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 YEAR ENDED 31 DECEMBER 2021

The board (the "**Board**") of directors (the "**Directors**") of Jiande International Holdings Limited (the "**Company**") is pleased to present the results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2021 together with the comparative figures for the previous year which are set out as follow:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	**2021** *RMB'000*	2020 *RMB'000*
Revenue — sales of properties	*5*	**105,609**	480,024
Cost of sales		**(64,966)**	(321,638)
Gross profit		**40,643**	158,386
Other income		**4,471**	7,732
Other gains and losses		**(45)**	(244)
Impairment losses under expected credit loss model, net of reversal		**–**	16
Net fair value change of investment properties		**(1,267)**	(1,768)
Fair value change upon transfer from properties held for sale to investment properties		**–**	60
Selling expenses		**(5,258)**	(8,222)
Administrative expenses		**(21,643)**	(18,816)
Finance costs		**(28)**	(36)
Profit before tax		**16,873**	137,108
Income tax expense	*6*	**(7,347)**	(38,161)
Profit and total comprehensive income for the year	*7*	**9,526**	98,947

	NOTE	2021 RMB'000	2020 RMB'000
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**11,121**	98,884
Non-controlling interests		**(1,595)**	63
		9,526	98,947
		RMB	*RMB*
Earnings per share	*8*		
— Basic		**0.19 cents**	1.69 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	NOTES	2021 RMB'000	2020 RMB'000
NON-CURRENT ASSETS			
Plant and equipment		**2,401**	3,154
Investment properties	*9*	**105,071**	116,693
Right-of-use assets		**594**	1,070
Deferred tax assets		**3,609**	406
		111,675	121,323
CURRENT ASSETS			
Properties for/under development/ properties for sale	*10*	**951,827**	745,199
Trade and other receivables	*11*	**75,549**	39,140
Contract costs	*12*	**1,311**	414
Prepaid land appreciation tax		**36,686**	29,362
Restricted bank deposits		**11,577**	20,273
Bank balances and cash		**251,513**	160,409
		1,328,463	994,797
Assets classified as held for sale		**2,759**	507
		1,331,222	995,304
CURRENT LIABILITIES			
Trade and other payables	*13*	**148,323**	113,328
Deposits received on sales of investment properties		**2,190**	227
Contract liabilities	*14*	**327,526**	108,152
Amount due to a non-controlling interest of subsidiaries	*15*	**93,730**	79,430
Income tax and land appreciation tax payable		**24,457**	13,739
Lease liabilities		**152**	510
Secured bank borrowings		**14,200**	–
		610,578	315,386
NET CURRENT ASSETS		**720,644**	679,918
TOTAL ASSETS LESS CURRENT LIABILITIES		**832,319**	801,241

	2021	2020
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**21,519**	25,717
Lease liabilities	**90**	140
Secured bank borrowings	**25,800**	–
	47,409	25,857
NET ASSETS	**784,910**	775,384
CAPITAL AND RESERVES		
Share capital	**25,451**	25,451
Reserves	**746,635**	735,514
Equity attributable to owners of the Company	**772,086**	760,965
Non-controlling interests	**12,824**	14,419
TOTAL EQUITY	**784,910**	775,384

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Jiande International Holdings Limited (the "**Company**") was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange. Its immediate and ultimate holding companies are Fame Build Holdings Limited and Talent Connect Investments Limited respectively, companies incorporated in the British Virgin Islands with limited liabilities, which are wholly owned by Mr. Shie Tak Chung ("**Mr. Shie**") and Mr. Tsoi Kin Sze ("**Mr. Tsoi**"). Pursuant to a deed of confirmation dated 23 October 2014 executed by Mr. Shie and Mr. Tsoi whereby they confirmed the existence of their acting in concert arrangement, which resulted in Mr. Shie and Mr. Tsoi collectively becoming the ultimate controlling shareholders of the Company. The addresses of its registered office and principal place of business are Tricor Services (Cayman Islands) Limited, Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and Room 401-402, 4/F, Westlands Centre, 20 Westlands Road, Quarry Bay, Hong Kong, respectively. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in property development in the People's Republic of China (the "**PRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**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 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

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the "**Committee**") of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 Application of the agenda decision of the Committee — Cost necessary to sell inventories (HKAS 2 Inventories)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group's accounting policy prior to the Committee's agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee's agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and other cost necessary to sell inventories. The new accounting policy has been applied retrospectively.

The application of the Committee's agenda decision has had no material impact on the Group's financial positions and performance.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments[3]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 *Business Combinations so that it refers to the Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the "**Conceptual Framework**") instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010);

- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on 1 January 2022.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

    (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

    (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

As at 31 December 2021, the Group's right to defer settlement for borrowings of RMB40,000,000 is subject to compliance with certain financial ratios within 12 months from the reporting date, of which RMB25,800,000 were classified as non-current as the Group met such ratios at 31 December 2021. Pending clarification on the application of relevant requirements of the amendments, the Group will further assess the potential impacts of the amendments in relation to the borrowings with financial and other covenants. The impacts on application, if any, will be disclosed in the Group's future consolidated financial statements.

Except for as disclosed above, the application of the amendments will not result in reclassification of the Group's other liabilities as at 31 December 2021.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group's significant accounting policies. The impacts of application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group's consolidated financial statements.

Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group applies HKAS 12 requirements to the relevant assets and liabilities as a whole. Temporary differences relating to relevant assets and liabilities are assessed on a net basis.

Upon the application of the amendments, the Group will recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

The amendments are effective for the Group's annual period beginning on 1 January 2023. The Group is in the process of assessing the full impact of the application of the amendments, including other transactions which may potentially fall within the scope of the amendments. Further impacts on application, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to HKFRSs Annual Improvements to HKFRSs 2018–2020

The annual improvements make amendments to the following standards.

HKFRS 9 Financial Instruments

The amendment clarifies that for the purpose of assessing whether modification of terms of original financial liability constitutes substantial modification under the "10 per cent" test, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf.

HKFRS 16 Leases

The amendment to Illustrative Example 13 accompanying HKFRS 16 removes from the example the illustration of reimbursement relating to leasehold improvements by the lessor in order to remove any potential confusion.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange ("**Listing Rules**") and by the Hong Kong Companies Ordinance ("**Companies Ordinance**").

The consolidated financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that an initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

The valuations of investment properties were determined based on the income approach or direct comparison approach. The valuation of civil defense car parking spaces in Quanzhou, retail store property and kindergarten property was determined based on income approach by considering the capitalised rental income derived from the existing tenancies with due provision for any reversionary income potential of the property interests. It was based on capitalisation of the hypothetical and reasonable market rents with a typical lease term. The valuation of non-civil defense car parking spaces in Quanzhou and Yangzhou was determined based on direct comparison approach by referencing to recent market transaction prices of similar properties in the similar locations with adjustments of other individual factors.

The carrying amount of investment properties at 31 December 2021 was RMB105,071,000 (2020: RMB116,693,000). Notwithstanding that the management employs independent professional qualified valuers to perform fair value assessments based on these assumptions, the fair values of these investment properties may be higher or lower depending on the future market conditions changes to these assumptions, including the potential risk of any market violation, policy, geopolitical and social changes or other unexpected incidents as a result of change in macroeconomic environment, changes in policy direction and/or mortgage requirements, or other unexpected incidents would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Assessment of net realisable value on properties for/under development/properties for sale

In determining whether allowances should be made to the Group's properties for/under development/properties for sale, the Group takes into consideration the current market conditions to estimate the net realisable value ("**NRV**") (i.e. the estimated selling price less estimated costs to completion and estimated costs necessary to make the sales by reference to the similar properties in similar locations). An allowance is made if the estimated NRV is less than the carrying amount. Where there is any decrease in the estimated selling price arising from any changes to the property market conditions in the PRC, an NRV allowance will be recognised on the properties for/under development/properties for sale in the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2021, the carrying amount of the properties for/under development/properties for sale was approximately RMB951,827,000 (2020: RMB745,199,000).

5. 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.

(i) Disaggregation of revenue from contracts with customers

	2021	2020
	RMB'000	*RMB'000*
Sales of properties		
Residential units in the Binjiang International Project*	**17,582**	800
Residential units in The Cullinan Bay Project**	**88,027**	479,224
Total revenue	**105,609**	480,024

* *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.

(ii) Performance obligations for contracts with customers

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customer's specifications with no alternative use. Taking into consideration of the relevant contract terms, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of the relevant properties to customers. Revenue from sales of properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group averagely receives 35% of the contract value as deposits from customers when they sign the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price.

The Group considers the advance payment schemes contains significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. As this accrual increases the amount of the contract liabilities during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customer.

The Group had provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by customers of the Group's properties. Pursuant to the terms of the guarantees, if a customer defaults on the payment of its mortgage during the term of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's sales deposit and sell the property to recover any amounts paid by the Group to the bank. The guarantee period commences from the dates of grant of the relevant mortgage loans and ends 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 related financial guarantee contracts issued to banks in favour of customers in respect of the mortgage loans are not recognised separately as the fair value of the guarantees is immaterial.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and the expected timing of recognising revenue are as follows:

	2021	2020
	RMB'000	*RMB'000*
Sales of properties		
Within one year	**244,748**	31,931
More than one year but not more than two years	**82,271**	78,897
More than two years	**26,578**	14,355
	353,597	125,183

Segment information

Information reported to the executive directors of the Group, being the chief operating decision maker ("**CODM**"), 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. Accordingly, only entity-wide disclosures are presented.

Entity-wide disclosures

Revenue from major products

Revenue during the years ended 31 December 2021 and 2020 represents sales of properties of property development projects as mentioned above in the PRC.

Geographical information

No geographical segment information is presented as the Group's revenue are all derived from the PRC based on the location of property development projects and all of the Group's non-current assets are located in the PRC by physical location of assets.

Information about major customers

No revenue from customers contributed over 10% of the total revenue of the Group for the years ended 31 December 2021 and 2020.

6. INCOME TAX EXPENSE

	2021	2020
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax ("**EIT**")		
— Current tax	**12,542**	22,830
— Under(over)provision in respect of prior years	**248**	(676)
PRC Land Appreciation Tax ("**LAT**")	**1,663**	151
Withholding PRC EIT	**295**	295
	14,748	22,600
Deferred tax	**(7,401)**	15,561
	7,347	38,161

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2021	2020
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,284**	1,334
Depreciation of plant and equipment	**1,268**	740
Depreciation of right-of-use assets	**617**	516
Total depreciation	**1,885**	1,256
Gross rental income from investment properties	**(813)**	(692)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**84**	72
	(729)	(620)
Cost of properties held for sale recognised as an expense	**64,387**	311,129
Directors' emoluments	**1,981**	2,114
Other staff costs		
— salaries and allowances	**6,625**	4,844
— retirement benefits scheme contributions	**636**	248
Total employee benefits expense	**9,242**	7,206

8. EARNINGS PER SHARE

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

	2021	2020
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**11,121**	98,884
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,837,990**	5,837,990

The weighted average number of shares used for the purpose of calculating basic earnings per share for both years are determined by reference to the number of ordinary shares outstanding during the year.

No diluted earnings per share for the years ended 31 December 2021 and 2020 were presented as there were no potential ordinary shares in issue during both years.

9. INVESTMENT PROPERTIES

	RMB'000
FAIR VALUE	
At 1 January 2020	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	(507)
At 31 December 2020	116,693
Net fair value change recognised in profit or loss	(1,267)
Disposals	(7,596)
Reclassified as held for sale	(2,759)
At 31 December 2021	105,071

Included in the net fair value change recognised in profit or loss of investment properties for the year ended 31 December 2021 is an unrealised loss on property revaluation included in profit or loss amounted to approximately RMB3,253,000 (2020: loss of RMB1,721,000).

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

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

10. PROPERTIES FOR/UNDER DEVELOPMENT/PROPERTIES FOR SALE

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

	2021	2020
	RMB'000	*RMB'000*
Properties held for sale		
Properties for development	**128,389**	237,738
Properties under development	**475,134**	306,416
Completed properties	**348,304**	201,045
	951,827	745,199

Analysis of leasehold lands:

	2021	2020
	RMB'000	*RMB'000*
Carrying amount	**424,441**	454,892

	For the year ended 31 December	
	2021	2020
	RMB'000	*RMB'000*
Total cash outflow	**–**	214,750
Additions	**–**	214,750

The carrying amount of leasehold lands is measured at cost less any accumulated depreciation and any impairment losses. The residual values are determined as the estimated disposal value of the leasehold land component. No depreciation charge on the leasehold lands taking into account the estimated residual values as at 31 December 2021 and 2020.

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

As at 31 December, 2021, properties for development with carrying amount of RMB128,389,000 (2020: nil) are pledged to secure the bank borrowings of the Group.

As at 31 December 2021, properties for development of RMB128,389,000 (2020: RMB237,738,000) and properties under development of RMB424,529,000 (2020: RMB306,416,000) are not expected to be realised within one year.

11. TRADE AND OTHER RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables		
— Sale of properties	**16**	16
Less: allowance for credit losses	**(16)**	(16)
	–	–
Other receivables *(note a)*	**8,005**	7,060
Less: allowance of credit losses	**(4,489)**	(4,489)
	3,516	2,571
Other taxes recoverable	**20,120**	7,606
Advance to suppliers *(note b)*	**46,748**	27,826
Other deposits and prepayments	**5,165**	1,137
	75,549	39,140
Total trade and other receivables	**75,549**	39,140

Note a: The amount 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.

Note b: The amount represents the advance payment to the contractors in order to secure construction services in projects. The advances are expected to be fully utilised in the construction projects within a year from the end of the reporting period.

As at 1 January 2020, trade receivables from contracts with customers amounted to nil.

12. CONTRACT COSTS

	2021	2020
	RMB'000	*RMB'000*
Incremental costs to obtain contracts *(note)*	**1,311**	414

Note: Contract costs capitalised as at 31 December 2021 and 2020 relate to the incremental commissions expenses to intermediaries/employees in connection with obtaining sales of properties contracts with customers which are still under construction or not yet delivered at the reporting date.

Contract costs are recognised as part of selling expenses in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB349,000 (2020: RMB3,147,000). There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised in both years.

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the sale of completed properties and services as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

13. TRADE AND OTHER PAYABLES

	2021	2020
	RMB'000	*RMB'000*
Trade payables	**7,025**	4,816
	7,025	4,816
Accrued construction costs *(note a)*	**113,843**	56,004
Accrual staff costs and contributions to the retirement benefits scheme	**4,820**	5,711
Other tax payables	**2,655**	2,929
Other payables and accrued expenses	**5,818**	8,138
Deposits received for construction	**4,500**	6,000
Deposits received on exclusive sales agreements with property agents *(note b)*	**9,662**	29,730
	148,323	113,328

Note 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.

Note 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:

	2021	2020
	RMB'000	*RMB'000*
0–60 days	**4,929**	3,024
61–90 days	**108**	5
91–180 days	**201**	24
181 days–1 year	**253**	164
Over 1 year	**1,534**	1,599
	7,025	4,816

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

14. CONTRACT LIABILITIES

	2021	2020
	RMB'000	*RMB'000*
Pre-sales proceeds received on sales of properties	**327,526**	108,152

As at 1 January 2020, contract liabilities amounted to RMB474,287,000.

The increase in contract liabilities at 31 December 2021 from prior year was because of increase in presales of properties during the year ended 31 December 2021.

The following table shows how much of the revenue recognised in the current year relates to carried forward contract liabilities.

	Sales of properties	
	2021	2020
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**60,018**	429,936

The Group averagely receives 35% (2020: 35%) of the contract value as deposits from customers when they sign the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration early while construction is still ongoing. The deposits and advance payment schemes result in contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

In addition, the Group considers the advance payment schemes contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the relevant group entities. As this accrual increases the amount of the contract liabilities during the period of construction, it increases the amount of revenue recognised when control of the completed property is transferred to the customers.

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

	2021	2020
	RMB'000	*RMB'000*
Within one year	**235,132**	31,931
After one year	**92,394**	76,221
	327,526	108,152

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

		2021	2020
		RMB'000	*RMB'000*
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. ("**Xixian Dejian**") and 武崗德建置業有限公司Wugang Dejian Property Company Limited. ("**Wugang Dejian**"), non-wholly owned subsidiaries of the Company, have accumulated net cash inflow.	**93,730**	79,430

16. SUBSEQUENT EVENTS

Subsequent to 31 December 2021, the Group succeeded in a bid of the land use rights of a parcel of land located in Hunan Province in the PRC at the consideration of RMB112 million (the "**Land Acquisition**") in January 2022. The land use right grant contract in relation to the Land Acquisition was signed on 24 January 2022 and the Group paid the consideration in full in January 2022. This land will be used for development of residential properties for sale.

INDUSTRY REVIEW

Looking back to 2021, China continued to maintain its leading position in economic development and pandemic prevention, achieving an annual GDP growth of 8.1%. Regulatory policies in the China's real estate industry remained committed to the principle of "houses are for living, not for speculation", emphasising stability to promote a positive, healthy and sustainable environment. Despite reaching a record high national commodity property sales of RMB18.2 trillion in 2021, representing a year-on-year growth of 4.8%, the property market in China witnessed volatility. With the intensive regulations and control policies such as the "Three Red Lines", "Centralisation" management of loans of financial institutions and centralised land supply, the overall real estate market rapidly cooled down since the second half of 2021 after the surge in the first half of the year, affecting all industry players, particularly the private property developers with high debts.

BUSINESS REVIEW AND PROSPECT

During the year ended 31 December 2021, the Group focused on the development of its three new residential and commercial property projects located in Xinyang, Henan Province, and Wugang, Hunan Province, namely Xixian Kangqiao Xueyuan, Wugang Kangqiao Xueyuan and Kangqiao International City, in addition to ongoing construction of the final phase of The Cullinan Bay project in Yangzhou, Jiangsu Province which had been fully completed in December 2021.

The PRC's Central Economic Work Conference highlighted the importance of macroeconomic stability and policy support and summarised the domestic economic situation in 2022 as "contraction in demand, supply shocks and weaker expectations (需求收縮、供給衝擊、預期轉弱)". The central government is expected to intensify its effort to drive the steady qualitative growth and rational quantitative growth of the economy, including the stabilisation of housing prices. Local governments will implement region-specific and flexible regulatory policies to promote long-term stable and healthy development of real estate market.

The Group believes that the real estate industry will be full of challenges in 2022 and will 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.

As at 31 December 2021, the status of the Group's property development projects are as follows:

						Properties held for sale						
Location	Project Name	Address	Type	Site area	Total gross floor area	Properties for development	Properties under development	Properties completed but not delivered	Properties held for investment *(Note d)*	Properties completed and delivered	Actual/ expected time of whole project completion	Percentage interest attributable to the Group
				('000 sq.m)	*('000 sq.m)*	*('000 sq.m)*	*('000 sq.m)*	*('000 sq.m)*	*('000 sq.m)*	*('000 sq.m)*		
Quanzhou, Fujian Province	Binjiang International (濱江國際)	Southeast of Xibin Park (溪濱公園東南側), Luoyang Town, Huian County, Quanzhou	Residential *(Note b)*	83	346	0	0	11	16	319	2014	98.4%
Yangzhou, Jiangsu Province	The Cullinan Bay (天璽灣)	East of Linjiang Road and north of Dingxing Road (臨江路東側、鼎興路北側), Yangzhou	Residential *(Note c)*	82	236	0	0	79	3	154	2021	98.4%
Xinyang, Henan Province	Xixian Kangqiao Xueyuan *(Note a)* (息縣康橋學苑)	West of Shuyinggongda Road and north of Xirangda Road (叔穎公大道西側、息壤大道北側), Xi County, Xinyang	Residential *(Note c)*	55	147	0	147	0	0	0	2023	80%
Wugang, Hunan Province	Wugang Kangqiao Xueyuan *(Note a)* (武岡康橋學苑)	South of Zhucheng Highway (竹城公路南側), Wugang	Residential *(Note c)*	34	124	0	124	0	0	0	2023	80%
Wugang, Hunan Province	Kangqiao International City *(Note a)* (康橋國際城)	South of Xindong Road and east of Futian Road (新東路南側、富田路東側), Wugang	Residential and Commercial *(Note c)*	46	108	108	0	0	0	0	2024	80%
Total				300	961	108	271	90	19	473		

Notes:

(a) English name of this project is not official and for identification purpose only.

(b) Car parking spaces, retail stores and kindergarten are included as ancillary residential facilities of this project.

(c) Car parking spaces and retail stores are included as ancillary residential facilities of this project.

(d) Properties are situated on land held on long lease according to the term stated in the relevant state-owned land use rights certificates.

FINANCIAL REVIEW

Financial Performance

Revenue of the Group for the year ended 31 December 2021 was derived from the sale and delivery of properties of The Cullinan Bay and the Binjiang International projects to customers, net of discounts and sales related taxes. Revenue declined 78.0% from RMB480,024,000 for the year ended 31 December 2020 to RMB105,609,000 for the year ended 31 December 2021, primarily attributable to the reduction of properties available for sale and delivered to customers by the Group as the Group's new property development projects developed on the lands acquired by the Group since July 2019 were still under construction during the year ended 31 December 2021.

Gross profit of the Group declined by 74.3% from RMB158,386,000 for the year ended 31 December 2020 to RMB40,643,000 for the year ended 31 December 2021, in line with the decrease in revenue. Gross profit margin improved from 33.0% for the year ended 31 December 2020 to 38.5% for the year ended 31 December 2021, mainly due to the increased revenue contribution from sale of the remaining properties of the Binjiang International project which earned higher margin.

Other income, consisting of fixed rental income from investment properties and interest income on bank deposits and short-term financial products, decreased by 42.2% from RMB7,732,000 for the year ended 31 December 2020 to RMB4,471,000 for the year ended 31 December 2021, mainly due to the decrease in interest income earned from short-term financial products, as the Group reduced the subscription of short-term financial products when additional cash flows were required to finance the construction of its new property development projects and the acquisition of land use rights during the year ended 31 December 2021.

Selling expenses dropped 36.0% from RMB8,222,000 for the year ended 31 December 2020 to RMB5,258,000 for the year ended 31 December 2021, primarily due to the reduction of sales commission paid to external property agents as a result of the decrease in sale and delivery of properties of the Group.

Administrative expenses soared 15.0% from RMB18,816,000 for the year ended 31 December 2020 to RMB21,643,000 for the year ended 31 December 2021, since additional administrative expenses were incurred for the development of the Group's new property development projects.

Income tax expense, representing current tax provision for the PRC EIT and the PRC LAT and deferred tax, decreased by 80.7% from RMB38,161,000 for the year ended 31 December 2020 to RMB7,347,000 for the year ended 31 December 2021, mainly attributable to the decrease in the Group's taxable profit, along with the drop in revenue.

Profit attributable to owners of the Company decreased by 88.8% from RMB98,884,000 for the year ended 31 December 2020 to RMB11,121,000 for the year ended 31 December 2021, primarily due to the decrease in revenue and gross profit from the Group's property development business for the aforesaid reasons.

Liquidity and Financial Resources

As at 31 December 2021, the Group had total assets of RMB1,442,897,000 (including restricted bank deposits and bank balances and cash of RMB263,090,000), which were financed by total equity of RMB784,910,000 and total liabilities of RMB657,987,000. The Group's working capital requirements were mainly fulfilled by its internal resources and bank borrowings during the year ended 31 December 2021.

Current ratio of the Group was 2.18 times as at 31 December 2021 (31 December 2020: 3.16 times). The Group had secured bank borrowings of RMB40,000,000 as at 31 December 2021 (31 December 2020: Nil). Gearing ratio, defined as total debts comprising bank borrowings and amount due to a non-controlling interest of subsidiaries divided by total equity, was 17.0% as at 31 December 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 year ended 31 December 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 31 December 2021, the Group pledged properties for development of approximately RMB128,389,000 to secure its bank borrowings.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2021, the Group had approximately 59 full-time employees, excluding the Directors, in the PRC. During the year ended 31 December 2020, the total staff costs, including Directors' remuneration, was RMB9,242,000 (2020: RMB7,206,000). 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 (the "**CG Code**") during the year ended 31 December 2021, except the deviation disclosed in the following paragraph:

With respect to code provision C.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. During the period from 1 January 2021 to 15 December 2021, Mr. Shie held the offices of both chairman of the Board and chief executive officer of the Company. Since 16 December 2021, Mr. Tsoi has been appointed as the chief executive officer of the Company and Mr. Shie remained as the chairman of the Board.

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 with all Directors, all Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2021.

DIVIDEND

The Board does not recommend payment of any dividend for the year ended 31 December 2021 (2020: Nil).

EVENT AFTER THE REPORTING DATE

Save as disclosed in this announcement, there were no significant events that have occurred subsequent to the end of the reporting period of the Company and up to the date of this announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on Thursday, 16 June 2022 in Hong Kong. The notice of AGM will be published and despatched to the Company's shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 June 2022 to Thursday, 16 June 2022 (both days inclusive) to facilitate the processing of proxy voting. In order to be entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 10 June 2022.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the "**Audit Committee**") comprises all independent non-executive Directors. The Audit Committee has reviewed with the management the consolidated financial statements of the Company for the year ended 31 December 2021, including the accounting principles and practices adopted.

The figures in respect of this announcement of the Group's preliminary results for the year ended 31 December 2021 have been agreed by the Company's auditors, Deloitte Touche Tohmatsu, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on this preliminary results announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL 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 2021 annual report of the Company will be despatched to shareholders of the Company and published on the above-mentioned websites on or before 30 April 2022.

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

Hong Kong, 31 March 2022

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