

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



QINGDAO HOLDINGS INTERNATIONAL LIMITED

青島控股國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00499)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2023 AND ANNOUNCEMENT ON THE UPDATE ON THE CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the announcements of Qingdao Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 June 2022 and 19 July 2022 (the “**Announcements**”) and the 2023 annual report of the Company (the “**2023 Annual Report**”). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

USE OF PROCEEDS

As disclosed in the 2023 Annual Report, the net proceeds (the “**Net Proceeds**”) from the rights issue of one rights share for every one existing share held by members on the register of members of the Company on 11 May 2021 (the “**Rights Issue**”) was approximately RMB159.9 million.

* For identification purpose only

Pursuant to paragraphs 11(8)(b) and 11A of Appendix D2 to the Listing Rules, the Board would like to provide additional information in relation to the expected timeline in utilising the unutilised Net Proceeds. As disclosed in the announcement of the Company dated 19 July 2022, the Company expected to utilise all Net Proceeds by 31 December 2023. As disclosed in the 2023 Annual Report, RMB108.24 million of the Net Proceeds had not been utilised as at 31 December 2023. Due to the economic downturn in the property market, from a prudent and positive perspective, the Board did not make a final decision as to the expected timeline for the full utilisation of the unutilised Net Proceeds at the time of the issue of the 2023 Annual Report. As a result, the Company did not put an exact timeline as to when will the unutilised Net Proceeds be fully utilised at the time of the issue of the 2023 Annual Report. In order to prevent recurrence of similar non-compliance, the Company will revisit the acquisition timetable regularly and provide update on the progress of the use of the unutilised Net Proceeds to its shareholders through its annual report and interim report going forward.

This supplemental announcement does not have any impact on the other information presented in the 2023 Annual Report. Save as disclosed above, the contents of the 2023 Annual Report remain unchanged.

CHANGE IN USE OF PROCEEDS AND THE EXPECTED TIMELINE

As at the date of this announcement, save for RMB38.16 million, which has been utilised for the settlement of bank loans, and RMB13.5 million, which has been utilised as general working capital of the Group, the remaining Net Proceeds remain unutilised (the “Unutilised Net Proceeds”) and have been deposited with bank in order to generate stable interest income.

The Board has, after considering the reasons set out in the section headed “Reasons for and Benefits of the Change in Use of the Net Proceeds” below, resolved to change the use of and the expected timeline for the Unutilised Net Proceeds as follows:

	Proposed use of Net Proceeds as at 28 March 2023 (RMB' million)	Actual use of the Net Proceeds as at the date of this announcement (RMB' million)	Before change: Unutilised balance as of the date of this announcement (RMB' million)	After change: Unutilised balance as of the date of this announcement (RMB' million)	Revised allocation of the Unutilised Net Proceeds (RMB' million)	Expected timeline for full utilisation of the Unutilised Net Proceeds
As general working capital of the Group	15.99	13.5	2.49	2.49	2.49	Not applicable
Investment opportunities	105.75	–	105.75	69.35	69.35	30 June 2025
Repayment of bank loans	38.16	38.16	–	36.4	36.4	Not applicable
	<u>159.9</u>	<u>51.66</u>	<u>108.24</u>	<u>108.24</u>	<u>108.24</u>	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF THE NET PROCEEDS

Based on the review on the recent financial position of the Group and the performance of its operating segments, and taking into account various factors including the current market conditions in Hong Kong and international capital markets, the Board has reassessed the allocation of resources to the existing business and the use of resources, with a view to maximising the value of the Group and striving for the best interests of the shareholders. As indicated in the above table, RMB105.75 million out of the Net Proceeds was intended to be allocated to investment opportunities. The Group has been exploring for suitable investment opportunities. However, in view of the current economic downturn in the property market and the increasing market uncertainty, the Group has not yet made a final decision on potential opportunities. The Board expects that the stagnation in the property market will continue for an indefinite period. Accordingly, the Board is of the view that, it is unlikely for the Group to fully utilise the amount of RMB105.75 million for acquisition in the property market at least in the near future and it is anticipated that the Unutilised Net Proceeds will be fully utilised on or before 30 June 2025.

Rather than allowing the whole proceeds allocated for investment opportunities to continue to remain idle, the Board has resolved to utilise approximately RMB36.4 million out of the RMB105.75 million for the repayment of bank loans which is due in August 2024, in order to improve the gearing ratio of the Group and reduce financing costs. In the future, if there are suitable opportunities, the Company will use various forms of financing, including but not limited to shareholder loans, to provide fundings for the investment activities. The Board considers that the change in use of the Net Proceeds will be in the interest of the Group and the shareholders of the Company as a whole, and will not result in any material and adverse impact on the current business or operation of the Group.

The Board is of the view that a more prudent business development strategy should be adopted for the time being and may be adjusted in the future in accordance with market conditions. The Board will continue to evaluate the planned use of and the expected timeline for the Unutilised Net Proceeds and may revise it as necessary in response to the future market conditions.

Save as disclosed above, there are no other changes in the use of the Net Proceeds.

By order of the Board
Qingdao Holdings International Limited
Wang Yimei
*Executive Director, Deputy Chairman and,
Chief Executive Officer*

Hong Kong, 7 August 2024

As at the date of this announcement, the Executive Directors are Mr. Cui Mingshou (Chairman), Mr. Wang Yimei (Deputy Chairman and Chief Executive Officer) and Mr. Hu Liang; and the Independent Non-executive Directors are Mr. Yin Tek Shing, Paul, Ms. Zhao Meiran and Mr. Li Xue.