

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

2021 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. Wu Zhisong

Mr. Lee Lit Mo Johnny

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 1910, Fortress Tower
250 King's Road
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



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 2021 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 2021

	NOTES	Six months ended 30 June	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Revenue			
Sales of properties	3	23,223	418,885
Cost of sales		(15,541)	(279,253)
Gross profit		7,682	139,632
Other income	4	2,030	3,775
Other gains and losses		(22)	45
Fair value change of investment properties	9	(553)	1,755
Selling expenses		(3,256)	(3,096)
Administrative expenses		(10,199)	(7,705)
Finance costs		(19)	(34)
(Loss) profit before tax		(4,337)	134,372
Income tax expense	5	(1,225)	(34,068)
(Loss) profit and total comprehensive (expense) income for the period	6	(5,562)	100,304
(Loss) profit and total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(4,223)	98,972
Non-controlling interests		(1,339)	1,332
		(5,562)	100,304
(Loss) earnings per share	8	RMB	RMB
— Basic		(0.07 cent)	1.70 cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	NOTES	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
NON-CURRENT ASSETS			
Plant and equipment		3,075	3,154
Investment properties	9	105,983	116,693
Right-of-use assets	9	803	1,070
Deferred tax assets		406	406
		110,267	121,323
CURRENT ASSETS			
Properties for/under development/ properties for sale	10	855,923	745,199
Trade and other receivables	11	57,630	39,140
Contract costs		316	414
Prepaid land appreciation tax		32,876	29,362
Restricted bank deposits		60,280	20,273
Bank balances and cash		157,622	160,409
		1,164,647	994,797
Assets classified as held for sale	12	4,447	507
		1,169,094	995,304
CURRENT LIABILITIES			
Trade payables	13	13,105	4,816
Other payables and accruals		128,159	108,512
Deposits received on sales of investment properties	12	3,612	227
Contract liabilities	14	232,510	108,152
Amount due to a non-controlling interest of subsidiaries	19	90,730	79,430
Income tax and land appreciation tax payable		18,984	13,739
Lease liabilities		554	510
		487,654	315,386
NET CURRENT ASSETS		681,440	679,918



	NOTES	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		791,707	801,241
NON-CURRENT LIABILITIES			
Deferred tax liabilities		21,784	25,717
Lease liabilities		101	140
		21,885	25,857
NET ASSETS		769,822	775,384
CAPITAL AND RESERVES			
Share capital	15	25,451	25,451
Reserves		731,291	735,514
Equity attributable to owners of the Company		756,742	760,965
Non-controlling interests		13,080	14,419
TOTAL EQUITY		769,822	775,384

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company										Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Issue equity		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				
Share capital RMB'000	Other reserve RMB'000 (Note c)												
At 31 December 2019 (audited)	25,451	524,285	193,733	59,139	10,936	(5,801)	187,822	(333,484)	662,081	14,453	676,534		
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	98,972	98,972	1,332	100,304		
Capital contribution from a non-controlling interest	-	-	-	-	-	-	-	-	-	200	200		
At 30 June 2020 (unaudited)	25,451	524,285	193,733	59,139	10,936	(5,801)	187,822	(234,512)	761,053	15,985	777,038		
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		



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 reserves 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\$" or "HKD") 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).
- (d) In October 2014, 福建省厚德企業管理有限公司 Fujian Houde Enterprise Management Company Limited ("Houde Enterprise") acquired, from 福建建弘投資有限公司 Fujian Jianhong Investment Company Limited ("Jianhong Investment"), the entire paid-up capital of 恒德（石獅）投資有限公司 Hengde (Shishi) Investment Company Limited ("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 Yangzhou Dehui Real Estate Development Company Limited 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 2021

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	14,945	(96,121)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(245)	(1,575)
Placement of restricted bank deposits	(60,280)	–
Withdrawal of restricted bank deposits	20,273	45,149
Withdrawal of time deposits	–	20,000
Placement of short-term financial products	(170,000)	(150,000)
Withdrawal of short-term financial products	170,000	100,000
Proceeds from sales of investment properties	5,990	1,794
Deposits received on sales of investment properties	3,612	351
Interests received from short-term financial products	–	530
Interests received from bank deposits	1,723	3,097
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(28,927)	19,346
FINANCING ACTIVITIES		
Advance from a non-controlling interest of a subsidiary	11,300	22,600
Capital contribution from a non-controlling interest of a subsidiary	–	200
Repayment of lease liabilities	(86)	(15)
Interest paid on lease liabilities	(19)	(1)
NET CASH FROM FINANCING ACTIVITIES	11,195	22,784
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,787)	(53,991)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	160,409	153,011
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD , represented by bank balances and cash	157,622	99,020



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

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 2021 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2020.

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 annual periods beginning on or after 1 January 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

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	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Sales of properties recognised at a point in time		
Residential units in the Binjiang International Project*	900	–
Residential units in The Cullinan Bay Project**	22,323	418,885
	23,223	418,885

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

** The project represents properties under development and completed properties located in Yangzhou City, Jiangsu Province.

Information reported to the executive directors of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performance is on a project by project basis. Each property development project constitutes an operating segment and the Group currently operated five (2020: two) property development projects located in Fujian Province, Jiangsu Province, Hunan Province and Henan Province of the PRC. Approximately 96% (2020: 100%) revenue for the period ended 30 June 2021 is derived from The Cullinan Bay Project. The CODM assesses the performance of the operating segment based on the revenue for each operating segment. The accounting policies of the operation segments are the same as the Group’s accounting policies.



3. REVENUE AND SEGMENT INFORMATION *(continued)*

As all the property development projects have similar economic characteristics and are similar in the nature of property development and business processes, the type or class of customers and the methods used to distribute the properties, thus all property development projects were aggregated as one reportable segment. No other discrete financial information is provided and no analysis of the Group's assets and liabilities is regularly provided to the CODM for review.

4. OTHER INCOME

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Fixed rental income from investment properties	307	148
Interests from short-term financial products	678	530
Interests from bank deposits	1,045	3,097
	2,030	3,775

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	4,719	20,576
PRC Land Appreciation Tax ("LAT")	439	18
	5,158	20,594
Deferred tax	(3,933)	13,474
	1,225	34,068

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

5. INCOME TAX EXPENSE *(continued)*

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.

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. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Depreciation of plant and equipment	324	140
Depreciation of right-of-use assets	358	259
Total depreciation	682	399
Expense relating to short-term leases	45	–
Staff costs, including directors' remunerations	3,461	3,394
Gross rental income from investment properties	(307)	(148)
Less: direct operating expenses incurred for investment properties that generated rental income during the period	31	12
	(276)	(136)

7. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

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	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
(Loss) profit for the period attributable to owners of the Company for the purpose of basic earnings per share	(4,223)	98,972
	'000	'000
Number of ordinary shares for the purpose of basic (loss) earnings per share	5,837,990	5,837,990

No diluted earnings per share for the six months ended 30 June 2021 and 2020 is presented because the Group did not have any potential ordinary shares outstanding during both periods.



9. INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS

	Completed investment properties RMB'000
Fair value	
At 1 January 2020 (audited)	120,342
Net fair value change recognised in profit or loss	(1,768)
Transfer from properties held for sale	197
Disposals	(1,571)
Reclassified as held for sale (note 12)	(507)
At 31 December 2020 (audited)	116,693
Net fair value change recognised in profit or loss	(553)
Disposals	(5,710)
Reclassified as held for sale (note 12)	(4,447)
At 30 June 2021 (unaudited)	105,983

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 2021 and 31 December 2020 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 AND RIGHT-OF-USE ASSETS *(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 (including assets classified as held for sale) are determined (in particular, the valuation techniques and inputs used).

Investment properties	Fair value	Valuation technique	Significant unobservable input(s)	Sensitivity
Civil defense car parking spaces located in Quanzhou, Fujian Province, the PRC	RMB23,200,000 (31 December 2020: RMB25,100,000), including RMB1,298,000 (31 December 2020: RMB73,000) of assets classified as held for sale	Investment approach	Term yield: 3.7% (31 December 2020: 3.7%) Reversionary yield: 4.2% (31 December 2020: 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 RMB305 to RMB483 (31 December 2020: RMB307 to RMB483) 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	RMB65,800,000 (31 December 2020: RMB70,500,000), including RMB3,149,000 (31 December 2020: RMB434,000) of assets classified as held for sale	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB140,000 to RMB150,000 (31 December 2020: RMB140,000 to RMB150,000) 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 AND RIGHT-OF-USE ASSETS *(continued)*

Investment properties	Fair value	Valuation technique	Significant unobservable input(s)	Sensitivity
A kindergarten property located in Quanzhou, Fujian Province, the PRC	RMB12,900,000 (31 December 2020: RMB12,900,000)	Investment approach	Term yield: 4.2% (31 December 2020: 4.2%) Reversionary yield: 4.7% (31 December 2020: 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 2020: 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	RMB7,680,000 (31 December 2020: RMB7,840,000)	Direct comparison approach	Recent market transaction prices per car parking space of comparable properties ranging from RMB80,000 to RMB100,000 (31 December 2020: RMB80,000 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.

9. INVESTMENT PROPERTIES AND RIGHT-OF-USE ASSETS *(continued)*

Investment properties	Fair value	Valuation technique	Significant unobservable input(s)	Sensitivity
A retail store property located in Yangzhou, Jiangsu Province, the PRC	RMB850,000 (31 December 2020: RMB860,000)	Investment approach	Term yield: 4.3% (31 December 2020: 4.3%) Reversionary yield: 4.8% (31 December 2020: 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 RMB72 (31 December 2020: 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	RMB110,430,000 (31 December 2020: RMB117,200,000) including RMB4,447,000 of assets classified as held for sale (31 December 2020: RMB507,000)			

During the current interim period, the Group entered into a new lease agreement with lease term of 3 years. The Group makes a fixed payment on yearly basis. On lease commencement, the Group recognised right-of-use assets and lease liabilities of RMB91,000 (six months ended 30 June 2020: RMB45,000).



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 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Properties for development	126,747	237,738
Properties under development	535,657	306,416
Completed properties	193,519	201,045
	855,923	745,199

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 2021, properties for development of RMB126,747,000 (unaudited) (31 December 2020: RMB237,738,000) and properties under development of RMB426,884,000 (unaudited) (31 December 2020: RMB306,416,000) are not expected to be realised within one year.

11. TRADE AND OTHER RECEIVABLES

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Trade receivables		
— Sales of properties	16	16
Less: allowance for credit losses	(16)	(16)
	—	—
Other receivables (note a)	5,581	7,060
Less: allowance of credit losses	(4,489)	(4,489)
	1,092	2,571
Prepaid taxes other than income tax and LAT	15,947	7,606
Advance to suppliers (note b)	37,035	27,826
Other deposits and prepayments	3,556	1,137
	57,630	39,140
Total trade and other receivables	57,630	39,140

Note 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.

Note 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 2021 and 31 December 2020 are as follow:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Assets classified as held for sale:		
Investment properties	4,447	507

During the six months ended 30 June 2021 and the year ended 31 December 2020, the Group entered into sale agreements with independent third parties to sell certain investment properties (car parking spaces). As at 30 June 2021 and 31 December 2020, the Group received sale deposits regarding sales of investment properties to RMB3,612,000 (unaudited) and RMB227,000, 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. During the six months ended 30 June 2021, the investment properties classified as held for sale as at 31 December 2020 have been derecognised.

The fair values of the investment properties classified as held for sale at 30 June 2021 and 31 December 2020 had been arrived on the direct comparison method and investment approach carried out by C&W on respective dates as disclosed in note 9.

13. TRADE PAYABLES

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

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
0-60 days	9,212	3,024
61-90 days	1,466	5
91-180 days	484	24
181-1 year	533	164
Over 1 year	1,410	1,599
	13,105	4,816

The credit period on construction payable is normally within 90 days from the invoice date.

14. CONTRACT LIABILITIES

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Pre-sales proceeds received on sales of properties	232,510	108,152

The directors of the Company considered that the balance of contract liabilities as at 30 June 2021 and 31 December 2020 will be recognised as revenue to profit or loss as follows:

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Within one year	144,937	31,931
After one year	87,573	76,221
	232,510	108,152



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
Authorised:			
At 1 January 2020 (audited), 30 June 2020 (unaudited), 1 January 2021 (audited) and 30 June 2021 (unaudited)			
— Ordinary shares of HK\$0.005 each	100,000,000	500,000	435,951
Issued and fully paid:			
At 1 January 2020 (audited), 30 June 2020 (unaudited), 1 January 2021 (audited) and 30 June 2021 (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 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Construction commitments in respect of properties under development contracted for but not provided in the condensed consolidated financial statements	440,855	321,545

17. FINANCIAL GUARANTEE CONTRACTS

	30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Corporate guarantee given to banks in respect of mortgage facilities granted to property buyers	492,732	474,409

In accordance with market practice in the PRC, the Group provides guarantees for the property buyers' mortgage loans with PRC banks to facilitate their purchases of the Group's properties. Guarantees for mortgages on properties begin simultaneously with the respective mortgage, and are generally discharged at the earlier of: (i) the property buyers obtains the individual property ownership certificate, and (ii) the full settlement of mortgage loans by the property buyers. The outstanding financial guarantee providing with guarantee period up to the full settlement of mortgage loan as at 30 June 2021 amounted to RMB492,732,000 (unaudited) (31 December 2020: RMB474,409,000). 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 period ended of 30 June 2021 and year ended 31 December 2020. The directors of the Company consider that the possibility of default by the relevant buyers is remote and, in case of default in payments, the net realisable value of the related properties is expected to cover the outstanding mortgage principals together with the accrued interest and penalties. 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 2021 and 2020:

Name of related party	Nature	Six months ended 30 June	
		2021 RMB'000	2020 RMB'000
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	210	–

* English name is for identification purpose only

Detai Property Management is beneficially owned by Mr. Shie Tak Chung, the director of the Company, and Mr. Tsoi Kin Sze, a substantial shareholder of the Company.

Compensation of key management of personnel

The remuneration of directors and other members of key management during the six months ended 30 June 2021 and 2020 was as follows:

	Six months ended 30 June	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Short-term benefits	1,472	1,387
Post-employment benefits	71	35
	1,543	1,422

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.

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

		30 June 2021 RMB'000 (unaudited)	31 December 2020 RMB'000 (audited)
Shishi Qixin Trading Company Limited ("Shishi Qixin") (石獅市琦鑫貿易有限責任公司)	Unsecured, non-interest bearing and repayable when 息縣德建置業有限公司 Xixian Dejian Property Company Limited and 武岡德建置業有限公司 Wugang Dejian Property Company Limited, non-wholly owned subsidiaries of the Company, have accumulated net cash inflow	90,730	79,430

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 2021 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 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 2021



BUSINESS REVIEW AND PROSPECT

During the six months ended 30 June 2021, the Group focused on the development of its two new residential property projects, namely Xixian Kangqiao Xueyuan (息縣康橋學苑) in Xinyang, Henan Province and Wugang Kangqiao Xueyuan (武岡康橋學苑) in Wugang, Hunan Province, in addition to ongoing construction of the remaining part of The Cullinan Bay project in Yangzhou, Jiangsu Province.

China's economy continued to rebound strongly in the first half of 2021, with a coordinated plan of local pandemic prevention and control and social and economic development from the Central Government. China's GDP for the six months ended 30 June 2021 was RMB53.2 trillion, up 12.7% on a year-on-year basis.

In 2021, the opening year of the "14th Five Year Plan", the Central Government reinforces the principal of "houses are for living in, not for speculation" to continuously improve the long-term development of real estate industry in China. According to the National Bureau of Statistics, the Chinese sales of commodity properties achieved RMB9.3 trillion for the six months ended 30 June 2021, representing a year-on-year growth of 38.9%.

Looking forward to the second half of 2021, backed by the macroeconomic policies precisely implemented by the Central Government, the recent introduction of the "two centralisation" of land supply in certain cities on a trial basis and the property lending concentration system, together with the region-specific regulatory measures will promote the long-term mechanism of stabilising land prices, house prices and expectations in the real estate industry of China.

In the second half of 2021, the Group will continue to develop its property projects in Yangzhou, Xinyang and Wugang, sell the completed properties of the existing Binjiang International project in Quanzhou, Fujian Province and The Cullinan Bay project, and pre-sell the properties of its projects under development.

The Group is dedicated to developing quality properties accompanied with a living community to customers, particularly in those cities in China 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 2021 was principally derived from the sale and delivery of properties of The Cullinan Bay project to customers, net of discount and sales related taxes. Revenue dropped by 94.5% from RMB418,885,000 for the six months ended 30 June 2020 to RMB23,223,000 for the six months ended 30 June 2021, mainly due to the substantial reduction of properties available for sale and delivered to customers by the Group. Most of the Group's real estate projects were still under construction and no new properties were completed for delivery during the six months ended 30 June 2021.

Gross profit of the Group declined by 94.5% from RMB139,632,000 for the six months ended 30 June 2020 to RMB7,682,000 for the six months ended 30 June 2021, in line with the decrease in revenue. Gross profit margin of the six months ended 30 June 2021 maintained relatively stable at 33.1% (2020: 33.3%).

Other income, consisting of fixed rental income from investment properties and interest income on bank deposits and short-term financial products, decreased by 46.2% from RMB3,775,000 for the six months ended 30 June 2020 to RMB2,030,000 for the six months ended 30 June 2021, mainly due to the decrease in interest income earned from bank deposits, as the Group reduced the frequency of placing time deposits while additional cash flows were required to finance the development of its new property projects.

Selling expenses of the Group, including mainly employees' salaries of its sales department and sales agent commission, rose 5.2% from RMB3,096,000 for the six months ended 30 June 2020 to RMB3,256,000 for the six months ended 30 June 2021, mainly attributable to the increase in salaries resulted from the hiring of more salespeople as well as the increase in advertising and promotion expenses for the pre-sale of its properties under development, outweighing the decrease in sales agent commission.

Administrative expenses soared 32.4% from RMB7,705,000 for the six months ended 30 June 2020 to RMB10,199,000 for the six months ended 30 June 2021, since additional administrative expenses were incurred for the development of the Group's new property projects.

Income tax expense, representing current tax provision for the PRC EIT and the PRC LAT and deferred tax, decreased by 96.4% from RMB34,068,000 for the six months ended 30 June 2020 to RMB1,225,000 for the six months ended 30 June 2021, mainly attributable to the decrease in the Group's taxable profit, along with the drop in revenue.



The Group suffered a net loss attributable to owners of the Company of RMB4,223,000 for the six months ended 30 June 2021, as compared to a net profit attributable to owners of the Company of RMB98,972,000 for the six months ended 30 June 2020. Such turnaround 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 2021, the Group had total assets of RMB1,279,361,000 (including restricted bank deposits and bank balances and cash of RMB217,902,000), which were financed by total equity of RMB769,822,000 and total liabilities of RMB509,539,000. The Group's working capital requirements were mainly fulfilled by its internal resources during six months ended 30 June 2021.

Current ratio of the Group was 2.40 times as at 30 June 2021 (31 December 2020: 3.16 times). The Group had no bank borrowings as at 30 June 2021 (31 December 2020: Nil). 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 11.8% as at 30 June 2021 (31 December 2020: 10.2%).

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 2021 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 2021, the Group had no charge on its assets.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the Group had approximately 61 full-time employees, excluding the Directors, in the PRC. During the six months ended 30 June 2021, the total staff costs, including Directors' remuneration, was RMB3,461,000 (2020: RMB3,394,000). 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 2021, except the deviation disclosed in the following paragraph:

With respect to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. After the resignation of the former chief executive officer of the Company ("CEO"), Mr. Shie Tak Chung held the offices of both chairman of the Board (the "Chairman") and CEO since 22 November 2019.

The Board believes that with support of the management, vesting the roles of both the Chairman and CEO in Mr. Shie could facilitate the execution of the Group's business strategies and boost effectiveness of its operation, and under the supervision of the Board (comprised of three executive Directors and three independent non-executive Directors), the present structure would not impair the balance of power and authority between the Board and the management and could protect the interests of the Company and its shareholders as the Board assumes collective responsibility on the decision-making process of the Company's business strategies and operation. 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 2021.



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

As at 30 June 2021, 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 Director	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)	26.00%

Note: 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 2021, Fame Build was solely and beneficially owned by Mr. Shie Tak Chung.

Save as disclosed above, as at 30 June 2021, 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 2021 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 2021, 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 Investments Limited (Note)	Beneficial owner	1,780,596,394	30.50%
Tsoi Kin Sze (Note)	Interest of a controlled corporation	1,780,596,394	30.50%

Save as disclosed above, as at 30 June 2021, 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.

Note: 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 2021, Talent Connect was solely and beneficially owned by Mr. Tsoi Kin Sze.



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 2020 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. Zhang Senquan resigned as independent non-executive director of Beijing Digital Telecom Co., Ltd., the shares of which are listed on the Stock Exchange (stock code: 6188), in June 2021. Mr. Zhang's current appointments in listed companies include serving as the company secretary of China General Education Group Limited, the shares of which have been listed on the Stock Exchange (stock code: 2175) since July 2021.

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 2021.

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2021.

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 2021, including the accounting principles and practices adopted.

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

Hong Kong, 31 August 2021

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

www.jiande-intl.com