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JIANDE INTERNATIONAL HOLDINGS LIMITED

建德國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 865)

RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 2023 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 2023

		Six months ended 30 June	
		2023	2022
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(unaudited) (restated)
Revenue — Sales of properties	4	18,696	208,887
Cost of sales		<u>(12,484)</u>	<u>(149,800)</u>
Gross profit		6,212	59,087
Other income	5	1,440	1,384
Other gains and losses, net		–	180
Reversal of allowance for expected credit loss on other receivables, net		194	–
Net fair value change of investment properties	9	(1,420)	(1,448)
Loss on misappropriation of funds		–	(3,386)
Selling expenses		(2,497)	(4,198)
Administrative expenses		(7,837)	(10,822)
Finance costs		<u>(6)</u>	<u>(8)</u>
(Loss)/profit before tax		(3,914)	40,789
Income tax credit/(expense)	6	<u>518</u>	<u>(13,707)</u>
(Loss)/profit and total comprehensive (expense)/income for the period	7	<u>(3,396)</u>	<u>27,082</u>
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(73)</u>	–
Other comprehensive expense for the period		<u>(73)</u>	–
Total comprehensive (expense)/income for the period		<u>(3,469)</u>	<u>27,082</u>

		Six months ended 30 June	
		2023	2022
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(unaudited)
			(restated)
(Loss)/profit for the period attributable to:			
Owners of the Company		(3,348)	27,606
Non-controlling interests		(48)	(524)
		<u>(3,396)</u>	<u>27,082</u>
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(3,421)	27,606
Non-controlling interests		(48)	(524)
		<u>(3,469)</u>	<u>27,082</u>
		<i>RMB</i>	<i>RMB</i>
			(restated)
(Loss)/earnings per share	8		
— Basic and diluted		<u>(0.06 cents)</u>	<u>0.47 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		30 June 2023	31 December 2022
	<i>NOTES</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
NON-CURRENT ASSETS			
Plant and equipment		1,072	1,539
Investment properties	9	89,925	93,645
Right-of-use assets		279	404
Deferred tax assets		8,141	6,085
		99,417	101,673
CURRENT ASSETS			
Properties for/under development/properties for sale	10	1,065,726	1,036,048
Other receivables, deposits and prepayments	11	32,505	24,469
Contract costs		4,382	1,885
Prepaid land appreciation tax		41,873	41,035
Restricted bank deposits		40,517	17,249
Bank balances and cash		156,584	133,203
		1,341,587	1,253,889
Assets classified as held for sale		2,364	3,011
		1,343,951	1,256,900
CURRENT LIABILITIES			
Trade and other payables	12	84,987	123,763
Contract liabilities		343,739	234,085
Amount due to a non-controlling interest of subsidiaries		120,914	120,914
Income tax and land appreciation tax payable		28,221	28,121
Lease liabilities		153	240
Secured bank borrowings		20,225	5,408
		598,239	512,531
NET CURRENT ASSETS		745,712	744,369
TOTAL ASSETS LESS CURRENT LIABILITIES		845,129	846,042

		30 June 2023	31 December 2022
	<i>NOTES</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		18,232	18,749
Lease liabilities		39	64
Secured bank borrowings		33,803	30,592
		<u>52,074</u>	<u>49,405</u>
NET ASSETS		<u>793,055</u>	<u>796,637</u>
CAPITAL AND RESERVES			
Share capital	<i>13</i>	25,451	25,451
Reserves		754,462	757,883
Equity attributable to owners of the Company		779,913	783,334
Non-controlling interests		13,142	13,303
TOTAL EQUITY		<u>793,055</u>	<u>796,637</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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 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 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 2023 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2022.

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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (Including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practices Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

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. PRIOR PERIOD RESTATEMENT

Certain line items in the prior period's condensed consolidated financial statements of the Group require retrospective restatements in relation to the misappropriation of funds.

As disclosed in the Company's announcements dated 7 October 2022 and 19 December 2022, the Company has discovered that a former treasurer (the "**Former Treasurer**") of Hui An China General Real Estate Development Company Limited* (惠安中總房地產開發有限公司) ("**Hui An China General**") was suspected to have misappropriated in aggregate approximately RMB24,980,000 of Hui An China General between 2019 and 2022 (the "**Misappropriation**"). Hui An China General is a company incorporated in the People's Republic of China (the "**PRC**") with limited liability, principally engaged in property development in the PRC and owned as to 98.4% by the Company.

The Company has engaged RSM Corporate Advisory (Hong Kong) Limited ("**RSM**") on 13 December 2022 as independent forensic accountant to, among other things, conduct an independent forensic accounting review (the "**Independent Review**") in respect of the Misappropriation and make improvement recommendations to the Company based on its findings. As disclosed in the Company's announcement dated 28 March 2023, RSM issued its report of the Independent Review.

RSM has reviewed and compared the accounting records of Hui An China General in relation to its 14 bank accounts between 1 January 2019 and 30 September 2022 (the "**Review Period**") and obtained the corresponding bank statements directly from the banks, and a material discrepancy of approximately RMB2,000,000, RMB10,700,000 and RMB20,700,000 was identified and quantified in one bank account as at 31 December 2019, 2020 and 2021, respectively and a material discrepancy of approximately RMB25,000,000 was identified and quantified in two bank accounts as at 30 August 2022.

RSM has also reviewed the completeness and accuracy of transactions in four bank accounts and approximately 1,100 unrecorded transactions and fictitious transactions during the Review Period were identified and quantified. Such unrecorded transactions and fictitious transactions involved net outflow of unauthorised transfers of approximately RMB22,000,000 from four bank accounts of Hui An China General and cash of approximately RMB3,000,000 was collected from customers of Hui An China General but was not deposited into the bank accounts of Hui An China General.

Based on the findings of the Independent Review, the Former Treasurer has misappropriated funds of the Group of an aggregate amount of approximately RMB24,980,000 during the Review Period. A net amount of approximately RMB22,000,000 was transferred to the bank accounts which were suspected to be controlled by the Former Treasurer.

Based on the findings and conclusions of the Independent Review conducted by RSM, the Company has ascertained a total net loss as a result of the Misappropriation to be approximately RMB24,980,000 and has determined the prior period adjustments that should be made to the consolidated financial statements to correct the prior period errors in previously issued consolidated financial statements of the Group (the "**Errors**") found as a result of the discovery of the Misappropriation and the Independent Review conducted by RSM.

The following table summarises the impact of restatement on the Group's Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2022 affected by the Errors.

Effects on the condensed consolidated statement of profit or loss and other comprehensive income

	For the six months ended 30 June 2022		
	As previously reported <i>RMB'000</i>	Effect of prior period adjustments <i>RMB'000</i>	As restated <i>RMB'000</i>
Other income	1,398	(14)	1,384
Loss on misappropriation of funds	–	(3,386)	(3,386)
Profit/(loss) before taxation	44,189	(3,400)	40,789
Profit/(loss) and total comprehensive income/(expense) for the period	30,482	(3,400)	27,082
Attributable to equity shareholders of the Company	30,951	(3,345)	27,606
Attributable to non-controlling interests	(469)	(55)	(524)
Earnings/(loss) per share (RMB cents)			
— Basic and diluted	<u>0.53</u>	<u>(0.06)</u>	<u>0.47</u>

4. 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	
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)
Sales of properties		
Residential units in the Binjiang International Project*	3,926	4,604
Residential units in The Cullinan Bay Project**	14,770	204,283
	<u>18,696</u>	<u>208,887</u>

* 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.

5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited) (restated)
Fixed rental income from investment properties	24	153
Interests from bank deposits	<u>1,416</u>	<u>1,231</u>
	<u>1,440</u>	<u>1,384</u>

6. INCOME TAX (CREDIT)/EXPENSE

	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax (“EIT”)	1,656	10,195
PRC Land Appreciation Tax (“LAT”)	<u>399</u>	<u>482</u>
	2,055	10,677
Deferred tax	<u>(2,573)</u>	<u>3,030</u>
	<u>(518)</u>	<u>13,707</u>

7. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Loss)/profit for the period has been arrived at after charging (crediting):		
Directors' emoluments	1,043	1,234
Other staff costs		
— Salaries and allowances	2,580	3,225
— Retirement benefits scheme contributions	261	376
	<u>3,884</u>	<u>4,835</u>
Gross rental income from investment properties	(24)	(153)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	2	24
	<u>(22)</u>	<u>(129)</u>
Depreciation of plant and equipment	380	944
Depreciation of right-of-use assets	125	335

8. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited) (restated)
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	<u>(3,348)</u>	<u>27,606</u>
	'000	'000
Number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>5,837,990</u>	<u>5,837,990</u>

No diluted loss/earnings per share for the six months ended 30 June 2023 and 2022 is presented because the Group did not have any potential ordinary shares outstanding during both periods.

9. INVESTMENT PROPERTIES

	<i>RMB'000</i>
Fair value	
At 1 January 2022 (audited)	105,071
Net fair value change recognised in profit or loss	(2,902)
Additions	2,490
Disposals	(8,003)
Reclassified as held for sale	<u>(3,011)</u>
At 31 December 2022 (audited)	93,645
Net fair value change recognised in profit or loss	(1,420)
Disposals	(561)
Reclassified as held for sale	<u>(1,739)</u>
At 30 June 2023 (unaudited)	<u><u>89,925</u></u>

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 2023	31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Properties for development	253,262	249,663
Properties under development	665,769	627,077
Completed properties	<u>146,695</u>	<u>159,308</u>
	<u><u>1,065,726</u></u>	<u><u>1,036,048</u></u>

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 2023, properties for development with carrying amount of RMB135,775,000 (31 December 2022: RMB132,177,000) are pledged to secure the bank borrowings of the Group.

As at 30 June 2023, properties for development of RMB253,262,000 (31 December 2022: RMB132,177,000) and properties under development of RMB187,690,000 (31 December 2022: RMB576,472,000) are not expected to be realised within one year.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Other receivables (<i>note (a)</i>)	3,933	4,457
Less: allowance for credit losses	<u>(610)</u>	<u>(804)</u>
	3,323	3,653
Other tax recoverable	16,220	8,624
Advance to suppliers (<i>note (b)</i>)	4,328	3,850
Other deposits and prepayments	<u>8,634</u>	<u>8,342</u>
Total other receivables, deposits and prepayments	<u><u>32,505</u></u>	<u><u>24,469</u></u>

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. TRADE AND OTHER PAYABLES

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
Trade payables	10,305	10,413
Accrued construction costs (<i>note (a)</i>)	50,071	89,389
Accrual staff costs and contributions to the retirement benefits scheme	4,100	4,424
Other tax payables	2,795	2,683
Other payables and accrued expenses	10,478	9,325
Deposits received for construction	2,500	2,500
Deposits received on exclusive sales agreements with property agents (<i>note (b)</i>)	3,520	3,520
Deposits received on sales of investment properties	<u>1,218</u>	<u>1,509</u>
	<u><u>84,987</u></u>	<u><u>123,763</u></u>

Notes:

- (a) 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.
- (b) 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.

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

	30 June 2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)
0–90 days	2,060	412
91–180 days	17	193
Over 180 days	<u>8,228</u>	<u>9,808</u>
	<u>10,305</u>	<u>10,413</u>

13. 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			
Authorised:			
At 1 January 2022 (audited), 30 June 2022 (unaudited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	<u>100,000,000</u>	<u>500,000</u>	<u>435,951</u>
Issued and fully paid:			
At 1 January 2022 (audited), 30 June 2022 (unaudited), 1 January 2023 (audited) and 30 June 2023 (unaudited)	<u>5,837,990</u>	<u>29,190</u>	<u>25,451</u>

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

BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2023, the Group continued focusing 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. The Group started to deliver certain of the newly completed residential properties in the Xixian Kangqiao Xueyuan and the Wugang Kangqiao Xueyuan projects in July 2023.

In the first half of 2023, China's economy gradually emerged from the shadow of the COVID-19 pandemic, evidenced by a year-on-year growth of 5.5% in the gross domestic product, achieving approximately RMB59.3 trillion. Adhering to the principle of “houses are for living, not for speculation” for the promotion of a positive, healthy and sustainable environment, the real estate industry was still in a bottom-out phase in the first half of 2023. In response to the weak recovery momentum, local governments began to implement a series of policies to support the stable development of the property market.

Looking forward to the second half of 2023, 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 in China. Nevertheless, the central government has intensified its effort to drive the steady qualitative growth and rational quantitative growth of the economy. It is expected that more supportive policies will be launched to stabilize the expectations of home buyers and recover consumers' confidence in the property market. Local governments are also expected to implement region-specific and flexible regulatory policies to promote long-term healthy development of real estate industry.

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 2023 was principally derived from the sale and delivery of properties of The Cullinan Bay and the Binjiang International projects to customers, net of discount and sales related taxes. Revenue dropped by 91.0% from RMB208,887,000 for the six months ended 30 June 2022 to RMB18,696,000 for the six months ended 30 June 2023, mainly due to the substantial reduction of properties available for sale and delivered to customers by the Group. The Group's real estate projects in Henan and Hunan provinces were still under construction and no new properties were completed for delivery during the six months ended 30 June 2023.

Gross profit of the Group declined by 89.5% from RMB59,087,000 for the six months ended 30 June 2022 to RMB6,212,000 for the six months ended 30 June 2023, generally in line with the decrease in revenue. Gross profit margin was improved from 28.3% for the six months ended 30 June 2022 to 33.2% for the six months ended 30 June 2023, due to the increased proportion of sales of properties with higher margin from the Binjiang International project.

Selling expenses of the Group, including mainly advertising and promotion expenses, employees' salaries of its sales department and sales agent commission, dropped by 40.5% from RMB4,198,000 for the six months ended 30 June 2022 to RMB2,497,000 for the six months ended 30 June 2023, mainly attributable to the decrease in sales agent commission resulted from the reduction of sales.

Administrative expenses decreased by 27.6% from RMB10,822,000 for the six months ended 30 June 2022 to RMB7,837,000 for the six months ended 30 June 2023, after the Group strengthened the cost control on its administrative operation.

The Group generated income tax credit, representing the net balance of current tax provision for the PRC EIT and the PRC LAT and deferred tax, of approximately RMB518,000 for the six months ended 30 June 2023, as compared to income tax expense of RMB13,707,000 for the six months ended 30 June 2022, mainly due to the recognition of additional deferred tax assets for the unused tax losses incurred by certain subsidiaries of the Company of which the real estate projects were in the stage of development, outweighing the PRC EIT and the PRC LAT levied on the Group's profitable business of property sales during the six months ended 30 June 2023.

The Group suffered a net loss attributable to owners of the Company of RMB3,348,000 for the six months ended 30 June 2023, as compared to a net profit attributable to owners of the Company of RMB27,606,000 (restated) for the six months ended 30 June 2022. Such change from profit to loss was primarily due to the decrease in revenue and gross profit of the Group for the reasons described above.

Liquidity and Financial Resources

As at 30 June 2023, the Group had total assets of RMB1,443,368,000 (including restricted bank deposits and bank balances and cash of RMB197,101,000), which were financed by total equity of RMB793,055,000 and total liabilities of RMB650,313,000. The Group's working capital requirements were mainly fulfilled by its internal resources during six months ended 30 June 2023.

Current ratio of the Group was 2.25 times as at 30 June 2023 (31 December 2022: 2.45 times). The Group had secured bank borrowings of RMB54,028,000 as at 30 June 2023 (31 December 2022: 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 22.1% as at 30 June 2023 (31 December 2022: 19.6%).

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 2023 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 announcement, 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 announcement.

CHARGE ON ASSETS

As at 30 June 2023, the Group pledged properties for development of approximately RMB135,775,000 to secure its bank borrowings.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group had approximately 41 full-time employees, excluding the Directors, in the PRC. During the six months ended 30 June 2023, the total staff costs, including Directors' remuneration, was RMB3,884,000 (2022: RMB4,835,000). 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 2023.

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 2023.

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 2023.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2023.

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 2023, including the accounting principles and practices adopted.

REVIEW BY AUDITORS

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 have been reviewed by the Company's auditor, HLB Hodgson Impey Cheng Limited, 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.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company's website at www.jiande-intl.com and the website of the Stock Exchange at www.hkexnews.hk. The 2023 interim report of the Company will be despatched to shareholders of the Company and published on the above- mentioned websites on or before 30 September 2023.

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

Hong Kong, 31 August 2023

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