

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

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

**Stock Code : 865**

**股票代號 : 865**

## 2022 INTERIM REPORT 中期業績報告





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Shie Tak Chung (*Chairman and Chief Executive Officer*)

Mr. Tsoi Kin Sze  
(*Chief Executive Officer*)

Mr. Wu Zhisong

#### Independent Non-executive Directors

Mr. Ma Sai Yam

Mr. Zhang Senquan

Mr. Yang Quan

#### COMPANY SECRETARY

Mr. Wong Kin Tak (*ACCA, HKICPA*)

#### AUDITORS

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

35/F One Pacific Place

88 Queensway

Hong Kong

#### LEGAL ADVISER

Loeb & Loeb LLP

2206–19 Jardine House

1 Connaught Place, Central

Hong Kong

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Services (Cayman Islands)  
Limited

Second Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman KY1-1103  
Cayman Islands

#### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 401–402, 4/F, Westlands Centre  
20 Westlands Road, Quarry Bay  
Hong Kong

#### REGISTERED OFFICE

Tricor Services (Cayman Islands)  
Limited

Second Floor, Century Yard  
Cricket Square, P.O. Box 902  
Grand Cayman KY1-1103  
Cayman Islands

#### STOCK CODE

Listed on The Stock Exchange of  
Hong Kong Limited  
under the stock code 00865

#### CORPORATE WEBSITE

[www.jiande-intl.com](http://www.jiande-intl.com)

The board (the “Board”) of directors (the “Directors”) of Jiande International Holdings Limited (the “Company”) is pleased to present the unaudited results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2022 together with the unaudited comparative figures for the corresponding period of the previous year which are set out as follows:

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

For the six months ended 30 June 2022

	NOTES	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
<b>Revenue</b>			
Sales of properties	3	208,887	23,223
Cost of sales		(149,800)	(15,541)
Gross profit		59,087	7,682
Other income	4	1,398	2,030
Other gains and losses		180	(22)
Fair value change of investment properties	9	(1,448)	(553)
Selling expenses		(4,198)	(3,256)
Administrative expenses		(10,822)	(10,199)
Finance costs		(8)	(19)
Profit (loss) before tax		44,189	(4,337)
Income tax expense	5	(13,707)	(1,225)
Profit (loss) and total comprehensive income (expense) for the period	6	30,482	(5,562)
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		30,951	(4,223)
Non-controlling interests		(469)	(1,339)
		30,482	(5,562)
		RMB	RMB
Earnings (loss) per share	8		
— Basic		0.53 cent	(0.07 cent)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	NOTES	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		1,783	2,401
Investment properties	9	97,330	105,071
Right-of-use assets		465	594
Deferred tax assets		4,381	3,609
		<b>103,959</b>	111,675
<b>CURRENT ASSETS</b>			
Properties for/under development/ properties for sale	10	1,009,200	951,827
Trade and other receivables	11	19,624	75,549
Contract costs		1,472	1,311
Prepaid land appreciation tax		40,560	36,686
Restricted bank deposits		14,914	11,577
Bank balances and cash		138,394	251,513
		<b>1,224,164</b>	1,328,463
Assets classified as held for sale	12	4,907	2,759
		<b>1,229,071</b>	1,331,222
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	118,670	148,323
Deposits received on sales of investment properties	12	3,033	2,190
Contract liabilities	14	186,666	327,526
Amount due to a non-controlling interest of subsidiaries	19	97,430	93,730
Income tax and land appreciation tax payable		23,428	24,457
Lease liabilities		175	152
Secured bank borrowings		5,408	14,200
		<b>434,810</b>	610,578
<b>NET CURRENT ASSETS</b>		<b>794,261</b>	720,644

		<b>30 June 2022</b>	31 December 2021
	<i>NOTES</i>	<b>RMB'000 (unaudited)</b>	RMB'000 (audited)

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**TOTAL ASSETS LESS CURRENT LIABILITIES**

**898,220**      832,319

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**NON-CURRENT LIABILITIES**

Amount due to a non-controlling interest of subsidiaries

19      **23,484**      –

Deferred tax liabilities

**25,321**      21,519

Lease liabilities

**92**      90

Secured bank borrowings

**34,028**      25,800

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**82,925**      47,409

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**NET ASSETS**

**815,295**      784,910

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**CAPITAL AND RESERVES**

Share capital

15      **25,451**      25,451

Reserves

**777,586**      746,635

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Equity attributable to owners of the Company

**803,037**      772,086

Non-controlling interests

**12,258**      12,824

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**TOTAL EQUITY**

**815,295**      784,910

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# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Attributable to owners of the Company										Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Other reserve RMB'000 (Note c)	Share premium RMB'000	Shareholders' contribution RMB'000 (Note a)	Other non-distributable reserve RMB'000 (Note b)	Other reserve RMB'000 (Note d)	Reorganisation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000			
At 31 December 2020 (audited)	25,451	524,285	193,733	59,139	10,936	(5,801)	187,822	(234,600)	760,965	14,419	775,384	
Loss and total comprehensive expense for the period	-	-	-	-	-	-	-	(4,223)	(4,223)	(1,339)	(5,562)	
At 30 June 2021 (unaudited)	25,451	524,285	193,733	59,139	10,936	(5,801)	187,822	(238,823)	756,742	13,080	769,822	
At 31 December 2021 (audited)	25,451	524,285	193,733	59,139	26,084	(5,801)	187,822	(238,627)	772,086	12,824	784,910	
Profit (loss) and total comprehensive income (expense) for the period	-	-	-	-	-	-	-	30,951	30,951	(469)	30,482	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(97)	(97)	
At 30 June 2022 (unaudited)	25,451	524,285	193,733	59,139	26,084	(5,801)	187,822	(207,676)	803,037	12,258	815,295	

## Notes:

- (a) Immediately before the resumption of trading the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 27 October 2016, the amounts advanced from Mr. Shie Tak Chung and Mr. Tsoi Kin Sze to the Group in prior years amounting to RMB59,139,000 were waived and such waived amounts were recognised as shareholders' contribution.
- (b) Other non-distributable reserve principally represent statutory reserves required to be appropriated from profit after income tax of the subsidiaries established in the People's Republic of China (the "PRC"), under the relevant laws and regulations. Allocation to the statutory reserves shall be approved by the board of directors of the relevant subsidiaries. The appropriation to statutory reserves may cease if the balance of the statutory reserves has reached 50% of the registered capital of the respective subsidiaries. The statutory reserves may be used to make up losses or for conversion into capital. The relevant subsidiaries may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert their statutory reserves into capital in proportion to their then existing shareholdings. However, when converting the statutory reserves into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of the relevant subsidiary.
- (c) The amount included in other reserve represents the deemed listing expenses incurred upon the reverse asset acquisition of the Company by China General (HK) Company Limited ("China General") completed on 25 October 2016 which was measured at the fair value of the equity consideration deemed to be issued to the former shareholders of the Company amounted to Hong Kong Dollar ("HK\$") 621,746,000 (equivalent to RMB542,101,000), less the amount of 4,086,592,788 consideration share, issued at HK\$0.005 per share amounted to HK\$20,433,000 (equivalent to RMB17,816,000).

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(144,121)</b>	<b>(25,062)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(326)	(245)
Placement of short-term financial products	–	(170,000)
Withdrawal of short-term financial products	–	170,000
Proceeds from sales of investment properties	3,775	5,990
Deposits received on sales of investment properties	1,213	3,612
Interests received from bank deposits	1,245	1,723
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>5,907</b>	<b>11,080</b>
<b>FINANCING ACTIVITIES</b>		
Advance from a non-controlling interest of a subsidiary	32,184	11,300
Repayment to a non-controlling interest of a subsidiary	(5,000)	–
Dividends paid to non-controlling interests	(97)	–
Repayment of secured bank borrowings	(564)	–
Interest paid on bank borrowings	(1,239)	–
Repayment of lease liabilities	(181)	(86)
Interest paid on lease liabilities	(8)	(19)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>25,095</b>	<b>11,195</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(113,119)</b>	<b>(2,787)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>251,513</b>	<b>160,409</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b> , represented by bank balances and cash	<b>138,394</b>	<b>157,622</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The condensed consolidated financial statements are presented in RMB, which is same as functional currency of the Company.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

### Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020



## 2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

### Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) *(continued)*

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

## 3. REVENUE AND SEGMENT INFORMATION

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.

### Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2022 RMB’000 (unaudited)	2021 RMB’000 (unaudited)
<b>Sales of properties</b>		
Residential units in the Binjiang International Project*	4,604	900
Residential units in The Cullinan Bay Project**	204,283	22,323
	<b>208,887</b>	<b>23,223</b>

\* The project represents completed properties located in Quanzhou, Fujian Province.

\*\* The project represents completed properties located in Yangzhou City, Jiangsu Province.

All of the Group’s revenue is recognised at a point in time.

Information reported to the executive directors of the Group, being the chief operating decision maker, for the purpose of resource allocation and assessment focuses on revenue analysis, contracted pre-sales amount and unit price by project basis. No other discrete financial information is provided other than the Group’s results and financial position as a whole.

#### 4. OTHER INCOME

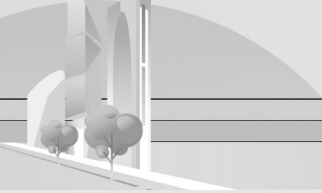
	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Fixed rental income from investment properties	153	307
Interests from short-term financial products	–	678
Interests from bank deposits	1,245	1,045
	<b>1,398</b>	2,030

#### 5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	10,195	4,719
PRC Land Appreciation Tax ("LAT")	482	439
	<b>10,677</b>	5,158
Deferred tax	3,030	(3,933)
	<b>13,707</b>	1,225

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 the PRC EIT and the PRC LAT. Under the Law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.



## 5. INCOME TAX EXPENSE *(continued)*

In addition, under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) 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稅暫行條例實施細則》) 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.

On 28 December 2006, the State Administration of Taxation of the PRC (the "SAT") issued the Notice on the Settlement Management of Land Appreciation Tax on Real Estate Enterprises (《關於房地產開發企業土地增值稅清算管理有關問題的通知》), which took effect on 1 February 2007. Such notice provides further clarification regarding the settlement of LAT. Local provincial tax authorities can formulate their own implementation rules according to the notice and local conditions. On 12 May 2009, the SAT issued the Regulations of Land Appreciation Tax Settlement Administration (《土地增值稅清算管理規程》), effective on 1 June 2009, which further clarifies the specific conditions and procedures for the settlement of LAT.

## 6. PROFIT (LOSS) FOR THE PERIOD

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Profit (loss) for the period has been arrived at after charging (crediting):		
Depreciation of plant and equipment	944	324
Depreciation of right-of-use assets	335	358
Total depreciation	1,279	682
Expense relating to short-term leases	33	45
Staff costs, including directors' remunerations	4,835	3,461
Gross rental income from investment properties	(153)	(307)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	24	31
	(129)	(276)

## 7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

## 8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Profit (loss) for the period attributable to owners of the Company for the purpose of basic earnings (loss) per share	<b>30,951</b>	(4,223)
	'000	'000
Number of ordinary shares for the purpose of basic earnings (loss) per share	<b>5,837,990</b>	5,837,990

No diluted earnings per share for the six months ended 30 June 2022 and 2021 is presented because the Group did not have any potential ordinary shares outstanding during both periods.

## 9. INVESTMENT PROPERTIES

	<b>Completed investment properties</b>
	RMB'000
<hr/>	
<b>Fair value</b>	
At 1 January 2021 (audited)	116,693
Net fair value change recognised in profit or loss	(1,267)
Disposals	(7,596)
Reclassified as held for sale (note 12)	(2,759)
<hr/>	
At 31 December 2021 (audited)	105,071
Net fair value change recognised in profit or loss	(1,448)
Disposals	(3,449)
Reclassified as held for sale (note 12)	(2,844)
<hr/>	
At 30 June 2022 (unaudited)	97,330
<hr/>	

Included in the net fair value change recognised in profit or loss of investment properties for the six months ended 30 June 2022 is an unrealised loss on property revaluation included in profit or loss amounted to approximately RMB1,951,000 (six months ended 30 June 2021: loss of RMB2,472,000).

The Group leases out car parking spaces, a kindergarten property and a retail store property under operating leases with rentals payable monthly. The leases typically run for an initial period of 3 months to 3 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The fair value of the Group's investment properties as at 30 June 2022 and 31 December 2021 has been arrived on the basis of a valuation carried out on respective dates by Messrs. Cushman & Wakefield Limited ("C&W"), independent qualified professional valuers not connected to the Group. The management of the Group works closely with the valuers to establish the appropriate valuation techniques and inputs to the model and explain the cause of fluctuations in the fair values of the investment properties to the board of directors.

## 9. INVESTMENT PROPERTIES *(continued)*

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The following table gives information about how the fair value of these investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties	Amount	Valuation technique	Significant unobservable input(s)	Sensitivity
Civil defense car parking spaces located in Quanzhou, Fujian Province, the PRC	RMB19,070,000 (31 December 2021: RMB21,192,000)	Investment approach	Term yield: 3.7% (31 December 2021: 3.7%)  Reversionary yield: 4.2% (31 December 2021: 4.2%)  Monthly market rent, taking into account the difference in location, and individual factors, i.e. accessibility, between the comparable and the subject properties, ranging from RMB296 to RMB450 (31 December 2021: RMB301 to RMB457) per civil defense car parking space per month.	A slight increase in the term yield and reversionary yield used would result in a significant decrease in fair value, and vice versa.  A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.
Non-civil defense car parking spaces located in Quanzhou, Fujian Province, the PRC	RMB57,100,000 (31 December 2021: RMB62,449,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB90,000 to RMB119,000 (31 December 2021: RMB130,000 to RMB158,000) by taking into account the difference in location and individual factors, i.e. accessibility.	A significant increase in the market transaction prices used would result in a significant increase in fair value, and vice versa.

## 9. INVESTMENT PROPERTIES *(continued)*

Investment properties	Amount	Valuation technique	Significant unobservable input(s)	Sensitivity
A kindergarten property located in Quanzhou, Fujian Province, the PRC	RMB12,900,000 (31 December 2021: RMB12,900,000)	Investment approach	Term yield: 4.2% (31 December 2021: 4.2%)  Reversionary yield: 4.7% (31 December 2021: 4.7%)  Monthly market rent, taking into account the difference in location, and individual factors, i.e. size and accessibility, between the comparable and the subject properties, at an average of RMB28 (31 December 2021: RMB28) per square meter per month.	A slight increase in the term yield and reversionary yield used would result in a significant decrease in fair value, and vice versa.  A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.
Non-civil defense car parking spaces located in Yangzhou, Jiangsu Province, the PRC	RMB7,410,000 (31 December 2021: RMB7,680,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB67,000 to RMB80,000 (31 December 2021: RMB80,000 to RMB115,000) by taking into account the difference in location and individual factors, i.e. accessibility.	A significant increase in the market transaction prices used would result in a significant increase in fair value, and vice versa.



## 9. INVESTMENT PROPERTIES *(continued)*

Investment properties	Amount	Valuation technique	Significant unobservable input(s)	Sensitivity
A retail store property located in Yangzhou, Jiangsu Province, the PRC	RMB850,000 (31 December 2021: RMB850,000)	Investment approach	Term yield: 4.3% (31 December 2021: 4.3%)  Reversionary yield: 4.8% (31 December 2021: 4.8%)  Monthly market rent, taking into account the difference in location, and individual factors, i.e. size, accessibility and environment, between the comparables and the subject property, at an average of RMB73 (31 December 2021: RMB73) per square meter per month.	A slight increase in the term yield and reversionary yield used would result in a significant decrease in fair value, and vice versa.  A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.
Total	RMB97,330,000 (31 December 2021: RMB105,071,000)			

## 10. PROPERTIES FOR/UNDER DEVELOPMENT/PROPERTIES FOR SALE

Properties for/under development and properties for sale in the condensed consolidated statement of financial position comprise:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Properties for development	249,247	128,389
Properties under development	564,725	475,134
Completed properties	195,228	348,304
	<b>1,009,200</b>	951,827

The properties for development, properties under development and completed properties are located in Fujian Province, Jiangsu Province, Hunan Province and Henan Province in the PRC. All the properties for/under development/properties for sale are stated at lower of cost and net realisable value on an individual property basis.

As at 30 June 2022, properties for development with carrying amount of RMB131,760,000 (31 December 2021: 128,389,000) are pledged to secure the bank borrowings of the Group.

As at 30 June 2022, properties for development of RMB249,247,000 (unaudited) (31 December 2021: RMB128,389,000) and properties under development of RMB397,488,000 (unaudited) (31 December 2021: RMB424,529,000) are not expected to be realised within one year.

## 11. TRADE AND OTHER RECEIVABLES

	<b>30 June 2022 RMB'000 (unaudited)</b>	31 December 2021 RMB'000 (audited)
Trade receivables		
— Sales of properties	<b>16</b>	16
Less: allowance for credit losses	<b>(16)</b>	(16)
	—	—
Other receivables (note a)	<b>5,757</b>	8,005
Less: allowance of credit losses	<b>(4,489)</b>	(4,489)
	<b>1,268</b>	3,516
Other taxes recoverable	<b>11,256</b>	20,120
Advance to suppliers (note b)	<b>2,165</b>	46,748
Other deposits and prepayments	<b>4,935</b>	5,165
	<b>19,624</b>	75,549
<b>Total trade and other receivables</b>	<b>19,624</b>	75,549

Notes:

- (a) The Group has paid the public maintenance fund to the Ministry of Housing and Urban-Rural Development of the PRC on behalf of the property buyers as maintenance fund for the public facilities within the residential properties. Such fund would be considered as other receivables due from the property buyers to the Group.
- (b) The amount represents the advance payment to the contractors in order to secure construction services in projects. The advance is expected to be fully utilised in the construction projects within a year from the end of the reporting period.

No reversal on impairment allowance on trade receivables and other receivables made during current interim period.

## 12. ASSETS CLASSIFIED AS HELD FOR SALE AND DEPOSITS RECEIVED ON SALES OF INVESTMENT PROPERTIES

The major classes of assets classified as held for sale as at 30 June 2022 and 31 December 2021 are as follow:

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Assets classified as held for sale:		
Investment properties	4,907	2,759

During the six months ended 30 June 2022 and the year ended 31 December 2021, the Group entered into sale agreements with independent third parties to sell certain investment properties (car parking spaces). As at 30 June 2022 and 31 December 2021, the Group received sale deposits regarding sales of investment properties amounting to RMB3,033,000 (unaudited) and RMB2,190,000, respectively. The investment properties which were expected to be sold within twelve months were classified as held for sale and were presented separately in the condensed consolidated statement of financial position.

The fair values of the investment properties classified as held for sale at 30 June 2022 and 31 December 2021 are based on the considerations pursuant to the respective sales agreements, which are considered as the best estimates under market approach.

### 13. TRADE AND OTHER PAYABLES

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Trade payables	10,203	7,025
Accrued construction costs (note)	83,730	113,843
	<b>93,933</b>	120,868
Accrual staff costs and contributions to the retirement benefits scheme	5,599	4,820
Other tax payables	2,674	2,655
Other payables and accrued expenses	4,003	5,818
Deposits received for construction	2,500	4,500
Other deposits	9,961	9,662
	<b>118,670</b>	148,323

Note: The accrued construction costs relate to construction of properties under development for sale.

The following is an aged analysis of trade payables and accrued construction costs presented based on the invoice date.

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Unbilled	83,730	113,843
0-60 days	757	4,929
61-90 days	150	108
91-180 days	7,751	201
181-1 year	137	253
Over 1 year	1,408	1,534
	<b>93,933</b>	120,868

## 14. CONTRACT LIABILITIES

	<b>30 June 2022 RMB'000 (unaudited)</b>	<b>31 December 2021 RMB'000 (audited)</b>
Pre-sales proceeds received on sales of properties	<b>186,666</b>	327,526

The directors of the Company considered that the balance of contract liabilities as at 30 June 2022 and 31 December 2021 will be recognised as revenue to profit or loss as follows:

	<b>30 June 2022 RMB'000 (unaudited)</b>	<b>31 December 2021 RMB'000 (audited)</b>
Within one year	<b>143,576</b>	235,132
After one year	<b>43,090</b>	92,394
	<b>186,666</b>	327,526

## 15. SHARE CAPITAL

The details of the share capital of the Company are as follows:

	Number of shares '000	Share capital HK\$'000	Share capital RMB'000
<b>Authorised:</b>			
At 1 January 2021 (audited), 30 June 2021 (unaudited), 1 January 2022 (audited) and 30 June 2022 (unaudited)			
— Ordinary shares of HK\$0.005 each	100,000,000	500,000	435,951
<b>Issued and fully paid:</b>			
At 1 January 2021 (audited), 30 June 2021 (unaudited), 1 January 2022 (audited) and 30 June 2022 (unaudited)			
— Ordinary shares of 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.

## 16. OTHER COMMITMENTS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Construction commitments in respect of properties under development contracted for but not provided in the condensed consolidated financial statements	266,010	338,595

## 17. FINANCIAL GUARANTEE CONTRACTS

	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Corporate guarantee given to banks in respect of mortgage facilities granted to property buyers	409,666	465,776

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 obtain 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 30 June 2022 amounted to RMB409,666,000 (unaudited) (31 December 2021: RMB465,776,000). Pursuant to the 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 loans as well as the accrued interests and penalties owned by the defaulted property buyers. If the Group fails to do so, the mortgage banks will first deduct the bank balances existing in the banks owned by the property buyers. Any shortfall will be recovered through auction the underlying properties and recover the remaining balances from the Group if the outstanding loan amount exceeds the net foreclosure sale proceed. The Group does 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 as at the six months ended of 30 June 2022 and year ended 31 December 2021. The historical observed default rates by buyers have been relatively low 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. Based on assessment by the directors of the Company, the loss given default is low and they consider the expected credit loss for financial guarantee contracts is insignificant.



## 18. RELATED PARTY DISCLOSURES

Apart from details disclosed elsewhere in the condensed consolidated financial statements, the Group has entered into the following significant transaction with a related party during the period ended 30 June 2022 and 2021:

Name of related party	Nature	Six months ended 30 June	
		2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
福建省德泰物業管理有限公司 Detai Property Management Company Limited * ("Detai Property Management")	Property management services fee paid	362	210

\* English name is for identification purpose only

Detai Property Management is beneficially owned by Mr. Shie Tak Chung and Mr. Tsoi Kin Sze, the ultimate controlling shareholders of the Company, and controlled by them acting in concert.

### Compensation of key management of personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2022 and 2021 was as follows:

	Six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Short-term benefits	1,674	1,472
Post-employment benefits	66	71
	1,740	1,543

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals of the Group and market trends.

Mr. Lee Lit Mo Johnny, an executive director of the Company, has tendered his resignation with effect from 1 July 2022.



## 19. AMOUNT DUE TO A NON-CONTROLLING INTEREST OF SUBSIDIARIES

The amount due to a non-controlling interest of subsidiaries represents the unsecured, interest-free loans advanced from a non-controlling shareholder namely Shishi Qixin Trading Company Limited (“Shishi Qixin”) (石獅市琦鑫貿易有限責任公司) of three non-wholly owned subsidiaries of the Company for three projects respectively. Per the loan agreements, the loans are repayable when the individual project have accumulated net cash inflow and adequate cash for operating need.

As at 30 June 2022, two projects of above are expected to have accumulated net cash inflow and adequate cash for operating need within twelve months thus the corresponding loans with aggregate amount of RMB97,430,000 (31 December 2021: RMB93,730,000) are classified as current.

The remaining balance is classified under non-current liabilities as the corresponding project is expected to have net cash inflow in more than twelve months after the end of the reporting period.

## 20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### **Fair value of the Group’s financial assets and financial liabilities that are not measured at fair value on recurring basis**

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate to their fair values based on discounted cash flows analysis.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

# Deloitte.

# 德勤

## TO THE BOARD OF DIRECTORS OF JIANDE INTERNATIONAL HOLDINGS LIMITED

建德國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

### Introduction

We have reviewed the condensed consolidated financial statements of Jiande International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 2 to 25, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
31 August 2022



## BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2022, the Group focused on the development of its four residential and commercial property projects in the PRC, namely Xixian Kangqiao Xueyuan (息縣康橋學苑) in Xinyang, Henan Province, and Wugang Kangqiao Xueyuan (武岡康橋學苑), Kangqiao International City (康橋國際城) and Kangqiao Meiju (康橋美居) in Wugang, Hunan Province.

In the first half of 2022, China's economy faced downward pressures from the domestic outbreaks of the COVID-19 pandemic in different areas and the complicated internal and external environment. With the increased effort made by the central government and local governments, the gross domestic product of China for the six months ended 30 June 2022 expanded 2.5% on a year-on-year basis according to the National Bureau of Statistics. Adhering to the principle of "houses are for living, not for speculation", the adjustment in real estate market has been under progress, and the sales of commodity properties in China amounted to RMB6.6 trillion in the first half of 2022, representing a year-on-year decrease of 28.9%.

In the second half of 2022, the real estate industry remains to be full of challenges and the "wait-and-see" attitude among potential property buyers will adversely affect the market demand. Nevertheless, the central government is expected to intensify its effort to drive the steady qualitative growth and rational quantitative growth of the economy, including the stabilisation of housing prices. Local governments will implement region-specific and flexible regulatory policies to promote long-term stable and healthy development of real estate market.

The Group will continue to uphold its prudent management approach to maintain a balance between growth, efficiency and risk. The Group has committed to developing quality properties accompanied with a living community to customers, particularly in those cities in the PRC where the rigid demand for housing remains strong due to the continuous urbanization process. The Group will also aim at being customer-centred and innovating product functions to realise customers' pursuit for better lives.



## FINANCIAL REVIEW

### Financial Performance

The Group's revenue for the six months ended 30 June 2022 was mainly derived from the sale and delivery of properties of the final phase of The Cullinan Bay project to customers, net of discount and sales related taxes. Revenue rose 799.5% from RMB23,223,000 for the six months ended 30 June 2021 to RMB208,887,000 for the six months ended 30 June 2022, primarily due to the increase in delivery of the residential properties of the final phase of The Cullinan Bay project which were mostly completed in December 2021 and delivered to customers in early 2022, as compared to the situation that no new properties were completed for delivery during the six months ended 30 June 2021.

Gross profit of the Group increased by 669.2% from RMB7,682,000 for the six months ended 30 June 2021 to RMB59,087,000 for the six months ended 30 June 2022, along with the revenue growth. Gross profit margin decreased from 33.1% for the six months ended 30 June 2021 to 28.3% for the six months ended 30 June 2022, mainly attributable to the rising unit cost of the properties sold.

Other income, consisting of fixed rental income from investment properties and interest income from bank deposits, was reduced by 31.1% from RMB2,030,000 for the six months ended 30 June 2021 to RMB1,398,000 for the six months ended 30 June 2022, primarily due to the decrease in overall cash held by the Group after spending approximately RMB112,420,000 to acquire the land use rights in January 2022, leading to the reduction in interest income from bank deposits.

Selling expenses of the Group increased by 28.9% from RMB3,256,000 for the six months ended 30 June 2021 to RMB4,198,000 for the six months ended 30 June 2022, primarily attributable to the additional sales agent commission incurred for the delivery of properties of The Cullinan Bay project.

Administrative expenses increased by 6.1% from RMB10,199,000 for the six months ended 30 June 2021 to RMB10,822,000 for the six months ended 30 June 2022, mainly due to the general cost inflation.

Income tax expense, representing current tax provision for the PRC EIT and the PRC LAT and deferred tax, increased by 1018.9% from RMB1,225,000 for the six months ended 30 June 2021 to RMB13,707,000 for the six months ended 30 June 2022, mainly attributable to the increase in the Group's taxable profit.

Profit attributable to owners of the Company amounted to RMB30,951,000 for the six months ended 30 June 2022, as compared to a net loss of RMB5,562,000 for the six months ended 30 June 2021, primarily due to the growth of revenue and gross profit from the Group's property development business, net of the increase in income tax expense.

## Liquidity and Financial Resources

As at 30 June 2022, the Group had total assets of RMB1,333,030,000 (including restricted bank deposits and bank balances and cash of RMB153,308,000), which were financed by total equity of RMB815,295,000 and total liabilities of RMB517,735,000. The Group's working capital requirements were mainly fulfilled by its internal resources during six months ended 30 June 2022.

Current ratio of the Group was 2.81 times as at 30 June 2022 (31 December 2021: 2.18 times). The Group had secured bank borrowings of RMB39,436,000 as at 30 June 2022 (31 December 2021: RMB40,000,000). Gearing ratio, defined as total debts comprising bank borrowings and amount due to a non-controlling interest of subsidiaries, if any, divided by total equity, was 19.7% as at 30 June 2022 (31 December 2021: 17.0%).

## 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 six months ended 30 June 2022 primarily resulted from the translation of the bank balance and cash denominated in currencies other than RMB into 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 arise.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

## CHARGE ON ASSETS

As at 30 June 2022, the Group pledged properties for development of approximately RMB131,760,000 to secure its bank borrowings.



## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2022, the Group had approximately 47 full-time employees, excluding the Directors, in the PRC. During the six months ended 30 June 2022, the total staff costs, including Directors' remuneration, was RMB4,835,000 (2021: RMB3,461,000). 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.

## **CORPORATE GOVERNANCE**

To the best knowledge of the Directors, the Company has complied with the code provisions as set out in Appendix 14 of the Listing Rules — Corporate Governance Code and Corporate Governance Report (the "CG Code") during the six months ended 30 June 2022.

The Board is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders of the Company and to enhance accountability and transparency.

## **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. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code during the six months ended 30 June 2022.



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, so far as is known to the Directors, the interests or short positions of the Directors and the chief executive of the Company and their associates in the shares, or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (the "SFO")) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

### Long position in shares and underlying shares of the Company

Name of Directors	Capacity	Number of issued ordinary shares held	Approximate Percentage of issued share capital of the Company
Shie Tak Chung	Interest of a controlled corporation	1,517,896,394 (Note 1)	26.00%
Tsoi Kin Sze (Note)	Interest of a controlled corporation	1,780,596,394 (Note 2)	30.50%

Note:

1. Fame Build Holdings Limited ("Fame Build"), a company incorporated in the British Virgin Islands, is the registered owner of these shares. As at 30 June 2022, Fame Build was solely and beneficially owned by Mr. Shie Tak Chung.
2. Talent Connect Investments Limited ("Talent Connect"), a company incorporated in the British Virgin Islands, is the registered owner of these shares. As at 30 June 2022, Talent Connect was solely and beneficially owned by Mr. Tsoi Kin Sze.

Save as disclosed above, as at 30 June 2022, none of the Directors and the chief executive of the Company and their associates had interests or short positions in the shares, or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2022 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, so far as is known to the Directors, the following entities, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

### Long positions in shares and underlying shares of the Company

Name	Capacity	Number of issued ordinary shares held	Approximate Percentage of issued share capital of the Company
Fame Build	Beneficial owner	1,517,896,394	26.00%
Talent Connect	Beneficial owner	1,780,596,394	30.50%

Save as disclosed above, as at 30 June 2022, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

There have been no changes in the information of Directors and chief executive of the Company since the publication of the 2021 annual report up to the date of this interim report as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, save and except that:

Mr. Wu Zhisong was elected as the deputy chief supervisor of Shishi General Chamber of Commerce (石獅市總商會副監事長) and his appointment as executive committee member of Shishi Federation of Industry & Commerce (石獅市工商聯常委) expired.

Mr. Lee Lit Mo Johnny resigned as the executive director of the Company with effect from 1 July 2022.

Mr. Ma Sai Yam resigned as the independent non-executive director of Golden Power Group Holdings Limited, the shares of which are listed on the Main Board (stock code: 3919), on 31 May 2022.

## 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 six months ended 30 June 2022.

## INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2022.

## AUDIT COMMITTEE

The Audit Committee comprises all independent non-executive Directors. The Audit Committee has reviewed with the management the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2022, including the accounting principles and practices adopted.

By order of the Board

**Jiande International Holdings Limited**

**Shie Tak Chung**

*Chairman*

Hong Kong, 31 August 2022

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

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