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## **JIANDE INTERNATIONAL HOLDINGS LIMITED**

### **建德國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 865)**

## **RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023 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 2023*

	<i>Notes</i>	<b>2023</b> <b>RMB\$’000</b>	2022 RMB\$’000
Revenue — sales of properties	4	<b>278,286</b>	262,153
Cost of sales		<b>(241,280)</b>	(178,560)
Gross profit		<b>37,006</b>	83,593
Other gains and losses, net		<b>2,233</b>	3,361
Reversal of/(allowance for) expected credit loss on other receivables, net		<b>180</b>	(427)
Write down on properties for sale		–	(5,035)
Net fair value change of investment properties		<b>108</b>	(2,902)
Loss on misappropriation of funds		–	(4,488)
Selling expenses		<b>(8,324)</b>	(7,349)
Administrative expenses		<b>(15,182)</b>	(20,914)
Finance costs		<b>(8)</b>	(10)
Profit before tax		<b>16,013</b>	45,829
Income tax expense	5	<b>(8,423)</b>	(13,603)
<b>Profit for the year</b>	<b>6</b>	<b>7,590</b>	32,226

	<i>Note</i>	<b>2023</b> <b>RMB\$'000</b>	2022 <i>RMB\$'000</i>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>220</u>	<u>219</u>
Other comprehensive income for the year		<u>220</u>	<u>219</u>
Total comprehensive income for the year		<u><b>7,810</b></u>	<u>32,445</u>
Profit for the year attributable to:			
Owners of the Company		<b>4,507</b>	31,321
Non-controlling interests		<u><b>3,083</b></u>	<u>905</u>
		<u><b>7,590</b></u>	<u>32,226</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		<b>4,727</b>	31,540
Non-controlling interests		<u><b>3,083</b></u>	<u>905</u>
		<u><b>7,810</b></u>	<u>32,445</u>
		<b>RMB</b>	<b>RMB</b>
Earnings per share			
— Basic and diluted	7	<u><b>0.08 cents</b></u>	<u>0.54 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2023*

	<i>Notes</i>	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		780	1,539
Investment properties	8	87,065	93,645
Right-of-use assets		190	404
Deferred tax assets		3,937	6,085
		<b>91,972</b>	101,673
<b>CURRENT ASSETS</b>			
Properties for/under development/ properties for sale	9	880,792	1,036,048
Other receivables, deposits and prepayments		15,382	24,469
Contract costs		2,400	1,885
Prepaid land appreciation tax		37,989	41,035
Restricted bank deposits		17,240	17,249
Bank balances and cash		153,161	133,203
		<b>1,106,964</b>	1,253,889
Assets classified as held for sale		2,865	3,011
		<b>1,109,829</b>	1,256,900
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	81,539	123,763
Contract liabilities	11	110,770	234,085
Amount due to a non-controlling interest of subsidiaries	12	122,274	120,914
Income tax and land appreciation tax payable		27,891	28,121
Lease liabilities		49	240
Secured bank borrowings		36,000	5,408
		<b>378,523</b>	512,531
<b>NET CURRENT ASSETS</b>		<b>731,306</b>	744,369
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>823,278</b>	846,042

	<b>31 December 2023 RMB'000</b>	31 December 2022 RMB'000
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	<b>18,907</b>	18,749
Lease liabilities	<b>37</b>	64
Secured bank borrowings	<b>–</b>	30,592
	<b>18,944</b>	49,405
<b>NET ASSETS</b>	<b>804,334</b>	796,637
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>25,451</b>	25,451
Reserves	<b>762,610</b>	757,883
Equity attributable to owners of the Company	<b>788,061</b>	783,334
Non-controlling interests	<b>16,273</b>	13,303
<b>TOTAL EQUITY</b>	<b>804,334</b>	796,637

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 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 of Hong Kong Limited. 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 the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report. The principal activity of the Company is investment holding and its subsidiaries (collectively referred as the “**Group**”) 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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”) AND CHANGE IN OTHER ACCOUNTING POLICIES

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS12	International Tax Reform — Pillar Two Model Rules

Except as described below, the application of the new and 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.

### **Impacts on application of HKFRS 17 (including the October 2020 and February 2022 Amendments) Insurance Contracts**

The Group has applied the new standard and the relevant amendments for the first time in the current year.

HKFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes HKFRS 4 Insurance Contracts.

HKFRS 17 defines an insurance contract as a contract under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

In October 2020, the HKICPA issued Amendments to HKFRS 17 to address concerns and implementation challenges that were identified after HKFRS 17 was published. The amendments defer the date of initial application of HKFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the HKICPA issued Amendments to HKFRS 4 Extension of the Temporary Exemption from HKFRS 9 that extends the fixed expiry date of the temporary exemption from applying HKFRS 9 in HKFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In February 2022, the HKICPA issued Amendment to HKFRS 17 Initial Application of HKFRS 17 and HKFRS 9 — Comparative Information to address implementation challenges that were identified after HKFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

Certain financial guarantee contracts entered into by the Group meet the definition of insurance contracts under HKFRS 17. HKFRS 17 allows an accounting policy choice to apply HKFRS 17 or HKFRS 9 and the Group opted to continue account for these contracts under HKFRS 9. Therefore, the application of HKFRS 17 in the current year had no material impact on the consolidated financial statements.

### **Impacts of application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

The application of amendments to HKAS 12 has had no material impact on the Group's financial position and performance for the years ended 31 December 2023 and 2022.

## **Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies**

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements 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 has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

## **Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund — Long Service Payment offsetting mechanism in Hong Kong**

In June 2022, the Government of the Hong Kong Special Administrative Region gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (“**Amendment Ordinance**”), which will come into effect from 1 May 2025 (“**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “**offsetting mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published the captioned accounting guidance relating to the abolition of the offsetting mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has applied the above HKICPA guidance and changed its accounting policy in connection with its LSP liability.

The change in accounting policy in the current year had no material impact on the consolidated financial statements.

### **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:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-Current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### **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 of Hong Kong Limited (“**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.



#### 4. REVENUE AND SEGMENT INFORMATION

The Group is engaged in the property development and revenue represents the net amounts received and receivable for properties sold by the Group in the normal course of business to customers.

##### Disaggregation of revenue from contracts with customers

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Sales of properties</b>		
Residential units in the Binjiang International Project*	4,371	8,195
Residential units in the Cullinan Bay Project**	16,310	253,958
Residential units in the Xixian Kangqiao Xueyuan Project***	99,473	–
Residential units in the Wugang Kangqiao Xueyuan Project****	158,132	–
	<hr/>	<hr/>
Total revenue	<b>278,286</b>	262,153
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

\*\*\*\* The project represents completed properties located in Wugang, Hunan Province.

All of the Group's revenue is recognised at a point in time.

##### 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 operating results of the Group as a whole as the Group's resources are integrated. Accordingly, no operating segment information is presented.

##### *Entity-wide disclosures*

###### *Revenue from major products*

Revenue during the years ended 31 December 2023 and 2022 represents sales of properties of property development projects 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 2023 and 2022.

## 5. INCOME TAX EXPENSE

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Current tax:		
PRC Enterprise Income Tax (“EIT”)		
— Current tax	699	16,768
— (Over)/under-provision in respect of prior years	(70)	969
PRC Land Appropriation Tax (“LAT”)	5,144	1,112
Withholding PRC EIT	344	—
	<u>6,117</u>	<u>18,849</u>
Deferred tax	<u>2,306</u>	<u>(5,246)</u>
	<u><u>8,423</u></u>	<u><u>13,603</u></u>

## 6. PROFIT FOR THE YEAR

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Profit for the year has been arrived at after charging (crediting):		
Directors’ emoluments	2,134	2,295
Other staff costs		
— Salaries and allowances	5,381	6,601
— Retirement benefits scheme contributions	498	588
	<u>8,013</u>	<u>9,484</u>
Gross rental income from investment properties	(564)	(829)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	<u>57</u>	<u>59</u>
	<u>(507)</u>	<u>(770)</u>
Auditors’ remuneration		
— Audit services	905	860
— Non-audit services	290	624
Cost of properties held for sale recognised as an expense	241,280	178,560
Depreciation of plant and equipment	869	1,246
Depreciation of right-of-use assets	249	501
(Reversal of)/allowance for expected credit loss on other receivables, net	(180)	427
Write off on other receivables	—	1,142
Write down on properties for sale	—	5,035
	<u><u>241,280</u></u>	<u><u>178,560</u></u>

## 7. EARNINGS PER SHARE

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	<u>4,507</u>	<u>31,321</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>5,837,990</u>	<u>5,837,990</u>

No diluted earnings per share for the years ended 31 December 2023 and 2022 were presented as there were no potential ordinary shares in issue during both years.

## 8. INVESTMENT PROPERTIES

	<i>RMB'000</i>
<b>FAIR VALUE</b>	
At 1 January 2022	105,071
Net fair value change recognised in profit or loss	(2,902)
Additions	2,490
Disposals	(8,003)
Reclassified as held for sale	<u>(3,011)</u>
At 31 December 2022	93,645
Net fair value change recognised in profit or loss	108
Disposals	(3,823)
Reclassified as held for sale	<u>(2,865)</u>
At 31 December 2023	<u>87,065</u>

The Group leases out car parking spaces, a kindergarten property and retail store properties under operating leases with rentals payable monthly. The leases typically run for an initial period of 3 months to 20 years.

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

## 9. PROPERTIES FOR/UNDER DEVELOPMENT/PROPERTIES FOR SALE

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Properties for development	253,274	249,663
Properties under development	336,184	627,077
Properties for sale	291,334	159,308
	<u>880,792</u>	<u>1,036,048</u>

The carrying amount of leasehold lands is measured at cost less 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 for the year ended 31 December 2023 and 2022.

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 net realisable value on an individual property basis.

## 10. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	2,242	3,123
Retention payable ( <i>note (a)</i> )	7,781	9,790
Accrued construction costs ( <i>note (b)</i> )	49,030	89,389
Accrual staff costs and contributions to the retirement benefits scheme	6,066	4,424
Other tax payables	5,565	2,683
Other payables and accrued expenses	9,627	9,325
Deposits received on exclusive sales agreements with property agents ( <i>note (c)</i> )	10	3,520
Deposits received on sales of investment properties	1,218	1,509
	<u>81,539</u>	<u>123,763</u>

*Notes:*

- (a) In accordance with the normal practice of the industry, a certain percentage of contract sums is usually withheld by the Group as retention money for a period of one to two years after the work of subcontractors has been completed.

- (b) The accrued construction costs relate to construction of properties under development for sale which will be transferred to trade payables on achieving payment milestones as stipulated in the agreements with the subcontractors.
- (c) The amount represents the performance deposits received from two independent property agents for their exclusive sales agency agreements signed with the Group for underwriting certain residential flats, garages and car parks with a minimum selling price in The Cullinan Bay Project. Such amount will be conditionally returned to the property agent depending on the number of residential flats, garages and car parks sold within a fixed period of time as specified in the agreements.

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

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
0–60 days	<b>216</b>	–
61–90 days	<b>231</b>	412
91–180 days	<b>16</b>	193
181 days–1 year	<b>325</b>	917
Over 1 year	<b>1,454</b>	1,601
	<u><b>2,242</b></u>	<u>3,123</u>

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

## 11. CONTRACT LIABILITIES

	<b>2023</b> <i>RMB'000</i>	2022 <i>RMB'000</i>
Pre-sales proceeds received on sales of properties	<b>110,770</b>	234,085

As at 1 January 2022, contract liabilities amounted to RMB327,526,000.

The Group averagely receives 35% (2022: 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 if so, assesses whether 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.

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

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Shishi Qixin Trading Company Limited (“ <b>Shishi Qixin</b> ”) (石獅市琦鑫貿易有限責任公司)	<u>122,274</u>	<u>120,914</u>

The amount due is non-trade, unsecured, non-interest bearing and repayable when 息縣德建置業有限公司 Xixian Dejian Property Company Limited (“**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.

## 13. SUBSEQUENT EVENTS

There were no significant events that have accrued subsequent to the end of the reporting period.

## 14. COMPARATIVE FIGURES

Certain other comparative figures have been reclassified to conform with the current year’s presentation and disclosures.

## **INDUSTRY REVIEW**

In 2023, despite of the complex and severe international political and economic environment, China's economy has demonstrated its resilience after the full release of pandemic controls. The gross domestic product of China for 2023 expanded 5.2% on a year-on-year basis, achieving approximately RMB126 trillion according to the preliminary estimate by the National Bureau of Statistics.

With the drastic change in the demand-supply relationship, the adjustment in real estate market in China has been under progress. According to the data from the National Bureau of Statistics, sales of commodity housing amounted to approximately RMB11.7 trillion, representing a year-on-year decrease of 6.5%. To promote the healthy growth in the industry, the relevant authorities implemented a series of supportive policies to ensure the timely delivery of presold homes and boost property buyers' confidence.

## **BUSINESS REVIEW AND PROSPECT**

During the year ended 31 December 2023, the Group continued focusing on the development of its four residential and commercial property projects in the PRC, namely Xixian Kangqiao Xueyuan (息縣康橋學苑) in Xinyang, Henan Province, and Wugang Kangqiao Xueyuan (武岡康橋學苑), Kangqiao International City (康橋國際城) and Kangqiao Meiju (康橋美居) in Wugang, Hunan Province. The Group started to deliver the newly completed residential properties in the Xixian Kangqiao Xueyuan and the Wugang Kangqiao Xueyuan projects since July 2023.

Looking forward to 2024, the real estate industry remains to be full of challenges. The central government stressed the importance of high-quality development and has intensified its effort to drive the steady qualitative growth and rational quantitative growth of the economy. It is expected that more supportive policies will be launched to facilitate the stable and robust development in the property market. Local governments are also expected to implement region-specific and flexible regulatory policies to promote long-term healthy and high-quality development of real estate industry.

The Group will continue to uphold its prudent management approach to maintain a balance between growth, efficiency and risk. The Group has committed to developing quality properties accompanied with a living community to customers, particularly in those cities in the PRC where residents still have the rigid demand for housing 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 2023, the status of the Group's property development projects are as follows:

Location	Project Name	Address	Type	Site area ( <i>'000 sq.m</i> )	Total gross floor area ( <i>'000 sq.m</i> )	Properties for development ( <i>'000 sq.m</i> )	Properties under development ( <i>'000 sq.m</i> )	Properties for sale ( <i>'000 sq.m</i> )	Properties held for investment ( <i>Note d</i> ) ( <i>'000 sq.m</i> )	Properties completed and delivered ( <i>'000 sq.m</i> )	Actual/ expected	Percentage
											time of whole project completion	interest attributable to the Group
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 ( <i>Note b</i> )	83	346	-	-	4	14	328	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 ( <i>Note c</i> )	82	236	-	-	47	3	186	2021	98.4%
Xinyang, Henan Province	Xixian Kangqiao Xueyuan ( <i>Note a</i> ) (息縣康橋學苑)	West of Shuyingongda Road and north of Xirangda Road (叔穎公大道西側、 息壤大道北側), Xi County, Xinyang	Residential ( <i>Note c</i> )	55	147	-	111	13	-	23	2026	80%
Wugang, Hunan Province	Wugang Kangqiao Xueyuan ( <i>Note a</i> ) (武岡康橋學苑)	South of Zhucheng Highway (竹城公路 南側), Wugang	Residential ( <i>Note c</i> )	34	122	-	58	28	-	36	2024	80%
Wugang, Hunan Province	Kangqiao International City ( <i>Note a</i> ) (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	Commercial	22	36	36	-	-	-	-	2025	80%
Wugang, Hunan Province	Kangqiao Meishu ( <i>Note a</i> ) (康橋美居)	South of Xindong Road and east of Futian Road (新東路南側、 富田路東側), Wugang	Residential and Commercial ( <i>Note c</i> )	24	72	72	-	-	-	-	2026	80%
Wugang, Hunan Province	Kangqiao Meishu ( <i>Note a</i> ) (康橋美墅)	East side of Futian Road and north side of Chunyuan Road (富田路以東、 春園路北), Wugang	Residential and Commercial ( <i>Note c</i> )	49	148	148	-	-	-	-	2026	80%
Total				349	1,107	256	169	92	17	573		

*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 term lease according to the term stated in the relevant state-owned land use rights certificates.



## FINANCIAL REVIEW

### Financial Performance

The Group's revenue for the year ended 31 December 2023 was mainly derived from the sale and delivery of residential properties of the projects developed recently in Henan Province and Hunan Province, namely Xixian Kangqiao Xueyuan (息縣康橋學苑) and Wugang Kangqiao Xueyuan (武岡康橋學苑), net of discounts and sales related taxes. Revenue rose by 6.2% from RMB262,153,000 for the year ended 31 December 2022 to RMB278,286,000 for the year ended 31 December 2023, primarily due to the increase in properties completed and delivered to customers during the year ended 31 December 2023.

Gross profit of the Group dropped by 55.7% from RMB83,593,000 for the year ended 31 December 2022 to RMB37,006,000 for the year ended 31 December 2023, mainly caused by the declining gross profit margin from 31.9% for the year ended 31 December 2022 to 13.3% for the year ended 31 December 2023. The squeeze in gross profit margin was primarily attributable to the lower gross profit margin earned from the recently developed projects in face of the price adjustment pressure in the property market during the year ended 31 December 2023.

Write down on properties for sale of approximately RMB5,035,000 for the year ended 31 December 2022 represented the write down of certain car parking spaces of the Group to their net realisable value when the Group adjusted the selling price of these car parking spaces below cost to promote the sale. No adjustments to the price of the properties for sale below cost were made by the Group during the year ended 31 December 2023.

Loss on misappropriation of funds for the year ended 31 December 2022 represented the net loss suffered by the Group, resulting from the misappropriation of funds by a former treasurer of Hui An China General between 2019 and 2022, as disclosed in the Company's announcements dated 7 October 2022, 19 December 2022 and 28 March 2023.

Selling expenses of the Group increased by 13.3% from RMB7,349,000 for the year ended 31 December 2022 to RMB8,324,000 for the year ended 31 December 2023, primarily attributable to the additional sales agent commission incurred for the delivery of properties.

Administrative expenses decreased by 27.4% from RMB20,914,000 for the year ended 31 December 2022 to RMB15,182,000 for the year ended 31 December 2023 as the Group implemented additional cost control measures to cope with the challenging business environment.

Income tax expense, representing current tax provision for the PRC Enterprise Income Tax and PRC Land Appreciation Tax and deferred tax, decreased by 38.1% from RMB13,603,000 for the year ended 31 December 2022 to RMB8,423,000 for the year ended 31 December 2023, mainly attributable to the reduction of the Group's taxable profit.

Profit attributable to owners of the Company decreased by 85.6% from RMB31,321,000 for the year ended 31 December 2022 to RMB4,507,000 for the year ended 31 December 2023, primarily due to the squeeze in gross profit from the Group's property development business, partially offset by the decrease in write down on properties for sale, loss on misappropriation of funds, administrative expenses and income tax expense.

### **Liquidity and Financial Resources**

As at 31 December 2023, the Group had total assets of RMB1,201,801,000 (including restricted bank deposits and bank balances and cash of RMB170,401,000), which were financed by total equity of RMB804,334,000 and total liabilities of RMB397,467,000. The Group's working capital requirements were mainly fulfilled by its internal resources and bank borrowings during the year ended 31 December 2023.

Current ratio of the Group was 2.93 times as at 31 December 2023 (31 December 2022: 2.45 times). The Group had secured bank borrowings of RMB36,000,000 as at 31 December 2023 (31 December 2022: RMB36,000,000). Gearing ratio, defined as total debts comprising bank borrowings and amount due to a non-controlling interest of subsidiaries divided by total equity, maintained at 19.7% as at 31 December 2023 (31 December 2022: 19.7%).

### **Foreign Exchange Exposure**

Major subsidiaries of the Company operate in the PRC and all the business transactions of the Group are denominated in RMB. Net foreign exchange loss for the year ended 31 December 2023 primarily resulted from the translation of the bank balances 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 2023, the Group pledged properties for development of approximately RMB135,787,000 to secure its bank borrowings.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2023, the Group had approximately 39 full-time employees, excluding the Directors, in the PRC. During the year ended 31 December 2023, the total staff costs, including Directors' remuneration, was RMB8,013,000 (2022: RMB9,484,000). Remuneration packages of the employees are determined by reference to the qualifications and experience of the employee concerned and are reviewed annually by the management with reference to market conditions and individual performance. The Group offers a comprehensive and competitive remuneration and benefit package to its employees. As required by applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident fund, pension, medical, maternity, work injury insurance and unemployment benefit plans.

## **CORPORATE GOVERNANCE**

To the best knowledge of the Directors, the Company has complied with the code provisions as set out in Appendix C1 of the Listing Rules — Corporate Governance Code (the “**CG Code**”) during the year ended 31 December 2023.

The Board is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders of the Company and to enhance accountability and transparency.

## **MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 2023.

## **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 2023.

## **DIVIDEND**

The Board does not recommend payment of any dividend for the year ended 31 December 2023 (2022: 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, 6 June 2024 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, 3 June 2024 to Thursday, 6 June 2024 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 30 May 2024.

## **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 2023, 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 2023 have been agreed by the Company’s auditors, HLB Hodgson Impey Cheng Limited (“**HLB**”), to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by HLB 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 HLB 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](http://www.jiande-intl.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). The 2023 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 2024.

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

Hong Kong, 28 March 2024

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