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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)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 20% EQUITY INTEREST IN A SUBSIDIARY

EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 11 July 2024, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, 20% equity interest in the Target Company, a non-wholly owned subsidiary of the Company. The Consideration is that the Target Company shall early repay the shareholder's loan of RMB23,624,000 (equivalent to approximately HK\$25,384,000) owed to the Vendor, which shall be funded by an unsecured and interest free shareholder's loan of an equal amount to be provided by the Purchaser to the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the Equity Transfer Agreement and the transactions contemplated thereunder are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder, and confirmed that they are entered into on normal commercial terms or better, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole, the Equity Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Director has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant Board resolutions.

The Board is pleased to announce that on 11 July 2024, the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, 20% equity interest in the Target Company, a non-wholly owned subsidiary of the Company. The Consideration is that the Target Company shall early repay the shareholder's loan of RMB23,624,000 (equivalent to approximately HK\$25,384,000) owed to the Vendor, which shall be funded by an unsecured and interest free shareholder's loan of an equal amount to be provided by the Purchaser to the Target Company.

EQUITY TRANSFER AGREEMENT

Date : 11 July 2024

Parties : (1) the Vendor;

(2) the Purchaser (an indirect wholly-owned subsidiary of the Company); and

(3) the Target Company (an indirect non-wholly owned subsidiary of the Company owned as to 80% by the Purchaser and 20% by the Vendor).

Subject matter

Pursuant to the Equity Transfer Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, representing 20% equity interest in the Target Company.

Consideration

The Consideration is that the Target Company shall early repay the shareholder's loan of RMB23,624,000 (equivalent to approximately HK\$25,384,000) owed to the Vendor, which shall be funded by an unsecured and interest free shareholder's loan of an equal amount to be provided by the Purchaser to the Target Company.

As at the date of this announcement, the Target Company owed the Vendor a shareholder's loan of RMB23,624,000 which is unsecured and non-interest bearing. Pursuant to the Cooperation Agreement, the shareholders' loans provided by the Purchaser and the Vendor to the Target Company shall be repaid in proportion to their equity interest in the Target Company (i) if the Target Company has obtained financing for the development of the property project or achieves a positive cash flow; and/or (ii) by the net proceeds from the

sale of properties of the property project in each quarter. As at the date of this announcement, the Target Company has not obtained financing for the development of the property project nor commenced the development of the property project.

Pursuant to the Equity Transfer Agreement, the Purchaser shall advance an unsecured and interest free shareholder's loan of RMB23,624,000 (equivalent to approximately HK\$25,384,000) to the Target Company within 30 days from the date of the Equity Transfer Agreement and the Target Company shall forthwith repay the shareholder's loan of an equal amount owed to the Vendor within 3 business days upon receipt of the funds from the Purchaser.

The Consideration will be funded by the internal resources of the Group.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account of the financial position of the Target Company, the amount of shareholder's loan due to the Vendor by the Target Company and the factors set out in the section headed "Reasons for and benefits of the Acquisition" below.

Completion

Upon receipt of the repayment of the shareholder's loan from the Target Company, the Vendor shall, within 10 business days, cooperate with the Purchaser and/or the Target Company to complete the transfer of and registration of the Sale Shares.

Upon the completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company.

INFORMATION OF THE COMPANY AND THE PARTIES

The Company

The Company is principally engaged in the development and sale of properties in the PRC.

The Vendor

The Vendor is a company incorporated in the PRC with limited liability and is principally engaged in investment holding. As at the date of this announcement, the Vendor is owned by Liu Ruizhi (劉瑞芝) and Zeng Jiankang (曾建康) as to 95% and 5%, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, save for the 20% equity interest in the Target Company, the Vendor is also a substantial shareholder of two other subsidiaries of the Company, accordingly, the Vendor and its ultimate beneficial owner are connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

The Purchaser

The Purchaser is a company incorporated in the PRC with limited liability and is principally engaged in investment holding. The Purchaser is an indirect wholly-owned subsidiary of the Company.

The Target Company

The Target Company is a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Target Company is owned by the Purchaser and the Vendor as to 80% and 20%, respectively. It principally engages in property development and mainly holds the land use rights of a piece of land located in Wugang City, Hunan Province, the PRC. As at the date of this announcement, the Target Company has not yet commenced the development of property project on such land.

Please refer to the announcement of the Company dated 13 January 2022 for further details in relation to the establishment of the Target Company and the acquisition of the land use rights.

The following sets out the unaudited financial information of the Target Company for the years ended 31 December 2022 and 2023:

	For the year ended	
	31 December	
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Net loss before taxation	257	415
Net loss after taxation	257	415

Based on the unaudited financial statements of the Target Company made up to 31 May 2024, the unaudited net liabilities of the Target Company was approximately RMB870,000.

As at the date of this announcement, the Purchaser and the Vendor have not contributed the registered capital of the Target Company. The original acquisition cost of the Sale Shares by the Vendor, which represents the shareholder's loan contributed by the Vendor to the Target Company, was RMB23,624,000 (equivalent to approximately HK\$25,384,000).

REASONS FOR AND BENEFITS OF THE ACQUISITION

In June 2024, the Purchaser received a notice from the Vendor that it intended to dispose of the Sale Shares, over which the Purchaser has pre-emptive right. The Board considers that it would be in the Company's interest to acquire the Sale Shares as opposed to the Vendor selling the Sale Shares to another party, which may give rise to uncertainty in relationship and cooperation among the shareholders of the Target Company. Having considered the benefits that the Purchaser will obtain full control over the Target Company after the completion of the Acquisition and the future development and prospect of the property market in Wugang City, Hunan Province, the PRC, the Purchaser decided to acquire the Sale Shares.

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company. This would facilitate more effective implementation of the business strategies and business expansion plans of the Company in respect of the Target Company's business.

The terms of the Equity Transfer Agreement were determined after arm's length negotiations between the Purchaser and the Vendor. In light of the reasons above, the Directors (including the independent non-executive Directors) consider that the Acquisition is in the ordinary and usual course of business of the Group and on normal commercial terms or better, and the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Vendor is a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target Company, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.101 of the Listing Rules, since (i) the Vendor is a connected person of the Company at the subsidiary level; (ii) the Equity Transfer Agreement and the transactions contemplated thereunder are entered into on normal commercial terms; and (iii) the Board (including independent non-executive Directors) have approved the Equity Transfer Agreement and the transactions contemplated thereunder, and confirmed that they are entered into on normal commercial terms or better, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole, the Equity Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the Director has a material interest in the Equity Transfer Agreement and the transactions contemplated thereunder and is required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

In this announcement, the following expressions have the meanings set forth below unless the context requires otherwise:

“Acquisition”	the acquisition of Sale Shares pursuant to the Equity Transfer Agreement
“Board”	the board of Directors
“Company”	Jiande International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 865)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Acquisition
“Cooperation Agreement”	a property project development cooperation agreement dated 8 January 2022 entered into between the Purchaser and the Vendor in relation to the establishment of the Target Company
“Directors”	the director(s), including independent non-executive director(s), of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 11 July 2024 entered into between the Purchaser, the Vendor and the Target Company in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Xiamen Junyi Real Estate Company Limited* (廈門駿熠置業有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of PRC
“Sale Shares”	the 20% equity interest in the Target Company owned by the Vendor
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wugang Dejian Real Estate Development Company Limited* (武岡德建房地產開發有限責任公司), a limited liability company incorporated in the PRC and owned by the Purchaser and the Vendor as to 80% and 20%, respectively
“Vendor”	Shishi Qixin Trading Company Limited* (石獅市琦鑫貿易有限責任公司), a limited liability company incorporated in the PRC
“%”	per cent

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

Hong Kong, 11 July 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.

** for identification purposes only*