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QINGDAO HOLDINGS INTERNATIONAL LIMITED

青島控股國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00499)

DISCLOSEABLE TRANSACTION – ACQUISITION OF PROPERTIES

THE ACQUISITION

On 29 December 2020 (after trading hours), the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the Agreements with the Vendor in respect of the Acquisition at a total consideration of RMB22,999,365.

The Properties are intended to be used by the Purchaser as its new office and production factory.

LISTING RULES IMPLICATIONS

As the highest applicable Percentage Ratio of the Acquisition exceeds 5% but is 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.

THE ACQUISITION

The Board is pleased to announce that on 29 December 2020 (after trading hours), the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the Agreements with the Vendor in respect of the Acquisition at a total consideration of RMB22,999,365.

* For identification purposes only

THE AGREEMENTS

The Agreement A

The major terms of the Agreement A are set out below:

Date: 29 December 2020

Parties: Purchaser: Shandong Qihua Education Technology Co., Ltd.* (山東啟華教育科技有限公司), an indirect 51% owned subsidiary of the Company

Vendor: Shandong Yinfeng International Biological City Construction Co., Ltd.* (山東銀豐國際生物城建設有限公司), an Independent Third Party

Property A: Room 11#-01, Block 1, West of the Land parcel of Biomedical Park, Yin Feng International Bio-City*, on the East of Suncunpianqu Xijuye River, South of Feiyue Avenue, West of Biomedical Park (銀豐國際生物城，樓號：1地塊，11#-01室，孫村片區西巨野河以東、飛躍大道以南、生物醫藥園以西的地塊), located at the West of Yaogu Industrial Park, Dazheng Road, Jinan, Shandong Province, the PRC

Consideration A: RMB13,721,963, which shall be paid in the following manner:

- (a) RMB1,500,000 as the first instalment and shall be paid on 31 December 2020;
- (b) RMB6,951,963 as the second instalment and shall be paid on 8 January 2021; and
- (c) RMB5,270,000 shall be settled by way of mortgage loan according to the terms of the Agreement A. The Purchaser shall complete the mortgage loan application by 31 January 2021. In any event that the Purchaser fails to obtain any or all of the mortgage loan for the balance of Consideration A, the Purchaser shall settle the balance of Consideration A within ten days upon receipt of the payment request issued by the Vendor.

Adjustment on
Consideration A: Upon the delivery of the Property A, Consideration A may be adjusted based on the actual GFA of Property A set out in the title document.

If the GFA of the Property A set out in the title document exceeds the GFA of the Property A set out in the Agreement A, the Purchaser shall pay additional price as to the excess part of the GFA of the Property A. If the GFA set out in the title document is less than the GFA of the Property A set out in the Agreement A, the Vendor shall return the purchase price corresponding to the GFA shortfall to the Purchaser.

Delivery of the Property A: The Vendor shall deliver the Property A to the Purchaser before 31 March 2021 and within 360 business days from the delivery of the Property A, the Vendor shall submit to the relevant authorities the documents responsible to be submitted by the Vendor for the registration of the title in relation to the Property A.

The Agreement B

The major terms of the Agreement B are set out below:

Date: 29 December 2020

Parties: Purchaser: Shandong Qihua Education Technology Co., Ltd.* (山東啟華教育科技有限公司), an indirect 51% owned subsidiary of the Company

Vendor: Shandong Yinfeng International Biological City Construction Co., Ltd.* (山東銀豐國際生物城建設有限公司), an Independent Third Party

Property B: Room 11#-02, Block 1, West of the Land parcel of Biomedical Park, Yin Feng International Bio-City*, on the East of Suncunpianqu Xijuye River, South of Feiyue Avenue, West of Biomedical Park (銀豐國際生物城，樓號：1地塊，11#-02室，孫村片區西巨野河以東、飛躍大道以南、生物醫藥園以西的地塊), located at the West of Yaogu Industrial Park, Dazheng Road, Jinan, Shandong Province, the PRC

Consideration B: RMB9,277,402 which shall be paid in the following manner:

- (a) RMB1,500,000 as the first instalment and shall be paid on 31 December 2020;
- (b) RMB3,147,402 as the second instalment and shall be paid on 8 January 2021; and
- (c) RMB4,630,000 shall be settled by way of mortgage loan according to the terms of the Agreement B. The Purchaser shall complete the mortgage loan application by 31 January 2021. In any event that the Purchaser fails to obtain any or all of the mortgage loan for the balance of Consideration B, the Purchaser shall settle the balance of Consideration B within ten days upon receipt of the payment request issued by the Vendor.

Adjustment on Consideration B: Upon the delivery of the Property B, Consideration B may be adjusted based on the actual GFA of Property B set out in the title document.

If the GFA of the Property B set out in the title document exceeds the GFA of the Property B set out in the Agreement B, the Purchaser shall pay additional price as to the excess part of the GFA of the Property B. If the GFA of the Property B set out in the title document is less than the GFA of the Property B set out in the Agreement B, the Vendor shall return the purchase price corresponding to the GFA shortfall to the Purchaser.

Delivery of the Property B: The Vendor shall deliver the Property B to the Purchaser before 31 March 2021 and within 360 business days from the delivery of the Property B, the Vendor shall submit to the relevant authorities the documents responsible to be submitted by the Vendor for the registration of the title in relation to the Property B.

The Consideration has been determined after arm's length negotiations between the Vendor and the Purchaser by reference to (a) the prevailing market conditions, (b) the location of the Properties, (c) the market prices of other comparable properties in the vicinity of the Properties, (d) the transaction prices between the Vendor and other purchasers of other premises in Yin Feng International Bio-City* (銀豐國際生物城), and (e) the open market price of the premises in Yin Feng International Bio-City* (銀豐國際生物城) quoted on the PRC property agents' websites.

The Consideration will be funded by internal resources of the Group as to RMB13,099,365 and by bank mortgage loan as to RMB9,900,000.

INFORMATION OF THE PROPERTIES

The Properties, comprising four whole floors in a same block of building, with GFA of 4,827.10 square metres and are located in the Yin Feng International Bio-City* (銀豐國際生物城), a piece of industrial land, on the East of Suncunpianqu Xijuye River, South of Feiyue Avenue, West of Biomedical Park (孫村片區西巨野河以東、飛躍大道以南、生物醫藥園以西的地塊) with GFA of 42,024 square metres and a land use right of 50 years from 19 June 2018 to 18 June 2068. Yin Feng International Bio-City* (銀豐國際生物城) is an industrial park designed to be used for scientific research, pilot incubation and production activities.

The Properties are intended to be used by the Purchaser as its new office and production factory.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The business of the Purchaser has been developing steadily since it became an indirect 51% owned subsidiary of the Company in 2017, with increasing revenue, number of employees and production scale. The office and the production factory of the Purchaser which are under expiring lease terms are currently separated and located distantly in two different places. The Group anticipates that the Purchaser's business and its number of employees and production scale will grow further. In light of the potential expansion plan of the Purchaser and the separation of the location of office and production site, the Purchaser has been exploring opportunity to acquire suitable properties.

The aggregate GFA of the Property A and the Property B is more than that of the existing office and the production factory of the Purchaser by approximately 20%. The Group plans to re-design the Properties, so as to accommodate the office and the production factory in one single as well as bigger premises. In addition, it is believed that the Acquisition (i) represents a milestone of the development of the Purchaser, (ii) allows the Purchaser to increase its production capacity by expanding manufacturing facilities at the Properties to cater for more orders from customers, (iii) facilitates better management and efficient communication between the management and production teams, and (iv) will enhance employees' sense of belonging and set the base for fast growing of the business of the Purchaser.

Based on the above, the Directors (including the independent non-executive Directors) consider that the Acquisition and the transactions contemplated under the Agreements have been made on normal commercial terms and that such terms are fair and reasonable and that the Acquisition contemplated under the Agreements is in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION ON THE PURCHASER AND THE VENDOR

Information on the Purchaser

The Purchaser is a company established in the PRC and principally engaged in production and sale of education equipment. The Group is principally engaged in the investment holding, property investment and leasing of investment properties, provision of loan financing, and production and sale of education equipment.

Information on the Vendor

The Vendor, a company established in the PRC with limited liability, is ultimately wholly-owned by Mr. Wang Wei and is principally engaged in property construction business and is the developer of the Yin Feng International Bio-City* (銀豐國際生物城).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Party.

LISTING RULES IMPLICATIONS

As the highest applicable Percentage Ratio of the Acquisition exceeds 5% but is 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.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following respective meanings:

“Acquisition”	the acquisition of the Properties by the Purchaser pursuant to the terms of the Agreements
“Agreement A”	the agreement for sale and purchase of the Property A dated 29 December 2020 and entered into between the Vendor and the Purchaser
“Agreement B”	the agreement for sale and purchase of the Property B dated 29 December 2020 and entered into between the Vendor and the Purchaser
“Agreements”	the Agreement A and the Agreement B
“Board”	the board of Directors

“Company”	Qingdao Holdings International Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange
“Consideration”	the total consideration of RMB22,999,365 (that is, the sum of Consideration A and Consideration B) for the Acquisition
“Consideration A”	RMB13,721,963 for the acquisition of Property A
“Consideration B”	RMB9,277,402 for the acquisition of Property B
“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	parties which, to the best knowledge, information and belief of the Directors having made due and careful enquiries, are independent of and not connected with the Directors, substantial Shareholders (within the meaning under the Listing Rules) or chief executives of the Company or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction for the purposes of Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Properties”	Property A and Property B

“Property A”	the property located at Room 11#-01, Block 1, West of the Land parcel of Biomedical Park, Yin Feng International Bio-City*, on the East of Suncunpianqu Xijuye River, South of Feiyue Avenue, West of Biomedical Park (銀豐國際生物城，樓號：1地塊11#-01室，孫村片區西巨野河以東、飛躍大道以南、生物醫藥園以西的地塊), located at the West of Yaogu Industrial Park, Dazheng Road, Jinan, Shandong Province, the PRC
“Property B”	the property located at Room 11#-02, Block 1, West of the Land parcel of Biomedical Park, Yin Feng International Bio-City*, on the East of Suncunpianqu Xijuye River, South of Feiyue Avenue, West of Biomedical Park (銀豐國際生物城，樓號：1地塊11#-02室，孫村片區西巨野河以東、飛躍大道以南、生物醫藥園以西的地塊), located at the West of Yaogu Industrial Park, Dazheng Road, Jinan, Shandong Province, the PRC
“Purchaser”	Shandong Qihua Education Technology Co., Ltd.* (山東啟華教育科技有限公司), a company established in the PRC with limited liability and an indirect 51% owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Company with a par value of HK\$0.1 each
“Shareholders”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shandong Yinfeng International Biological City Construction Co., Ltd.* (山東銀豐國際生物城建設有限公司), a company established in the PRC with limited liability, an Independent Third Party

“%”

per cent

By order of the Board
Qingdao Holdings International Limited
Gao Yuzhen
Executive Director and Chairman

Hong Kong, 29 December 2020

As at the date of this announcement, the Executive Directors are Mr. Gao Yuzhen (Chairman), Mr. Yuan Zhi (Deputy Chairman and Chief Executive Officer) and Mr. Hu Liang; the Non-executive Director is Mr. Li Shaoran; and the Independent Non-executive Directors are Mr. Yin Tek Shing, Paul, Mr. Wong Tin Kit, Ms. Zhao Meiran and Mr. Li Xue.

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