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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)

MAJOR TRANSACTION

ACQUISITION OF LAND USE RIGHTS IN HENAN PROVINCE, THE PRC

The Board is pleased to announce that, on 30 July 2019, Xixian Dejian, an indirect non-wholly-owned subsidiary of the Company, succeeded in the bid of the land use rights of the Land offered for sale by Xixian Natural Resources Bureau at the Auction for RMB128,171,030. The Auction Confirmation is expected to be issued by Xixian Natural Resources Bureau by 2 August 2019. The Land Use Rights Grant Contract will be entered into at the time as stipulated in the Auction Confirmation.

As the highest applicable percentage ratio (as defined under the Listing Rules) exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is regarded as a “Qualified Property Acquisition” under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through a listing-for-sale governed by the PRC law (as defined under Rule 19A.04 of the Listing Rules). The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders’ approval requirement pursuant to Rule 14.33A of the Listing Rules.

A circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 20 August 2019.

ACQUISITION OF LAND USE RIGHTS

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PRINCIPAL TERMS OF THE LAND USE RIGHTS

Expected date of the Auction Confirmation	:	On or before 2 August 2019
Parties to the Auction Confirmation	:	Xixian Natural Resources Bureau and Xixian Dejian
Location of the Land	:	West side of Shuyinggongda Road and north side of Xirangda Road (叔穎公大道西側息壤大道北側), Xi County, Xinyang City, Henan Province, the PRC
Code of the Land	:	XT2019 No. 17
Total site area	:	54,820.8 square meters
Planned plot ratio	:	2.0–2.2
Nature of the land use rights	:	Residential use with a term of use of 70 years
Land Price	:	RMB128,171,030
Payment term	:	First installment of 50% of the Land Price is payable within 30 days from the date of the Land Use Rights Grant Contract, and the remaining 50% of the Land Price is payable within 30 days from the payment date of the first installment.

As at the date of this announcement, an amount of RMB125,150,000 has been paid as deposit, which will be used to set off against the first installment and part of the remaining balance of the Land Price. The deposit paid by Xixian Dejian was financed by shareholders' loans made by Xiamen Junyi and Shishi Qixin in proportion to their equity interests in Xixian Dejian.

LAND PRICE

The Land Price of RMB128,171,030 was arrived at after bidding at the Auction held by Xixian Natural Resources Bureau on 30 July 2019.

INFORMATION ON THE PARTIES

Xixian Natural Resources Bureau

Xixian Natural Resources Bureau is a bureau of Xi County, Xinyang City, Henan Province, the PRC and an Independent Third Party.

Xixian Dejian

Xixian Dejian is a project company established in the PRC with limited liability on 14 June 2019 by Xiamen Junyi and Shishi Qixin pursuant to the Cooperation Agreement for the acquisition of the Land and the development and sale of properties erected on the Land. Xiamen Junyi is a wholly owned subsidiary of the Company and, to the best of the knowledge, information and belief of the Directors having made all reasonable enquires, Shishi Qixin and its ultimate beneficial owner(s) are Independent Third Parties.

The registered capital of Xixian Dejian of RMB20.0 million shall be contributed as to RMB16.0 million and RMB4.0 million by Xiamen Junyi and Shishi Qixin, respectively, representing 80% and 20% of the registered capital of Xixian Dejian, respectively. The development costs of the project on the Land and further financing needs of Xixian Dejian are expected to be funded by borrowings from bank and financial institutions and/or shareholders loans or in such manner to be agreed by Xiamen Junyi and Shishi Qixin.

Xixian Dejian shall have one director and one supervisor, both of whom are appointed by Xiamen Junyi.

Each of Xiamen Junyi and Shishi Qixin shall not dispose of nor create any encumbrance over its equity interest in Xixian Dejian without unanimous consent of Xiamen Junyi and Shishi Qixin.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and sale of properties in the PRC. The Board considers that the Acquisition provides a good opportunity for the Group to increase its land reserve and is in line with the business development strategy and planning of the Group.

The Board considers that the Acquisition is in the ordinary and usual course of business of the Group and on normal commercial terms which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined under the Listing Rules) exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is regarded as a “Qualified Property Acquisition” under Rule 14.04(10C) of the Listing Rules as the Acquisition involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under the Listing Rules) through a listing-for-sale governed by the PRC law (as defined under Rule 19A.04 of the Listing Rules). The Acquisition is subject to the reporting and announcement requirements but is exempt from shareholders’ approval requirement pursuant to Rule 14.33A of the Listing Rules.

A circular containing the information required under the Listing Rules in relation to the Acquisition will be despatched to the Shareholders as soon as possible, which is expected to be on or before 20 August 2019.

DEFINITIONS

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

“Acquisition”	the acquisition of land use rights of the Land through bidding process at the Auction
“Auction”	the bidding process held by Xixian Natural Resources Bureau at which the Land was offered for sale
“Auction Confirmation”	the auction confirmation notice to be entered into between Xixian Natural Resources Bureau and Xixian Dejian confirming the successful bidding at the Auction
“Board”	the board of Directors
“Company”	Jiande International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 865)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	a property project development cooperation agreement dated 12 June 2019 as supplemented by a supplemental agreement dated 25 July 2019 entered into between Xiamen Junyi and Shishi Qixin in relation to the establishment of Xixian Dejian
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Independent Third Party”	a third party which is independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Land”	a parcel of land located at west side of Shuyinggongda Road and north side of Xirangda Road (叔穎公大道西側息壤大道北側), Xi County, Xinyang City, Henan Province, the PRC
“Land Price”	RMB128,171,030, payable by Xixian Dejian for the Acquisition
“Land Use Rights Grant Contract”	the land use rights grant contract to be entered into between Xixian Natural Resources Bureau and Xixian Dejian in relation to the Acquisition

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Shishi Qixin”	Shishi Qixin Trading Company Limited* (石獅市琦鑫貿易有限責任公司), a limited liability company incorporated in the PRC which owned 20% equity interest of Xixian Dejian
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Junyi”	Xiamen Junyi Real Estate Company Limited* (廈門駿熠置業有限公司), a wholly-owned subsidiary of the Company, and a limited liability company incorporated in the PRC which owned 80% equity interest of Xixian Dejian
“Xixian Dejian”	Xixian Dejian Real Estate Company Limited* (息縣德建置業有限公司), a project company established in the PRC on 14 June 2019 by Xiamen Junyi and Shishi Qixin pursuant to the Cooperation Agreement
“Xixian Natural Resources Bureau”	Bureau of Natural Resources of Xi County* (息縣自然資源局)
“%”	per cent

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

Hong Kong, 30 July 2019

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.

* For identification purpose only