

# 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 股份代號 : 865

## 2024 Interim Report 中期業績報告





## CORPORATE INFORMATION

### BOARD OF DIRECTORS Executive Directors

Mr. Shie Tak Chung (*Chairman*)

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

HLB Hodgson Impey Cheng Limited

*Certified Public Accountants*

31/F, Gloucester Tower

The Landmark

11 Pedder Street, 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  
17/F, Far East Finance Centre  
16 Harcourt Road  
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 865

### 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 2024 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 2024


	NOTES	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue — Sales of properties	3	63,934	18,696
Cost of sales		(55,758)	(12,484)
Gross profit		8,176	6,212
Other income	4	1,796	1,440
Other gains and losses, net		4	–
Reversal of allowance for expected credit loss on other receivables, net		622	194
Net fair value change of investment properties	9	(1,838)	(1,420)
Selling expenses		(2,348)	(2,497)
Administrative expenses		(6,584)	(7,837)
Finance costs		(2)	(6)
Loss before tax		(174)	(3,914)
Income tax (expense)/credit	5	(3,640)	518
Loss for the period	6	(3,814)	(3,396)

	NOTES	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(42)	(73)
Other comprehensive expense for the period		(42)	(73)
Total comprehensive expense for the period		(3,856)	(3,469)
(Loss)/profit for the period attributable to:			
Owners of the Company		(3,830)	(3,348)
Non-controlling interests		16	(48)
		(3,814)	(3,396)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(3,872)	(3,421)
Non-controlling interests		16	(48)
		(3,856)	(3,469)
		RMB	RMB
Loss per share	8		
— Basic and diluted		(0.07 cents)	(0.06 cents)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		426	780
Investment properties	9	81,089	87,065
Right-of-use assets		65	190
Deferred tax assets		2,309	3,937
Long-term time deposits		30,000	–
		<b>113,889</b>	<b>91,972</b>
<b>CURRENT ASSETS</b>			
Properties for/under development/ properties for sale	10	843,068	880,792
Other receivables, deposits and prepayments	11	14,836	15,382
Contract costs		2,400	2,400
Prepaid land appreciation tax		39,234	37,989
Restricted bank deposits		17,592	17,240
Bank balances and cash		119,100	153,161
Assets classified as held for sale	12	1,036,230 2,171	1,106,964 2,865
		<b>1,038,401</b>	<b>1,109,829</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	64,374	81,539
Contract liabilities	14	81,757	110,770
Amount due to a non-controlling interest of subsidiaries	19	122,354	122,274
Income tax and land appreciation tax payable		29,914	27,891
Lease liabilities		51	49
Secured bank borrowings		33,803	36,000
		<b>332,253</b>	<b>378,523</b>
<b>NET CURRENT ASSETS</b>		<b>706,148</b>	<b>731,306</b>



	NOTES	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>820,037</b>	823,278
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		19,644	18,907
Lease liabilities		12	37
		<b>19,656</b>	18,944
<b>NET ASSETS</b>		<b>800,381</b>	804,334
<b>CAPITAL AND RESERVES</b>			
Share capital	15	25,451	25,451
Reserves		<b>758,738</b>	762,610
Equity attributable to owners of the Company		<b>784,189</b>	788,061
Non-controlling interests		<b>16,192</b>	16,273
<b>TOTAL EQUITY</b>		<b>800,381</b>	804,334

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company							Total RMB'000	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))	Reorganisation reserve RMB'000	Accumulated losses RMB'000			
At 1 January 2023 (audited)	25,451	518,703	193,733	59,139	32,612	187,822	(234,126)	783,334	13,303	796,637
Loss for the period	-	-	-	-	-	-	(3,348)	(3,348)	(48)	(3,396)
Exchange differences arising on translation of foreign operations	-	(73)	-	-	-	-	-	(73)	-	(73)
Total comprehensive expense for the period	-	(73)	-	-	-	-	(3,348)	(3,421)	(48)	(3,469)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(113)	(113)
At 30 June 2023 (unaudited)	25,451	518,630	193,733	59,139	32,612	187,822	(237,474)	779,913	13,142	793,055
At 1 January 2024 (audited)	25,451	518,923	193,733	59,139	32,612	187,822	(229,619)	788,061	16,273	804,334
Loss for the period	-	-	-	-	-	-	(3,830)	(3,830)	16	(3,814)
Exchange differences arising on translation of foreign operations	-	(42)	-	-	-	-	-	(42)	-	(42)
Total comprehensive expense for the period	-	(42)	-	-	-	-	(3,830)	(3,872)	16	(3,856)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(97)	(97)
At 30 June 2024 (unaudited)	25,451	518,881	193,733	59,139	32,612	187,822	(233,449)	784,189	16,192	800,381



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 shares, issued at HK\$0.005 per share amounted to HK\$20,433,000 (equivalent to RMB17,816,000).

In October 2014, 福建省厚德企業管理有限公司 (“Houde Enterprise”) acquired, from 福建建弘投資有限公司 (“Jianhong Investment”), the entire paid-up capital of 恒德（石獅）投資有限公司 (“Hengde (Shishi)”) at a consideration of RMB10,000,000 in cash. Upon completion of the acquisition, Hengde (Shishi) became a wholly-owned subsidiary of Houde Enterprise. The consideration was accounted for as a deemed distribution to Mr. Tsoi Kin Sze and Mr. Shie Tak Chung, who held 55% and 45% of the issued share capital of China General respectively and each of them also held 50% beneficial interest in Jianhong Investment. This transaction results in a dilution in Group’s ownership interest in 揚州德輝房地產開發有限公司 and its subsidiary amounting to RMB5,801,000, which is charged to equity attributable to owners of the Company.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(7,679)</b>	<b>4,110</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(4)	(8)
Proceeds from sales of investment properties	4,832	3,586
Deposits received on sales of investment properties	235	275
Placement of long-term time deposits	(30,000)	–
Interests received from bank deposits	1,762	1,416
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(23,175)</b>	<b>5,269</b>
<b>FINANCING ACTIVITIES</b>		
Advance from a non-controlling interest of a subsidiary	80	–
Dividends paid to non-controlling interests	(97)	(113)
Repayment of secured bank borrowings	(2,197)	(1,972)
Interest paid on bank borrowings	(967)	(3,797)
Repayment of lease liabilities	(24)	(110)
Interest paid on lease liabilities	(2)	(6)
Secured bank borrowing raised	–	20,000
<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(3,207)</b>	<b>14,002</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(34,061)</b>	<b>23,381</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>153,161</b>	<b>133,203</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>119,100</b>	<b>156,584</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 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”) and the applicable disclosure requirements of Appendix D2 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 Renminbi (“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 2024 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2023.

### 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 periods beginning on or after 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
<b>Sales of properties</b>		
Residential units in the Binjiang International Project*	4,058	3,926
Residential units in the Cullinan Bay Project**	2,039	14,770
Residential units in the Xixian Kangqiao Xueyuan Project***	10,812	–
Residential units in the Wugang Kangqiao Xueyuan Project****	47,025	–
	<b>63,934</b>	<b>18,696</b>

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

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

\*\*\* The project represents completed properties located in Xingyang, Henan Province.

\*\*\*\* The project represents completed properties located in Wugang, Hunan 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 operating results of the Group as a whole as the Group's operations are integrated. Accordingly, no operating segment information is presented.



#### 4. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Fixed rental income from investment properties	41	24
Interests from bank deposits	1,755	1,416
	<b>1,796</b>	1,440

#### 5. INCOME TAX (EXPENSE)/CREDIT

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	1,021	1,656
PRC Land Appreciation Tax ("LAT")	1,450	399
Withholding PRC EIT	295	-
	<b>2,766</b>	2,055
Deferred tax	874	(2,573)
	<b>3,640</b>	(518)

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

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.

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 6. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Directors' emoluments	1,090	1,043
Other staff costs		
— Salaries and allowances	2,712	2,580
— Retirement benefits scheme contributions	277	261
	<b>4,079</b>	<b>3,884</b>
Gross rental income from investment properties	(41)	(24)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	5	2
	<b>(36)</b>	<b>(22)</b>
Depreciation of plant and equipment	359	380
Depreciation of right-of-use assets	125	125

## 7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

## 8. LOSS PER SHARE

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

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(3,830)	(3,348)
	'000	'000
Number of ordinary shares for the purpose of basic loss per share	5,837,990	5,837,990

No diluted loss per share for the six months ended 30 June 2024 and 2023 is presented because the Group did not have any potential ordinary shares outstanding during both periods.



## 9. INVESTMENT PROPERTIES

	RMB'000
<b>Fair value</b>	
At 1 January 2023 (audited)	93,645
Net fair value change recognised in profit or loss	108
Disposals	(3,823)
Reclassified as held for sale	(2,865)
At 31 December 2023 (audited)	87,065
Net fair value change recognised in profit or loss	(1,838)
Disposals	(1,967)
Reclassified as held for sale	(2,171)
At 30 June 2024 (unaudited)	81,089

The Group leases out car parking spaces, a kindergarten property and retail store properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 3 months to 20 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 values of the Group's investment properties as at 30 June 2024 and 31 December 2023 have been arrived on the basis of a valuation carried out on respective dates by Peak Vision Appraisals Limited and Messrs. Cushman & Wakefield Limited ("C&W") respectively, 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. The valuation technique of the civil defense car parking spaces has changed from income approach to direct comparison approach since the lease has been expired and no comparable market rent was available for reference.

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

## 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	Fair value	Valuation techniques	Significant unobservable inputs	Sensitivities
Civil defense car parking spaces located in Quanzhou, Fujian Province, the PRC	RMB18,486,000 (2023: RMB21,002,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB81,000 to RMB109,500 (2023: RMB85,000 to RMB110,000) 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.
Non-civil defense car parking spaces located in Quanzhou Fujian Province, the PRC	RMB44,243,000 (2023: RMB46,633,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB90,000 to RMB121,700 (2023: RMB94,000 to RMB122,200) 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	Fair value	Valuation techniques	Significant unobservable inputs	Sensitivities
A kindergarten property located in Quanzhou, Fujian Province, the PRC	RMB11,100,000 (2023: RMB11,900,000)	Income approach	Reversionary yield 5.0% (2023: 4.8%)  Monthly market rent, taking into account the difference in location and individual factors, i.e. accessibility, between the comparable and the subject properties, at an average of RMB17 (2023: 18) per square meter per month.	A slight increase in the reversionary yield used would result in a significant decrease in fair value, and vice versa.  A significant increase in the market rent use 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	RMB5,760,000 (2023: RMB5,940,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties, at a range from RMB40,000 to RMB100,000 (2023: ranging from RMB65,000 to RMB100,000) 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.
Retail store properties located in Yangzhou, Jiangsu Province, The PRC	RMB1,500,000 (2023: RMB1,590,000)	Income approach	Reversionary yield 5.8% (2023: 5.5%)  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 RMB62 (2023: RMB63) per square meter per month.	A slight increase in the 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.

## 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 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Properties for development	253,511	253,274
Properties under development	353,637	336,184
Properties for sale	235,920	291,334
	<b>843,068</b>	880,792

The properties for development, properties under development and properties for sale 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 2024, properties for development with carrying amount of RMB136,024,000 (31 December 2023: RMB135,787,000) are pledged to secure the bank borrowings of the Group.

## 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Other receivables (note (a))	2,689	3,344
Less: allowance for credit losses	(2)	(624)
	<b>2,687</b>	2,720
Other tax recoverable	2,484	3,177
Advance to suppliers (note (b))	3,323	2,628
Other deposits and prepayments	6,342	6,857
<b>Total other receivables, deposits and prepayments</b>	<b>14,836</b>	15,382

Notes:

- (a) The amount mainly represents the public maintenance fund payment on behalf of the property buyers to the Ministry of Housing and Urban-Rural Development of the PRC. Such funds are to be collected from the property buyers.
- (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.

## 12. ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets classified as held for sale as at 30 June 2024 and 31 December 2023 are as follow:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
<b>Assets classified as held for sale:</b>		
Investment properties	2,171	2,865

During the six months ended 30 June 2024 and the year ended 31 December 2023, the Group entered into sale agreements with independent third parties to sell certain investment properties (car parking spaces). As at 30 June 2024 and 31 December 2023, the Group received sale deposits regarding sales of investment properties to RMB635,000 and RMB1,218,000, 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 consolidated statement of financial position. During the six months ended 30 June 2024, the investment properties classified as held for sale as at 31 December 2023 have been derecognised.

### 13. TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Trade payables	3,278	2,242
Retention payable (note (a))	7,781	7,781
Accrued construction costs (note (b))	33,637	49,030
Accrual staff costs and contributions to the retirement benefits scheme	4,220	6,066
Other tax payables	5,924	5,565
Other payables and accrued expenses	8,889	9,627
Deposits received on exclusive sales agreements with property agents (note (c))	10	10
Deposits received on sales of investment properties	635	1,218
	<b>64,374</b>	<b>81,539</b>

Notes:

- (a) In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the work of subcontractors has been completed.
- (b) The accrued construction costs relate to construction of properties under development for sale which will be transferred to trade payables on achieving payment milestones as stipulated in the agreements with the subcontractors.
- (c) The amount represents the performance deposits received from two independent property agents for their exclusive sales agency agreements signed with the Group for underwriting certain residential flats, garages and car parks with a minimum selling price in The Cullinan Bay Project. Such amount will be conditionally returned to the property agent depending on the number of residential flats, garages and car parks sold within a fixed period of time as specified in the agreements.

### 13. TRADE AND OTHER PAYABLES (continued)

The following is an aged analysis of trade payables presented based on the invoice date:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
0-90 days	791	447
91-180 days	624	16
Over 180 days	1,863	1,779
	<b>3,278</b>	2,242

### 14. CONTRACT LIABILITIES

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Pre-sales proceeds received on sales of properties	81,757	110,770

The directors of the Company considered that the balance of contract liabilities as at 30 June 2024 and 31 December 2023 will be recognised as revenue to profit or loss as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within one year	81,757	110,770
	<b>81,757</b>	110,770

## 15. SHARE CAPITAL

	Number of shares '000	Amount of share capital HK\$'000	Amount of share capital RMB'000
Ordinary shares of HK\$0.005 each			
<b>Authorised:</b>			
At 1 January 2023 (audited), 30 June 2023 (unaudited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	100,000,000	500,000	435,951
<b>Issued and fully paid:</b>			
At 1 January 2023 (audited), 30 June 2023 (unaudited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	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 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Construction commitments in respect of properties under development contracted for but not provided in the condensed consolidated financial statements	173,468	184,801

## 17. FINANCIAL GUARANTEE CONTRACTS

	<b>30 June 2024 RMB'000 (unaudited)</b>	31 December 2023 RMB'000 (audited)
Corporate guarantee given to banks in respect of mortgage facilities granted to property buyers	<b>265,628</b>	243,550

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 2024 amounted to RMB265,628,000 (31 December 2023: RMB243,550,000). 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 the directors of the Company consider that, in case of default in payments, the NRV 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.



## 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 2024 and 2023:

Name of related party	Nature	Six months ended 30 June	
		2024 RMB'000 (unaudited)	2023 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	245	366

\* English name is for identification purpose only

Detai Property Management is beneficially owned by Mr. Shie Tak Chung and Mr. Tsoi Kin Sze 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 2024 and 2023 was as follows:

	Six months ended 30 June	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Short-term benefits	1,595	1,543
Post-employment benefits	74	76
	<b>1,669</b>	<b>1,619</b>

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

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

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (unaudited)
Shishi Qixin Trading Company Limited ("Shishi Qixin") (石獅市琦鑫貿易有限責任公司)	122,354	122,274

The amount due is non-trade, unsecured, non-interest bearing and repayable when 息縣德建置業有限公司 Xixian Dejian Property Company Limited, 武崗德建置業有限公司 Wugang Dejian Property Company Limited and 武岡德建房地產開發有限公司 Wugang Dejian Real Estate Development Company Limited ("Wugang Dejian Real Estate"), non-wholly owned subsidiaries of the Company, have accumulated net cash inflow.

## 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.

## 21. EVENTS AFTER THE REPORTING PERIOD

On 11 July 2024, 廈門駿燭置業有限公司 Xiamen Junyi Property Co., Ltd, ("Xiamen Junyi"), an indirect wholly-owned subsidiary of the Company, and Shishi Qixin, a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules, entered into an equity transfer agreement (the "Agreement") for sales and purchase of 20% equity interest of Wugang Dejian Real Estate. The consideration is that Wugang Dejian Real Estate shall early repay the shareholder's loan of RMB23,624,000 (equivalent to approximately HK\$25,384,000) owed to Shishi Qixin, which shall be funded by an unsecured and interest free shareholder's loan of an equal amount to be provided by Xiamen Junyi to Wugang Dejian Real Estate. On 22 August 2024, the transaction has been completed under the conditions in the Agreement, and accordingly, Wugang Dejian Real Estate has become an indirect wholly-owned subsidiary of the Company. Details of the above transaction are set out in the Company's announcement dated 11 July 2024.

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



國衛會計師事務所有限公司  
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

## 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 2024 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.

### **HLB Hodgson Impey Cheng Limited**

*Certified Public Accountants*

### **Lee Pak Kin**

Practising Certified Number: P08262

Hong Kong, 29 August 2024



## BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2024, the Group continued focusing on the development of its five 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 Meishu (康橋美墅), Kangqiao International City (康橋國際城) and Kangqiao Meiju (康橋美居) in Wugang, Hunan Province.

In the first half of 2024, despite of the complicated and severe global political and economic situation, China's GDP expanded 5.0% on a year-on-year basis, aligning with the target set at beginning of the year. However, with the structural changes in the industry, the real estate market in China is still undergoing deep adjustment. According to the data from the National Bureau of Statistics, sales of commodity housing recorded approximately RMB4.7 trillion for the six months ended 30 June 2024, representing a year-on-year decrease of 25.0%.

Looking forward to the second half of 2024, the real estate industry remains to be full of challenges. Nevertheless, the central government is expected to introduce policies to stabilise China's property market, driving the steady qualitative growth and rational quantitative growth of the economy.

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 solid 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 2024 was mainly derived from the sale and delivery of residential properties of the projects developed recently in Henan Province and Hunan Province, namely Xixian Kangqiao Xueyuan (息縣康橋學苑) and Wugang Kangqiao Xueyuan (武岡康橋學苑), net of discounts and sales related taxes. Revenue rose by 242.0% from RMB18,696,000 for the six months ended 30 June 2023 to RMB63,934,000 for the six months ended 30 June 2024, primarily due to the increase in properties completed and delivered to customers during the six months ended 30 June 2024, as a result of the commencement of property delivery of the two aforesaid newly developed projects in the second half of 2023.

Gross profit increased by 31.6% from RMB6,212,000 for the six months ended 30 June 2023 to RMB8,176,000 for the six months ended 30 June 2024, mainly due to the growth of revenue. The squeeze in gross profit margin from 33.2% for the six months ended 30 June 2023 to 12.8% for the six months ended 30 June 2024 was primarily attributable to the lower gross profit margin earned from the recently developed projects in face of the price adjustment pressure in the property market during the six months ended 30 June 2024.

Reversal of allowance for expected loss on other receivables, net increased by 220.6% from RMB194,000 for the six months ended 30 June 2023 to RMB622,000 for the six months ended 30 June 2024, mainly due to the additional collection of the previously impaired debts.

Selling expenses and administrative expenses decreased by 6.0% and 16.0% from RMB2,497,000 and RMB7,837,000 for the six months ended 30 June 2023 to RMB2,348,000 and RMB6,584,000 for the six months ended 30 June 2024 respectively, primarily attributable to the implementation of the Group's cost control measures.

Income tax expense, representing current tax provision for the PRC Enterprise Income Tax and PRC Land Appreciation Tax and deferred tax, of RMB3,640,000 for the six months ended 30 June 2024 was levied on the Group, compared to the tax credit of RMB518,000 recorded for the six months ended 30 June 2023, as two of the Company's subsidiaries contributing the major portion of revenue of the Group generated taxable profit during the six months ended 30 June 2024, in contrast to making operating loss for the six months ended 30 June 2023.

Loss attributable to owners of the Company increased by 14.4% from RMB3,348,000 for the six months ended 30 June 2023 to RMB3,830,000 for the six months ended 30 June 2024, primarily due to the increase gross profit and reversal of allowance for expected loss and the decrease in selling expenses and administrative expenses, partially offset by the change from income tax credit to tax expense.



## Liquidity and Financial Resources

As at 30 June 2024, the Group had total assets of RMB1,152,290,000 (including long-term time deposits, restricted bank deposits and bank balances and cash of RMB166,692,000), which were financed by total equity of RMB800,381,000 and total liabilities of RMB351,909,000. The Group's working capital requirements were mainly fulfilled by its internal resources during six months ended 30 June 2024.

Current ratio of the Group was 3.13 times as at 30 June 2024 (31 December 2023: 2.93 times). The Group had secured bank borrowings of RMB33,803,000 as at 30 June 2024 (31 December 2023: RMB36,000,000). 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 19.5% as at 30 June 2024 (31 December 2023: 19.7%).

## 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 2024 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 six months ended 30 June 2024, 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 2024, the Group pledged properties for development of approximately RMB136,024,000 to secure its bank borrowings.



## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2024, the Group had approximately 40 full-time employees, excluding the Directors, in the PRC. During the six months ended 30 June 2024, the total staff costs, including Directors' remuneration, was RMB4,079,000 (2023: RMB3,884,000). 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 C1 of the Listing Rules — Corporate Governance Code and Corporate Governance Report (the "CG Code") during the six months ended 30 June 2024.

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 C3 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 2024.





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

As at 30 June 2024, 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 2024, 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 2024, Talent Connect was solely and beneficially owned by Mr. Tsoi Kin Sze.

Save as disclosed above, as at 30 June 2024, 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 2024 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 2024, 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 2024, 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 2023 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:

The term of appointment of Mr. Tsoi Kin Sze as chairman of Volunteer Committee of HKCPPCC (Provisional) Members Association (港區省級政協委員聯誼會義工委員會主任) and executive vice president of Hong Kong Association for the Promotion of Peaceful Reunification of China (中國和平統一促進會香港總會常務副會長) has expired.

Mr. Zhang Senquan was appointed as the independent non-executive director of Chenqi Technology Limited Exchange (stock code: 9680) and TYK Medicines, Inc (stock code: 2410), the shares of which have been listed on the Stock Exchange on 10 July 2024 and 20 August 2024 respectively.

## 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 2024.

## INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2024.

## 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 2024, including the accounting principles and practices adopted.

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

Hong Kong, 29 August 2024

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

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