as held for sale and were presented separately in the consolidated statement of financial position.

11. PRE-SALES PROCEEDS RECEIVED ON SALES OF PROPERTIES

Pre-sales proceeds received on sales of properties represent proceeds received on property unit sales that have not been recognised as revenue in accordance with the Group's revenue recognition policy.

12. DEFERRED TAXES

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes.

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Deferred tax assets	**8,690**	7,184
Deferred tax liabilities	**(18,503)**	(15,873)
	(9,813)	(8,689)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the years ended 31 December 2016 and 2015:

	Revaluation of investment properties	**LAT deferred tax**	**Deferred tax on pre-sales proceeds**	**Tax losses**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2015 (restated)	(15,325)	(3,161)	3,056	3,249	(12,181)
(Charge) credit to profit or loss	(504)	1,828	3,555	(1,387)	3,492
At 31 December 2015 (restated)	(15,829)	(1,333)	6,611	1,862	(8,689)
(Charge) credit to profit or loss	(2,803)	(413)	3,954	(1,862)	(1,124)
At 31 December 2016	(18,632)	(1,746)	10,565	–	(9,813)

At 31 December 2016, the Group has no unused tax losses (2015: RMB7,446,000) available for offsetting against future profits. Deferred tax asset in respect of prior year tax losses has been fully recognised.

At 31 December 2016, the Group has no deductible temporary differences (2015: RMB892,000). No deferred tax asset has been recognised as of 31 December 2015 in relation to such deductible temporary difference.

13. SHARE CAPITAL

Share capital of China General

The share capital at 1 January 2015 and 31 December 2015 represents the share capital of China General. China General was incorporated in Hong Kong with limited liability under the Companies Ordinance of Hong Kong on 1 September 1992. The number of issued and fully paid ordinary shares of the China General was 20,000,000 amounting to RMB389,190,000 as at 1 January 2015 and 31 December 2015. Since then, China General did not have any change in its share capital.

Share capital of the Company

	Number of share capital *'000*	**Amount** *HK$'000*	**Amount** *RMB'000*
Authorised ordinary shares:			
At 1 January 2015 and 31 December 2015 at HK$0.1 each	3,000,000	300,000	261,570
Capital Reorganisation *(note a)* implemented on 23 August 2016 comprised:			
— Capital Reduction	–	(298,500)	(260,262)
— Share Consolidation	(2,700,000)	–	–
— Authorised Share Capital Cancellation	(105,400)	(527)	(459)
— Authorised Share Capital Increase	99,805,400	499,027	435,102
At 31 December 2016 at HK$0.005 each	100,000,000	500,000	435,951
Issued and fully paid ordinary shares:			
At 1 January 2015 and 31 December 2015 at HK$0.1 each	1,945,997	194,600	169,672
Capital Reorganisation *(note a)* implemented on 23 August 2016 comprised:			
— Capital Reduction	–	(193,627)	(168,824)
— Share Consolidation	(1,751,397)	–	–
Open offer on 25 October 2016 *(note b)*	389,199	1,946	1,697
Share subscription on 25 October 2016 *(note c)*	1,167,598	5,838	5,090
Share allotment for acquisition of China General *(note d)*	4,086,593	20,433	17,816
At 31 December 2016 at HK$0.005 each	5,837,990	29,190	25,451

All the shares issued by the Company rank pari passu and do not carry pre-emptive rights.

Notes:

a. On 18 April 2016, the shareholders of the Company passed the resolution regarding the implementation of the capital restructuring of the Company ("**Capital Reorganisation**") comprising, the Capital Reduction, Share Premium Cancellation, Share Consolidation, Authorised Share Capital Cancellation and Authorised Share Capital Increase (as defined in the Company's circular dated 29 February 2016) with details below. Capital Reorganisation is one of the conditions precedent under the Acquisition and the Subscription (as defined in note c) and the Company completed the implementation of the Capital Reorganisation on 23 August 2016.

   (i) Capital Reduction — the par value of the existing issued shares was reduced from HK$0.10 to HK$0.0005 each;

   (ii) Share Premium Cancellation — upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company was cancelled;

   (iii) Share Consolidation — upon the Share Premium Cancellation becoming effective, every ten issued Shares of HK$0.0005 each were consolidated into one new share of HK$0.005 each;

   (iv) Authorised Share Capital Cancellation — upon the Share Consolidation becoming effective, all the authorised but un-issued shares were cancelled in their entirety; and

   (v) Authorised Share Capital Increase — upon the Authorised Share Capital Cancellation becoming effective, the Company's authorised share capital was increased to HK$500,000,000, divided into 100,000,000,000 new shares of HK$0.005 each.

b. On 25 October 2016, the Company completed the open offer on the basis of two Offer Shares for every one new share held by the Qualifying Shareholders on the Record Date (as defined in the Company's prospectus dated 30 September 2016) at HK$0.13 per Offer Share (the "**Open Offer**") and 389,199,312 ordinary shares have been issued and allotted with total proceeds received of approximately HK$50,596,000 (equivalent to RMB44,115,000).

c. On 25 October 2016, the Company allotted and issued 1,167,597,940 shares in total to (i) Jinwu Limited, which subscribed for 954,694,714 shares at HK$0.155 per share for a total subscription amount of approximately HK$147,978,000 (equivalent to RMB129,022,000); (ii) Time Boomer Limited, which subscribed for 83,870,968 shares at a total exercise price of HK$13,000,000 (equivalent to RMB11,334,000), or HK$0.155 per share; and (iii) First Apex Investments Limited, which subscribed for 129,032,258 shares at a total exercise price of HK$20,000,000 (equivalent to RMB17,438,000), or HK$0.155 per share (the "**Subscription**"), in accordance with the Amended Subscription Agreement, the Amended TB Option Agreement and the New FA Option Agreement (as defined in the Company's circular dated 29 February 2016), respectively.

d. On 25 October 2016, the Company allotted and issued 4,086,592,788 Consideration Shares to the Vendors for acquiring of the entire equity interest of China General in accordance with the terms of the Acquisition Agreement (as defined in the Company's prospectus dated 30 September 2016). The completion of the Acquisition will be inter-conditional to the Open Offer, the Subscription and the disposal of Marzo Holdings Limited, Mobile Distribution Limited and Value Day Limited, wholly-owned subsidiaries of the Company prior to the Acquisition and the proceeds of the Open Offer and the Subscription had been applied to the discharge of the Company's liabilities through the Creditors Schemes (as defined in the Company's circular dated 29 February 2016) and as general working capital of the Company.

14. OTHER COMMITMENTS

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Construction commitments in respect of properties under development for sale contracted for but not provided in the consolidated financial statements	**43,231**	211,460

15. CONTINGENT LIABILITIES

	2016	2015
	RMB'000	*RMB'000*
		(restated)
Corporate guarantee given to banks in respect of mortgage facilities granted to property buyers	**348,581**	246,560

In accordance with market practice in the PRC, the Group provides guarantees for the property buyers' mortgage loans with PRC banks to facilitate their purchases of the Group's properties. Guarantees for mortgages on properties begin simultaneously with the respective mortgage, and are generally discharged at the earlier of: (i) the property buyers obtains the individual property ownership certificate, and (ii) the full settlement of mortgage loans by the property buyers. The outstanding financial guarantee providing with guarantee period up to the full settlement of mortgage loan as at 31 December 2016 amounted to RMB348,581,000 (2015: RMB246,560,000). Pursuant to terms of the guarantees, for a given mortgage loan, if there is any default of the mortgage payments by a property buyer, the Group is responsible to repay to the bank outstanding balance of the mortgage loan as well as accrued interests and penalties owned by the defaulted property buyer. If the Group fails to do so, the mortgage bank will first deduct the bank balance existing in the bank owned by the property buyer. Any shortfall will be recovered through auction the underlying property and recover the remaining balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceed. The Group do not conduct independent credit checks on their property buyers but rely on the credit checks conducted by the mortgage banks.

In the opinion of the directors of the Company, the fair values of the financial guarantee contracts of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realisable value of the related properties is expected to cover the outstanding mortgage principals together with the accrued interest and penalties. Accordingly, no provision has been made in the consolidated financial statements for these guarantees.

16. ACQUISITION OF CHINA GENERAL

As disclosed in note 2, the Company allotted and issued 4,086,592,788 Consideration Shares to the Vendors for acquiring the entire equity interest of China General (the "**Acquisition**") on 25 October 2016. The substance of the Acquisition was a reverse asset acquisition of a listed non-operating company and as a result, the Acquisition is accounted for as a share-based payment transaction under HKFRS 2 and the Consideration Shares allotted and issued to effect the Acquisition are measured at the fair value of the equity consideration deemed to be issued to the former owners of the Company. Since the shareholders of China General are deemed to have issued shares with a fair value in excess of the net liabilities of the Company assumed, the difference is recognised in profit or loss as deemed listing expenses.

The fair value of the consideration was determined based on the number of the Company's shares outstanding immediately prior to the Acquisition and the share price of the Company immediately upon the trading resumption on the Stock Exchange, which was determined using the published share price available on 27 October 2016 amounted to HK$0.355 per share and the number of the Company's shares outstanding immediately prior to the Acquisition of 1,751,396,909 shares. Accordingly, the deemed consideration for the Acquisition is approximately HK$621,746,000 (equivalent to RMB542,101,000). The fair value hierarchy of the input (i.e. share price of the Company) to determine deemed listing expenses is categorised under Level 1 by reference to the quoted bid prices in an active market.

The carrying amount of the identifiable assets and liabilities of the Company acquired or assumed upon the Acquisition in exchange for all the issued share capital of China General and deemed listing expenses arising from the Acquisition are set out as follows:

	RMB'000	*RMB'000*
Deemed consideration to be paid by China General, accounting acquirer		542,101
Less: fair value of the Company's identifiable assets acquired and liabilities assumed		
Cash	4	
Other receivables	77	
Other payables	(84)	(3)
Deemed listing expenses		542,104

	RMB'000
Net cash inflow on acquisition of the Company	
Cash and cash equivalent balances acquired	4

17. RELATED PARTY TRANSACTIONS

Apart from details of the balances with related parties disclosed in the consolidated statements of financial position and other details disclosed elsewhere in the consolidated financial statements, the Group has not entered into any significant transactions with related parties during both years.

BUSINESS REVIEW AND PROSPECT

In 2016, the property market boomed again in the PRC, particularly in certain major cities where the regional authorities had subsequently announced policies and measures to cool down the local overheating property market. The Group remained focusing on its two residential property projects, i.e. Binjiang International project in Quanzhou, Fujian Province and The Cullinan Bay project in Yangzhou, Jiangsu Province, during the year of 2016. Benefited from the recovery of the property market in the PRC, the Group's business performance for 2016 was satisfactory as reflected by the year-on-year growth of revenue and pre-sales proceeds received.

The Directors expects 2017 to be another challenging year for the property developers in the PRC, largely due to the downward pressure on economic growth, rising land acquisition costs and a limited flow of credit to the real estate sector in the PRC. In 2017, the Group will continue to sell the completed property units of its existing Binjiang International and The Cullinan Bay projects and develop the later phases of The Cullinan Bay project. The Group will also maintain its business strategy to explore and identify new opportunities for the development of quality residential properties accompanied with a living community to customers in cities with high rigid demand for homes, in particular the third and fourth tier cities in the PRC.

FINANCIAL REVIEW

Financial Performance

Revenue of the Group recognised during the year ended 31 December 2016 was derived from the sale and delivery of properties of the Binjiang International and The Cullinan Bay projects to customers, net of discounts and sales related taxes. Revenue increased by 53.2% from RMB103,196,000 for the year ended 31 December 2015 to RMB158,125,000 for the year ended 31 December 2016 due to the commencement of delivery of certain newly completed properties of The Cullinan Bay project since June 2016, and partially offsetting by the decrease in sale of properties of the Binjiang International project. All the revenue for the year ended 31 December 2015 was contributed by the sale of properties of the Binjiang International project.

Gross profit decreased from RMB54,817,000 for the year ended 31 December 2015 or 53.1% to RMB45,874,000 or 29.0% for the year ended 31 December 2016 as the gross profit margin from the sale of properties of The Cullinan Bay project was generally lower than that from the sale of properties of the Binjiang International project, largely due to the much lower average cost of land for the Binjiang International project which was acquired by the Group in 2006 and 2007 as compared to the cost of land acquired for The Cullinan Bay project in 2013.

Deemed listing expenses of RMB542,104,000 for the year ended 31 December 2016 (2015: Nil) is one-off in nature and represented the deemed consideration for the Acquisition less fair value of the Company's identifiable assets acquired and liabilities assumed.

Taking out the one-off deemed listing expenses, the Group's business as a property developer in China made net profit of RMB23,584,000 for the year ended 31 December 2016 (2015: RMB22,301,000), which is 5.8% higher than that for the year ended 31 December 2015.

Liquidity and Financial Resources

As at 31 December 2016, the Group had total assets of RMB1,181,522,000 which were financed by total equity of RMB605,921,000 and total liabilities of RMB575,601,000.

The Group's working capital requirements were mainly financed by internal resources and bank borrowings. As at 31 December 2016 the Group had time deposits, bank balances and cash of RMB128,485,000 (2015: RMB122,533,000) and bank borrowings of RMB99,900,000 (2015: RMB170,000,000), representing net cash surplus of RMB28,585,000 compared to net cash deficit of RMB47,467,000 as at 31 December 2015.

Current ratio and gearing ratio of the Group were 1.92 times and 16.5% as at 31 December 2016 (2015: 1.76 times and 43.4%) respectively.

Foreign Exchange Exposure

Major subsidiaries of the Company operate in the PRC and all the business transactions of the Group are denominated in RMB. Net foreign exchange loss for the year ended 31 December 2016 primarily resulted from the translation of amounts due to directors which were denominated in Hong Kong dollars into RMB. After the waiving of amounts due to directors during the year ended 31 December 2016, the Group's foreign exchange exposure has limited to certain of the bank balance and cash which are denominated in currencies other than RMB. Currently, the Group does not use derivative financial instruments and has not entered into any derivative contracts. However, the management will monitor the currency fluctuation exposure and will consider hedging significant foreign exchange risk should the need arises.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group had approximately 42 full-time employees, excluding the Directors, in the PRC. During the year ended 31 December 2016, the total staff costs, excluding Directors' remuneration, was RMB4,719,000 (2015: RMB4,685,000). Remuneration packages of the employees are determined by reference to the qualifications and experience of the employee concerned and are reviewed annually by the management with reference to market conditions and individual performance. The Group offers a comprehensive and competitive remuneration and benefit package to its employees. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident fund, pension, medical, maternity, work injury insurance and unemployment benefit plans.

CHANGE OF COMPANY NAME

Following the resumption of trading in the shares of the Company on the Main Board of the Stock Exchange, the English name of the Company was changed from "First Mobile Group Holdings Limited" to "Jiande International Holdings Limited" and the Chinese name of "建德國際控股有限公司" was adopted and registered as the dual foreign name of the Company on 6 January 2017. The Board believes that the new English and Chinese names of the Company better reflects the current status of the Group and provides the Company with a new corporate image which will benefit the Company's future business development.

CORPORATE GOVERNANCE

To the best knowledge of the current Directors, the Company has complied with the code provisions as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") — Corporate Governance Code and Corporate Governance Report (the "**CG Code**") during the year ended 31 December 2016 except for those in relation to the vacancy of the independent non-executive directors ("**INEDs**") and company secretary from 1 January 2016 to 24 October 2016 including the establishment of audit committee, remuneration committee and nomination committee, and the following:

The board shall meet regularly and at least four times a year at approximately quarterly intervals under code provision A.1.1 of the CG Code, the chairman should at least annually, hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present under the code provision A.2.7 of the CG Code, and the audit committee must meet, at least twice a year, with the issuer's auditors under code provision C.3.3(e)(i) of the CG Code.

Prior to 25 October 2016, due to the financial difficulties of the Group and the prolonged suspension in trading of the shares of the Company, the Company was unable to appoint suitable persons as its INEDs and company secretary following the resignations of the previous INEDs and company secretary on 2 December 2009 and 9 April 2014 respectively. After the completion of the group restructuring, the Company appointed the company secretary and three INEDs on 25 October 2016 to reconstitute the current Board of Directors and the Audit Committee, Nomination Committee and Remuneration Committee. However, as the duration from the reconstitution of the current Board to 31 December 2016 is less than three months and there were no actual operational needs to call for meetings for the current Board and the Board committees during this period, the Board only met for three times during the year ended 31 December 2016 and no meeting between the chairman of the Board and INEDs or Audit Committee meeting was held during the year ended 31 December 2016.

The current Board is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company considers that sufficient measures have been taken to ensure compliance with the CG Code in future.

MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in securities of the Company. Trading in the securities of the Company had been suspended during the period from 27 November 2009 to 26 October 2016. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 December 2016 (2015: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 25 May 2017 in Hong Kong. The Notice of AGM will be published and despatched to the shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 22 May 2017 to Thursday, 25 May 2017 (both days inclusive) to facilitate the processing of proxy voting. In order to be entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 19 May 2017.

AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed with the management the consolidated financial statements of the Company for the year ended 31 December 2016, including the accounting principles and practices adopted. The financial figures in this announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Company's auditors.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website at www.jiande-intl.com and the website of the Stock Exchange at www.hkexnews.hk. The 2016 annual report of the Company will be despatched to shareholders of the Company and published on the above-mentioned websites on or before 30 April 2017.

By order of the Board
Jiande International Holdings Limited
Shie Tak Chung
Chairman

Hong Kong, 31 March 2017

As at the date of this announcement, the executive Directors are Mr. Shie Tak Chung, Mr. Tsoi Kin Sze, Mr. Wu Zhisong and Mr. Lee Lit Mo Johnny and the independent non-executive Directors are Mr. Ma Sai Yam, Mr. Zhang Senquan and Mr. Yang Quan.