



Qingdao Holdings International Limited
青島控股國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 499)

2024
Interim Report



*For identification purposes only

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
REVENUE			
– Goods		6,532	5,440
– Rental		5,717	5,035
Total revenue	4	12,249	10,475
Cost of Inventory		(4,342)	(4,240)
Decrease in fair value of investment properties		–	(24,271)
Other income	4	3,108	1,293
Other gains and losses	4	82	138
Employee benefits expenses		(5,383)	(6,968)
Other operating expenses		(8,761)	(9,476)
Finance costs	5	(13,075)	(13,297)
Share of losses of joint ventures		(1,946)	(2,817)
LOSS BEFORE TAX	6	(18,068)	(49,163)
Income tax (expense)/credit	7	(99)	5,854
LOSS FOR THE PERIOD		(18,167)	(43,309)
Attributable to:			
Owners of the parent		(14,398)	(37,775)
Non-controlling interests		(3,769)	(5,534)
		(18,167)	(43,309)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic (RMB cents), loss for the period	9	(1.44)	(3.78)
– Diluted (RMB cents), loss for the period	9	(1.44)	(3.78)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
LOSS FOR THE PERIOD	<u>(18,167)</u>	<u>(43,309)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) <i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>473</u>	<u>7,255</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	<u>473</u>	<u>7,255</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(17,694)</u>	<u>(36,054)</u>
Attributable to:		
Owners of the Company	<u>(13,925)</u>	<u>(30,520)</u>
Non-controlling interests	<u>(3,769)</u>	<u>(5,534)</u>
	<u>(17,694)</u>	<u>(36,054)</u>



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		41,435	42,489
Investment properties	10	435,461	433,633
Right-of-use assets		2,085	1,532
Goodwill		1,928	1,970
Other intangible assets		11,644	10,199
Investments in joint ventures		7,843	9,612
Deferred tax assets		15,422	15,349
Total non-current asset		515,818	514,784
CURRENT ASSETS			
Inventories	11	426,969	386,798
Trade and other receivables	12	81,185	27,011
Amounts due from joint ventures	17	154,912	160,080
Financial assets at fair value through profit or loss		2,070	2,058
Cash and cash equivalents	13	350,684	156,267
Total current assets		1,015,820	732,214
CURRENT LIABILITIES			
Trade and other payables	14	670,656	370,932
Contract liabilities		1,850	1,736
Interest-bearing bank borrowings		37,482	38,435
Amount due to ultimate holding company		459,100	459,100
Amount due to joint venture company		20,000	15,000
Income tax payable		61	95
Total current liabilities		1,189,149	885,298
NET CURRENT LIABILITIES		(173,329)	(153,084)
TOTAL ASSETS LESS CURRENT LIABILITIES		342,489	361,700



	<i>Notes</i>	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Rental deposits from tenants		–	453
Interest-bearing bank and other borrowings		5,610	6,682
Deferred tax liabilities		1,263	1,255
Total non-current liabilities		6,873	8,390
Net assets		335,616	353,310
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	81,257	81,257
Reserves		198,290	212,215
Non-controlling interests		279,547	293,472
		56,069	59,838
Total equity		335,616	353,310



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent					Non-controlling interests	Total
	Share capital	Surplus account*	Translation reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 (audited)	81,257	382,880**	6,365**	(132,257)**	338,245	60,150	398,395
Loss for the period	-	-	-	(37,775)	(37,775)	(5,534)	(43,309)
Other comprehensive income	-	-	7,255	-	7,255	-	7,255
Total comprehensive income/ (loss) for the period	-	-	7,255	(37,775)	(30,520)	(5,534)	(36,054)
At 30 June 2023 (unaudited)	81,257	382,880**	13,620**	(170,032)**	307,725	54,616	362,341



	Attributable to owners of the parent					Non-controlling interests	Total
	Share capital	Surplus account*	Translation reserve	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024 (audited)	81,257	382,880**	8,916**	(179,581)**	293,472	59,838	353,310
Loss for the period	-	-	-	(14,398)	(14,398)	(3,769)	(18,167)
Other comprehensive income	-	-	473	-	473	-	473
Total comprehensive income/(loss) for the period	-	-	473	(14,398)	(13,925)	(3,769)	(17,694)
At 30 June 2024 (unaudited)	81,257	382,880**	9,389	(193,979)**	279,547	56,069	335,616

* The surplus account represents the difference between the nominal amount of the share capital issued by the Company and the aggregate of the nominal amount of the issued share capital and other reserve of a subsidiary which was acquired by the Company pursuant to a previous group reorganisation in 1997 and the difference between the nominal value of the share capital issued for the acquired company and the total nominal value of the issued share capital and other reserves in 2021.

** These reserve accounts comprise the consolidated other reserves of RMB198,290,000 (31 December 2023: RMB233,580,000) in the interim condensed consolidated statement of financial position.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net cash flow used in operating activities	<u>200,452</u>	<u>(13,760)</u>
INVESTING ACTIVITIES		
Investment income received	81	499
Advance of loan receivables	-	-
Cash received on recovery of investment	23,993	-
Cash paid for investment	(23,930)	-
Proceed from disposal of items of property, plant and equipment	-	-
Purchase of items of property, plant and equipment	<u>-</u>	<u>(29)</u>
Net cash flow generated from investing activities	<u>144</u>	<u>470</u>
FINANCING ACTIVITIES		
Interests received	84	-
Repayment of loan interest to ultimate holding company	-	(5,578)
Repayment of bank borrowings	(953)	(495)
Principal portion of lease payment	-	(877)
Interest portion of lease payment	-	(52)
Interest paid	<u>(829)</u>	<u>(1,296)</u>
Net cash flows used in financing activities	<u>(1,698)</u>	<u>(8,298)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>198,898</u>	<u>(21,588)</u>
Cash and cash equivalents at the beginning of the period	156,267	173,011
Effect of foreign exchange rate changes, net	<u>(4,481)</u>	<u>3,680</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>350,684</u></u>	<u><u>155,103</u></u>



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The unaudited condensed financial statements do not include all the information and disclosures required under the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Company's accounting policies, presentation of the Company's financial statements and amounts reported for the current period and prior years except as stated in this unaudited interim condensed financial statements.



3. SEGMENT INFORMATION

Segment revenue and results

For the six months ended 30 June 2024 (Unaudited)

	Segment revenue RMB'000 (Unaudited)	Segment results RMB'000 (Unaudited)
Leasing of properties	5,717	723
Production and sale of education equipment	6,532	(4,966)
Consulting service	–	–
Loan financing	–	–
Real estate development	–	–
Segment total	<u>12,249</u>	<u>(4,243)</u>
Decrease in fair value of investment properties		–
Unallocated income		3,190
Unallocated expenses		<u>(17,015)</u>
Loss before tax		<u>(18,068)</u>



For the six months ended 30 June 2023 (Unaudited)

	Segment revenue RMB'000 (Unaudited)	Segment results RMB'000 (Unaudited)
Leasing of properties	5,035	1,647
Production and sale of education equipment	5,440	(6,437)
Consulting service	–	(4,632)
Loan financing	–	(22)
Real estate development	–	(9)
Segment total	<u>10,475</u>	(9,453)
Decrease in fair value of investment properties		(24,271)
Unallocated income		1,222
Unallocated expenses		<u>(16,661)</u>
Loss before tax		<u>(49,163)</u>



Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	Segment assets		Segment liabilities	
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Leasing of properties	621,718	602,059	497,053	482,378
Production and sale of education equipment	65,725	63,301	7,821	12,595
Consulting service	37,944	32,920	20,288	24,693
Loan financing	–	–	–	–
Real estate development	450,274	376,885	643,093	338,443
Segment total	1,175,661	1,075,165	1,168,255	858,109
Unallocated:				
Cash and cash equivalents	350,684	156,267	–	–
Others	5,293	15,566	27,767	35,579
Total	1,531,638	1,246,998	1,196,022	893,688



Geographical information

(a) Revenue from external customers

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Mainland China	10,882	9,112
Hong Kong	1,367	1,363
	12,249	10,475

(b) Non-current assets

	30 June	31 December
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Mainland China	349,376	344,581
Hong Kong	151,020	154,854
	500,396	499,435

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.



4. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

Revenue

An analysis of revenue from contracts with customers is as follows:

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of education equipment	6,532	5,440
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases with fixed payments	5,717	5,035
	12,249	10,475

Revenue from contracts with customers

(a) Disaggregated revenue information

For the period ended 30 June 2024

Segments	Sale of education equipment RMB'000
Geographical markets	
Mainland China	6,532
Timing of revenue recognition	
Goods transferred at a point in time	6,532



For the period ended 30 June 2023

Segments	Sale of education equipment RMB'000
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Geographical markets

Mainland China	5,440
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Timing of revenue recognition

Goods transferred at a point in time	5,440
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Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the period ended 30 June 2024

Segments	Sale of education equipment RMB'000
Revenue from contracts with customers	
External customers	6,532

For the period ended 30 June 2023

Segments	Sale of education equipment RMB'000
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Revenue from contracts with customers

External customers	5,440
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(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of education equipment

The performance obligation of the sale of education equipment is satisfied upon delivery of goods and payment in advance is generally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint. As at 30 June 2024 and 30 June 2023, the variable consideration was assessed to be minimal.

Consulting service

The performance obligation of consulting service is satisfied upon winning the bid in accordance with the service contract.

An analysis of other income is as follows:

	For six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	2,365	660
Investment income from financial assets at fair value through profit or loss	743	499
Government grant	–	117
Others	–	17
	3,108	1,293



Other gains and losses

An analysis of other gains and losses is as follows:

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Net foreign exchange gain	82	129
(Loss)/Gain from change in fair value of financial assets at fair value through profit or loss, net	—	9
	82	138

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest expenses on:		
Loan from the ultimate holding company	11,598	11,983
Bank loans	1,477	1,314
	13,075	13,297



6. LOSS BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	For six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,051	1,091
Depreciation of right-of-use assets	567	409
Amortisation of intangible assets	494	995
Impairment loss on financial assets, net	1	–
Investment income from financial assets at fair value through profit or loss	(743)	(499)
Government grant	–	(117)
Net foreign exchange gain	82	(129)
Loss/(Gain) from change in fair value of financial assets at fair value through profit or loss, net	–	(1)
Cost of inventories sold	4,342	4,240



7. INCOME TAX EXPENSE

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months ended 30 June 2024 and 30 June 2023.

Mainland China

Under the Law of Mainland China on Entity Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate for high-tech enterprises in Mainland China was 15% for the six months ended 30 June 2024 and 30 June 2023, and the tax rate for other Mainland China subsidiaries was 25% for the six months ended 30 June 2024 and 30 June 2023.

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Current tax – Hong Kong		
Underprovision in prior years	34	141
Deferred	65	(5,995)
Total tax (credit)/charge for the period	99	(5,854)

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024 and 30 June 2023, nor has any dividend been proposed since the end of the reporting period (30 June 2023: Nil).



9. LOSS PER SHARE

The calculation of the basic loss per share attributable to equity holders of the parent is based on the following data:

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
(Loss)/Earnings		
(Loss)/profit attributable to ordinary equity holders of the parent	(14,398)	(37,775)
	For six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period	998,553,360	998,553,360

The Company had no potentially dilutive shares in issue for both periods.



10. INVESTMENT PROPERTIES

The investment properties of the Group are located in Hong Kong and Mainland China. The valuations for investment properties have been arrived at on a basis of valuations carried out at the end of the reporting period by Masterpiece Valuation Advisory Limited (30 June 2023: Bon Vision International Appraisals Limited) by adopting the income capitalisation method.

For the six months ended 30 June 2024, an unrealised loss on investment properties revaluation of nil (six months ended 30 June 2023: RMB24,271,000) has been recognised in profit or loss. The difference of the six months period of this year is the exchange difference alignment.

11. INVENTORIES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Raw materials	9,361	8,401
Finished goods	5,738	6,156
Properties under development	413,113	373,484
	428,212	388,041
Less: impairment loss on inventories	(1,243)	(1,243)
	426,969	386,798



12. TRADE AND OTHER RECEIVABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade receivables	9,799	7,672
Less: Allowance for credit losses	(2,612)	(2,612)
	7,187	5,060
Deposits, prepayments and other receivables	73,888	18,823
Less: Allowance for credit losses	(195)	(195)
	73,693	18,628
Advance payment of income tax	305	2,423
Value-added tax recoverable	–	900
	81,185	27,011

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 month	2,744	2,695
1 to 2 months	–	40
2 to 3 months	304	1,362
Over 3 months	4,139	963
	7,187	5,060



13. CASH AND CASH EQUIVALENTS

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Cash and bank balances	249,343	57,599
Short term bank deposit	101,341	98,668
	350,684	156,267

14. TRADE AND OTHER PAYABLES

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Trade payables	465,971	339,364
Accrued charges	547	6,129
Other payables	203,769	1,424
Other taxes payable	369	24,015
	670,656	370,932



An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Within 1 month	2,117	24,451
1 to 2 months	282	15,686
2 to 3 months	–	–
Over 3 months	463,572	299,227
	465,971	339,364

15. SHARE CAPITAL

Shares

The number of authorised capital is 20,000,000,000. The par value per share is HK\$0.1.

	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
Issued and fully paid 998,553,360 (2023: 998,553,360) ordinary shares	81,257	81,257



A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
At 1 January 2022 (Audited)	499,276,680	39,942
Rights issue (<i>Note</i>)	<u>499,276,680</u>	<u>41,315</u>
At 31 December 2022, 1 January 2023, 31 December 2023 and 30 June 2024 (Unaudited)	<u>998,553,360</u>	<u>81,257</u>

Note:

A rights issue of one rights share for every existing share held by members on the register of members on 11 May 2021 was made, at an issue price of approximately RMB0.32 (HK\$0.39) per rights share, resulting in the issue of 499,276,680 shares for a total cash consideration, before expenses, of RMB161,539,154.

16. PLEDGE OF ASSETS

- (a) As at 30 June 2024, the Group pledged certain of its investment properties with a market value of RMB126,800,000 (31 December 2023: RMB127,100,000) to a bank in Hong Kong to secure banking facility granted to the Group to obtain a mortgage financing from a bank in Hong Kong of approximately RMB36,492,000 (31 December 2023: RMB41,490,000). As at 30 June 2024, the Group had no unutilised banking facilities (31 December 2023: nil).
- (b) As at 30 June 2024, the Group pledged certain of its property, plant and equipment with book value of RMB25,700,000 (31 December 2023: RMB25,700,000) to a bank in Mainland China to obtain a mortgage financing from a bank in Mainland China of RMB6,600,000 (31 December 2023: RMB7,590,000).



17. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

The remuneration of the directors during the period was as follows:

	For six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Short-term benefits	211	221

(b) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

	Notes	For six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
A joint venture:			
Interest income from a loan			
The ultimate holding company:			
Interest expense on loans	(i)	11,598	8,964
Interest expense on loans	(ii)	–	3,019
An intermediate holding company:			
Rental Income	(iii)	117	127



(c) Balance with related parties:

		For six months ended 30 June	
	<i>Notes</i>	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Amounts due from related parties			
Amount due from a joint venture	<i>(ii)</i>	198,606	198,606
Impairment losses, net	<i>(ii)</i>	43,694	43,694
		154,912	154,912
Amount due from another joint venture (included in trade and other receivables)	<i>(ii)</i>	37,098	3,303
		192,010	158,215
Amounts due to related parties			
Current portion			
Amount due to the ultimate holding company	<i>(ii)</i>	115,100	115,100
Amount due to a non-controlling shareholder of a subsidiary (included in trade and other payables)	<i>(iv)</i>	460,162	256,845
		575,262	371,945
Non-current portion			
Amount due to the ultimate holding company	<i>(i)</i>	344,000	344,000



Notes:

- (i) As at 30 June 2024, a RMB-denominated loan from the ultimate holding company of RMB344,000,000 (31 December 2023: RMB344,000,000) was unsecured with the maturity date of 31 December 2024. The interest rate on the loan is 4.65% per year (2023: 5.55%). The Company has recognized an interest expense on the loan amounting to RMB11,598,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB8,964,000).
- (ii) On 7 May 2020, Qingdao Qifeng Technology Services Co., Ltd. (“Qifeng”, an indirect wholly owned subsidiary of the Company), Qingdao Urban Rural Construction Micro-credit Loan Co. Ltd. (“QURC Micro-credit Loan Company”) and Huizhou Jiuyu Real Estate Company Limited (“Huizhou Jiuyu”, a joint venture of the Group) entered into a loan arrangement, pursuant to which QURC Micro-credit Loan Company, acting as the lending agent, will release a loan in the principal amount of RMB195,100,000, which will be funded by Qifeng, to Huizhou Jiuyu, with a loan term of 2 years in accordance with the terms of the loan contract. As at 30 June 2024, the RMB-denominated loan has been provided to Huizhou Jiuyu of RMB191,600,000 (31 December 2023: RMB191,600,000) and bears interest at a fixed rate of 15% per year. The interest receivable of Huizhou Jiuyu is RMB7,006,000 (31 December 2023: RMB7,006,000). The Company has recognized interest income on the loan amounting to RMB nil for the six months ended 30 June 2024 (2023: Nil). Pursuant to the Loan Contract, the loan is guaranteed by the leasehold land and buildings owned by Huizhou Jiuyu and an interest in Huizhou Yanlong Land Company Limited (“Huizhou Yanlong”, the shareholder of Huizhou Jiuyu) owned by Huizhou Meile Land Company Limited.

Out of the total balance due from a joint venture, an amount of RMB191,600,000 was overdue by 30 June 2024 (31 December 2023: RMB191,600,000). As at 30 June 2024, the expected credit losses amounting to RMB43,694,000 (30 June 2023: RMB43,694,000) were estimated by fair value of collateral and recovery rate. The loss rate applied at 30 June 2024 was 22% (31 December 2023: 22%).



Qingdao City Construction Investment (Group) Limited (“QCCIG”), the ultimate controlling shareholder of the Company, entered into the loan agreement with Qifeng on the same day, pursuant to which, QCCIG has agreed to provide, upon Qifeng’s request, an unsecured loan of RMB182,000,000 to Qifeng. Such loan will be available for drawdown by Qifeng in accordance with Qifeng’s actual needs within two years from the first drawdown under the loan agreement at an interest rate of 3.85% per annum. The Group intends to use the loan provided by QCCIG to fund the loan to be made to Huizhou Jiuyu. As 30 June 2024, the RMB-denominated loan from the ultimate holding company of RMB115,100,000 (31 December 2023: RMB115,100,000) was unsecured and bears interest at an average rate of 4.65% per annum (30 June 2023: 5.25%). The loan was due on 24 December 2022 and was required to repay on demand.

On 17 May 2023, Hejian Qingkong Development Construction Co., Ltd (核建青控開發建設有限公司), an indirect non-wholly owned subsidiary of the Company, has entered a loan agreement with Hejian Qingkong Construction Engineering Co., Ltd (核建青控建設工程有限公司), a joint venture of the Group, with a loan in the principal amount of RMB5 million, with a loan term of 6 months in accordance with the loan contract. As at 30 June 2024, the RMB-denominated loan has been provided to Hejian Qingkong Construction Engineering Co., Ltd of RMB5 million and bears interest rate of 10% per annum.

- (iii) The Group has leased one of its commercial properties in Hong Kong under an operating lease agreement to an intermediate holding company, China Qingdao Development (Holdings) Group Company Limited. The initial lease period was from 1 June 2019 to 31 May 2020, and was further renewed to extend the maturity date to 31 May 2025. The Group has recognized rental income of RMB117,000 for six months ended 30 June 2024 (six months ended 30 June 2023: RMB127,000), and the outstanding balances due to the intermediate holding company of RMB23,000 (year ended 31 December 2023: RMB21,000), which are included in rental deposits from tenants in the consolidated statement of financial position as at the end of the reporting period respectively are unsecured, interest-free and have no fixed terms of repayment.



- (iv) In June 2021, Bengbu City Huai Yi Construction and Development Ltd. (an indirect subsidiary of the Company) issued a construction bidding announcement for the resettlement housing project of Yongkang Yuan, with a project budget of RMB470,000,000. In January 2022, it was announced that the winning bidder for construction was China Nuclear Industry Zhongyuan Construction Co., Ltd. (a non-controlling shareholder), with a winning bid amount of RMB444,677,000. On 30 December 2022, Bengbu City Huai Yi Construction and Development Ltd. signed a construction project contract with China Nuclear Industry Zhongyuan Construction Co., Ltd. for a total consideration of RMB444,677,000. Construction of the project has begun in 2022, and as at 30 June 2024, the amount of trade payable to China Nuclear Industry Zhongyuan Construction Co., Ltd. was RMB409,031,000 (31 December 2023: RMB256,845,000).

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in other receivables, loan and interest receivables, trade payables and financial liabilities included in other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



The fair values of the interest-bearing bank borrowings, a loan from and an amount due to the ultimate holding company and amount due to an intermediate holding company have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the interest-bearing bank borrowings, a loan from and an amount due to the ultimate holding company as at 30 June 2024 were assessed to be insignificant.

The Group invests in wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group also invests in an unlisted investment issued by a financial institution in Hong Kong, the fair value of which was determined with reference to the quoted price provided by the issuing financial institution.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	2,070	-	2,070



As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	–	2,058	–	2,058

Liabilities measured at fair value:

During the six months ended 30 June 2024, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 June 2023: Nil)

Liabilities for which fair values are disclosed:

As at 30 June 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings	–	43,092	–	43,092
Loan from the ultimate holding company	–	459,100	–	459,100
	–	502,192	–	502,192



As at 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank borrowings	-	45,117	-	45,117
Loan from the ultimate holding company	-	459,100	-	459,100
	-	504,217	-	504,217

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the board of directors on 30 August 2024.



INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024 (the “Period”) (30 June 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the business of leasing of investment properties, production and sale of the digital Chinese calligraphy education equipment and relevant learning, tutorial systems and the provision of loan financing, consulting services and property development.

Leasing of Investment Properties

During the six months ended 30 June 2024, the rental income from the leasing of investment properties located in Hong Kong and the People’s Republic of China (the “PRC”) amounted to approximately RMB5.7 million (2023: RMB5.0 million), which accounted for 47% of the Group’s total revenue.

The increase was mainly due to the fact that there were no property vacancies for the first half of 2024 compared with 2023. The Group’s investment property in Qingdao City known as “22nd Century Plaza”, which comprises 13 upperground floors and 136 underground carpark units, and approximately 40% of properties located in the PRC became vacant after the corresponding tenancy agreement expired in early March 2023.

Production and Sale of Digital Chinese Calligraphy Education Equipment

During the six months ended 30 June 2024, revenue generated from the production and sale of digital Chinese calligraphy education equipment amounted to RMB6.5 million (2023: RMB5.4 million), which accounted for 53% of the Group’s total revenue.

The increase was due to improvement of customers’ confidence. However, due to the global economic downturn, customers of the Group become more prudent for entering the sales contract and the installation works for our digital Chinese calligraphy education equipment in classrooms were delayed in general.



Loan Financing

The Group's money lending business is conducted through its wholly-owned subsidiary and principally carrying out loan financing business by providing secured and unsecured loans to its customers. Through the business and social networks of the management of the Company, corporate customers and individual customers with personal wealth are identified. Before carrying out the money lending process, the Company would assess the credit of such potential customers based on its credit policy and procedure. The Group struck a balance by adhering to an effective comprehensive policy as well as prudent procedures relating to loan approvals, loan renewals, loan top-ups, loan recovery, loan compliance, monitoring and anti-money laundering. During the six months ended 30 June 2024, the Group's loan financing business did not generate any revenue (2023: Nil) and the Group did not grant any new loans during the six months ended 30 June 2024. All loan receivables were settled in early 2020 with no outstanding loan receivables during the six months ended 30 June 2024.

As part of the internal control system, the Group has implemented its credit risk assessment protocol in the ongoing operation of loan financing businesses. The Group conducts adequate and considerable amount of valuation and background checks before granting any loan. The Group obtains land search report, valuation report from banks on properties and valuation check, including but not limit to the marketable securities, unlisted securities and first legal charge or second legal charges in respect of properties or land; ascertains the financial condition of the customers including reviewing income/asset proof of individual customers and financial information of corporate customers; and conducts litigation searches and credit search on customers. The loan terms are determined with reference to factors including customers' requirements; result of credit assessment of customers, including whether regular income of customers are sufficient to cover loan repayment instalments; value of collaterals; past collection history and relevant forward-looking information of each customer.

The Group also monitors loan repayment and recoverability by adopting the procedures on monitoring loan repayment and recovery which involve the finance department of the Group performing financial analysis such as comparatives and outstanding loans, and valuation review of pledged assets and reporting to the executive Directors at least monthly. In case of any delinquent loans, we will first issue standard demand letters. If no satisfactory response is received, we will instruct solicitors to issue formal legal demand letters. Thereafter formal legal proceedings may be issued where appropriate. The Group will continue to develop this business by employing prudent credit control procedures and strategies to maintain a balance between the business growth and the risk management.



Provision of Consulting Services

During the Period, the provision of consulting services segment did not generate any revenue (2023: nil). The consulting services are mainly provided to developers engaged in the construction and development of properties in new districts selected by PRC provincial governments for urbanization.

Property Development

The Group had, through Bengbu City Huai Yi Construction and Development Ltd.* (蚌埠市淮翼建設發展有限公司) (“BCHYCDL”), an indirect owned subsidiary of the Company, successfully acquired the land use right in respect of a land where Yong Kang Yuan Southern District Project (“Project”) is located by way of bidding in March 2021. Upon completion of the acquisition of BCHYCDL, property development became one of the principal business activities of the Group. For details, please refer to the announcements of the Company dated 30 December 2022 and 30 January 2023, respectively.

As at 30 June 2024, cost in relation to the construction of the Project has been recognized as inventory in the amount of RMB413.3 million (31 December 2023: RMB373.5 million).

FINANCIAL REVIEW

Revenue and Results

During the six months ended 30 June 2024, the Group recorded a revenue of approximately RMB12.2 million (2023: RMB10.5 million). The Group recorded a loss attributable to the equity holders of the parent in the amount of approximately RMB14.40 million for the six months ended 30 June 2024 (2023: a loss of RMB37.78 million). Loss per share was RMB1.44 cents for the six months ended 30 June 2024 (2023: a loss of RMB3.78 cents). The decrease in loss was mainly due to a combination of the following factors (i) the Group did not record additional decrease in fair value of investment properties during the Period whereas in the corresponding period for 2023 the Group recorded a decrease in fair value of investment properties in the amount of approximately RMB24,271,000; and (ii) the Group achieved modest growth in its revenue and other income during the Period.

Cost of inventory sold for the six months ended 30 June 2024 was approximately RMB4.3 million (2023: RMB4.2 million).



Other income for the six months ended 30 June 2024 was approximately RMB3.1 million (2023: RMB1.3 million), representing an increase of approximately RMB1.8 million. The increase was attributable to an increase in bank interest income and investment income.

Employee benefit expenses for the six months ended 30 June 2024 were approximately RMB5.4 million (2023: RMB7.0 million), representing a decrease of approximately RMB1.6 million. It was in line with the decrease in number of full time employee.

Other operating expenses for the six months ended 30 June 2024 were approximately RMB8.8 million (2023: RMB9.5 million). The decrease was mainly attributable to the decrease in research and development costs for material consumption by approximately RMB580,000.

Finance costs for the six months ended 30 June 2024 were approximately RMB13.1 million (2023: RMB13.3 million), representing an decrease of RMB0.2 million. Finance costs included interest payable for the unsecured loans provided by the ultimate holding company of the Company and interest payable for the secured loans provided by banks.

Income tax expense for the six months ended 30 June 2024 were approximately RMB99,000 (2023: income tax credit of RMB5.9 million). The increase was mainly because of the profits tax for rental income of a Hong Kong company.

Liquidity

As at 30 June 2024, total current assets and current ratio (total current assets/total current liabilities) were approximately RMB1,015,820,000 (31 December 2023: RMB732,214,000) and 0.85 (31 December 2023: 0.83) respectively.

As at 30 June 2024, the outstanding bank and other borrowings of the Group was approximately RMB43.1 million (31 December 2023: RMB45.1 million). Our business requires a significant amount of working capital, which is primarily used to finance the purchase of raw materials, capital spending for construction and acquisition of properties and land use rights, and product development costs. We have historically met our working capital and other capital requirements principally from cash generated from operations and borrowings from third-party financial institutions.

The gearing ratio of the Group, being the net debt to net debt and equity, was 71% as at 30 June 2024 (31 December 2023: 67%). The Directors believe that the Group has adequate cash resources to meet its commitments and current working capital requirements.



Capital Structure

The number of issued ordinary shares of the Company as at 30 June 2024 was 998,553,360 Shares (31 December 2023: 998,553,360 Shares).

The capital structure of the Group consists of debts, which includes bank borrowings, and equity attributable to owners of the parent, comprising share capital and reserves.

Pledge of Assets

As at 30 June 2024, the Group pledged certain of its investment properties with a market value of RMB126.9 million (31 December 2023: RMB127.1 million) to a bank in Hong Kong to secure mortgage financing facilities granted to the Group. As at 30 June 2024, the Group also pledged its leasehold land and building with a cost of RMB25.7 million (31 December 2023: RMB25.7 million) to a bank in PRC to secure mortgage financing facilities granted to the Group.

As at 30 June 2024, the Group had no unutilized banking facilities (31 December 2023: Nil).

Foreign Exchange Exposure

The Group's financial statements are presented in Renminbi. The Group carried out its business transactions mainly in HKD, RMB and United States dollars. The Group does not have any hedging arrangement on foreign exchange but will continue to closely monitor its foreign exchange exposure.

Capital Commitments

The Group did not have capital commitments including acquisition of subsidiary as at 30 June 2024 and 31 December 2023.

The Group's capital commitments including leasehold land and buildings and capital contributions payable to joint ventures amounted to approximately RMB28.9 million as at 30 June 2024 (31 December 2023: RMB28.9 million).

Contingent Liabilities

As at 30 June 2024 and 31 December 2023, the Group did not have any material contingent liabilities.



Employees and Remuneration Policy

The Group aims to provide employees a stimulating and harmonious working environment. The Group also encourages life-long learning and offer trainings to its employees to enhance their performance and provide support to their personal development. As at 30 June 2024, the Group employed a total of 103 full time employees (31 December 2023: 121). Employees and Directors are remunerated based on their performance and experience, current industry practices and prevailing market conditions and in accordance with the existing labour laws. In addition to basic salaries, the employees and Directors are rewarded with performance-related bonuses and other staff welfare benefits.

PROSPECTS

Looking forward to 2024, the Group's operating environment is optimistic. Firstly, from the perspective of the macro situation in the PRC, the PRC government continues to implement proactive fiscal policies and prudent monetary policies. With the implementation of a series of stabilizing growth and market rescue measures, PRC's economy is generally recovering and the real estate market and capital market are expected to recover. Secondly, the Federal Reserve is expected to enter an interest rate cut cycle in the second half of 2024. At the same time, the Hong Kong government is stimulating the local real estate market through removing selling and buying restrictions to the residential properties. The Group's investment properties in Hong Kong is expected to stabilize, and financing costs will be reduced at the same time.

Lastly, the controlling shareholder, QCIG, issued a letter of financial support to the Group to further support the operations of the Group, while accelerating the process of identifying any potential high-quality assets, promoting asset acquisitions, gradually improving the Group's principal business, and maintaining the Group's market value. As at the date of this report/announcement, the disposal of defaulted loan was completed, and it is expected that the disposal will significantly reduce the operating risks of the Group. Sales of digital Chinese calligraphy education equipment have gradually shaken off the impact of the epidemic and are expected to continue to improve profitability and maintain growth. As the joint venture of the Group gradually commences operations, it is expected that property development, construction and consulting income will have significant growth in the foreseeable future.



MATERIAL TRANSACTIONS

The Disposal of Loan

On 15 November 2019, Qingdao Holdings (Hong Kong) Limited (“Qingdao (HK)”), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the “Joint Venture Agreement”) with China Nuclear Industry Zhongyuan Construction Co., Limited* (中國核工業中原建設有限公司) (“China Nuclear Industry”) and China Huadong Construction and Engineering Group Limited* (中國華東建設工程集團有限公司) (“China Huadong”) in relation to the formation of a joint venture company (the “Joint Venture Company”). The Joint Venture Company is principally engaged in urban reconstruction and development, construction and management of parks, construction and management of municipal facilities and equity investment and capital deployment in the PRC.

On 25 February 2020, the Joint Venture Company and Huizhou Meile Land Company Limited* (惠州市美樂實業置地有限公司) (“Meile Land”), an independent third party of the Company, established Huizhou Yanlong Land Company Limited* (惠州市炎隆置業有限公司) (“Huizhou Yanlong”). Huizhou Yanlong is 49% and 51% owned by the Joint Venture Company and Meile Land, respectively. Huizhou Jiuyu Real Estate Company Limited* (惠州市九煜置業有限公司) (“Huizhou Jiuyu”) is wholly owned by Huizhou Yanlong. Huizhou Jiuyu is expected to acquire the land use rights of the Land.

To provide Huizhou Jiuyu with part of the funding for the acquisition, development and operating expenses of the Land, Qingdao Qifeng Technology Services Co., Ltd.* (青島啟峰科技服務有限公司) (“Qifeng”), an indirect wholly owned subsidiary of the Company, Qingdao Urban Rural Construction Micro-credit Loan Co. Ltd.* (青島城鄉建設小額貸款有限公司) (“QURC Micro-credit Loan Company”) and Huizhou Jiuyu entered into an entrusted loan arrangement on 7 May 2020 (the “Entrusted Loan Arrangement”). Pursuant to the Entrusted Loan Arrangement, QURC Micro-credit Loan Company, acting as the lending agent, agreed to release a loan in the principal amount of RMB195,100,000 (the “Loan”) funded by Qifeng, to Huizhou Jiuyu, subject to the terms and conditions of the entrusted loan contract dated 7 May 2020 entered into among Qifeng, QURC Micro-credit Loan Company and Huizhou Jiuyu and the entrusted loan entrustment contract. QURC Micro-credit Loan Company is a non-banking financial institution approved and regulated by the relevant PRC regulatory authorities and is a connected person of the Company.



On 7 May 2020, QCCIG entered into a loan agreement with Qifeng, pursuant to which, QCCIG agreed to provide, upon Qifeng's request, unsecured loan of RMB182,000,000 to Qifeng at an interest rate of 3.85% per annum ("Financial Assistance"). The Group used its internal resources and the Financial Assistance to fund the Loan for the years ended 31 December 2020, 2021 and 2022.

The entrusted loan entrustment contract had been terminated, QURC Micro-credit Loan Company ceased to be the lending agent in relation to the Loan and the Loan was provided to Huizhou Jiuyu by Qifeng directly.

In 2022, Huizhou Jiuyu failed to repay RMB191,600,000 of the principal of the Loan and approximately RMB7,006,000 of the interests of the Loan. Accordingly, as at 31 December 2023, the expected credit losses amounting to RMB43,694,000 (31 December 2022: RMB43,694,000) were estimated by fair value of collateral and recovery rate. The loss rate applied at 31 December 2023 was 22% (31 December 2022: 22%).

On 22 December 2023, Qifeng and Qingdao City Investment and Assets Management Company Limited (青島城投資產管理有限公司) entered into a transfer of loan agreement, pursuant to which, Qifeng, as the transferor, agreed to transfer the Loan to Qingdao City Investment and Assets Management Company Limited (青島城投資產管理有限公司), as the transferee, at the consideration of RMB155,000,000.

On 20 March 2024, the disposal of the Loan was approved at the special general meeting of the Company. Upon completion of the transfer of the Loan, the Company is expected to receive RMB155,000,000, which will be used to repay its shareholders' loans.

For further details, please refer to the announcements of the Company dated 7 May 2020, 30 June 2020, 30 December 2022, 3 January 2023, 22 December 2023 and 20 March 2024 and the circulars of the Company dated 11 June 2020 and 29 February 2024.



CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

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.

As disclosed in the announcement of the Company dated 7 August 2024, the Company had resolved to change the use of and the expected timeline for the unutilised Net Proceeds.

As disclosed in the announcement of the Company dated 7 August 2024, as at 7 August 2024, out of the Net Proceeds, RMB38.16 million had been utilised for the settlement of bank loans and RMB13.5 million had been utilised as general working capital of the Group. The remaining Net Proceeds remained unutilised and had been deposited with bank in order to generate stable interest income.

The details of the change in use of the Net Proceeds and the expected timeline for full utilisation of the Unutilised Net Proceeds are set out as follows:

Intended use of Net Proceeds	Proposed use	Actual use	Before change:	After change:	Revised	Expected
	of Net Proceeds as at 28 March 2023 (RMB'million)	of the Net Proceeds as at 7 August 2024 (RMB'million)	Unutilised balance at 7 August 2024 (RMB'million)	Unutilised balance at 7 August 2024 (RMB'million)	allocation of the unutilised Net Proceeds (RMB'million)	timeline for full utilisation of the unutilised Net Proceeds (RMB'million)
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>	

(excerpted from the announcement of the Company dated 7 August 2024)



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 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.

Rather than allowing the whole proceeds allocated for investment opportunities to continue to remain idle, the Board had resolved to utilise approximately RMB36.4 million out of the RMB105.75 million for the repayment of bank loans which was 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 interests 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 Company expects to utilize all the Net Proceeds from the Rights Issue by 30 June 2025.

For details, please refer to the announcements of the Company dated 30 June 2022, 19 July 2022, and 28 March 2023 and 7 August 2024, respectively.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2024, none of the Directors and the chief executives of the Company and their associates had any interests and short positions in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2024 was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the Directors, or their spouses or children under the age of 18 had any rights to subscribe for shares of the Company or had exercised any such rights during the six months ended 30 June 2024.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and chief executive of the Company, as at 30 June 2024, the following persons (other than a Director or chief executive of the Company or their associates) had the following interests and short positions (if any) in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Interest in the shares of the Company

Long positions

Name	Capacity	Number of shares held <i>(Note)</i>	Approximate percentage of the Company's total number of shares in issue
青島城市建設投資(集團)有限責任公司 (Qingdao City Construction Investment (Group) Limited*) ("QCCIG")	Interest of a controlled corporation	689,243,266	69.02%
China Qingdao Development (Holdings) Group Company Limited ("CQDHG")	Interest of a controlled corporation	689,243,266	69.02%



Name	Capacity	Number of shares held <i>(Note)</i>	Approximate percentage of the Company's total number of shares in issue
China Qingdao International (Holdings) Company Limited ("CQIH")	Beneficial owner	689,243,266	69.02%

Note: The 689,243,266 shares of the Company were held by CQIH, which is a wholly-owned subsidiary of CQDHG. CQDHG is wholly owned by QCCIG. By virtue of the SFO, QCCIG and CQDHG are deemed to be interested in the shares of the Company held by CQIH.

Save as disclosed above, the Company has not been notified of any other interests representing 5% or more of the total number of shares in issue of the Company as at 30 June 2024.

CORPORATE GOVERNANCE CODE

The Board is committed to ensuring high standards of corporate governance in the interests of Shareholders and devotes efforts in identifying and developing the best practices. The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules during the Period.



CHANGE IN DIRECTOR'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in Director's information is set out below:

Name of Director	Details of change
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Mr. Li Xue	was appointed as an independent director of 凱撒同盛發展股份有限公司 (Caissa Tosun Development Co., Ltd.*), the shares of which are listed on Shenzhen Stock Exchange (stock code: 000796) with effect from February 2024.
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Save for the above change, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. The Company has made specific and reasonable enquiries with all Directors and is satisfied that they had complied with the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the Period.

EVENT AFTER THE PERIOD

Save as disclosed above, there is no event after the Period which would have a material impact on the Company's financial position.



AUDIT COMMITTEE AND REVIEW OF THE INTERIM REPORT

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors and reports to the Board. The primary duties of the Audit Committee are to review and advise on the accounting principles and practices adopted by the Group, and oversee the auditing and financial reporting processes and the risk management and internal control systems of the Group. The financial information in this report is unaudited and has been reviewed by the Audit Committee.

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

Hong Kong, 30 August 2024

As at the date of this report, 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.

* *For identification purposes only*

