QINGDAO HOLDINGS INTERNATIONAL LIMITED
青島控股國際有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00499)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

The board (the "Board") of directors (the "Directors") of Qingdao Holdings International Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015, together with the comparative figures for 2014 as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Revenue	3	**7,732**	9,122
Net increase in fair value of investment properties		**14,700**	5,713
Other income	4	**2,348**	1,984
Other gains and losses	4	**(1,419)**	(4,271)
Employee benefits expenses		**(4,803)**	(4,032)
Other operating expenses		**(11,610)**	(8,088)
Share of profits of joint ventures		**469**	203
Profit before taxation	5	**7,417**	631
Taxation	6	**(223)**	134
Profit for the year		**7,194**	765

* *For identification purposes only*

	Note	2015 HK$'000	2014 HK$'000
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss) gain on available-for-sale financial assets		**(290)**	4,622
Reclassification adjustments of available-for-sale financial assets fair value reserve to profit or loss upon disposal		**1,158**	1,218
Other comprehensive income for the year		**868**	5,840
Total comprehensive income for the year		**8,062**	6,605
Profit for the year attributable to:			
Owners of the Company		**7,192**	713
Non-controlling interests		**2**	52
		7,194	765
Total comprehensive income for the year attributable to:			
Owners of the Company		**8,060**	6,553
Non-controlling interests		**2**	52
		8,062	6,605
Earnings per share			
– Basic (HK cents)	8	**1.44**	0.14

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**54**	11
Investment properties		**96,300**	81,600
Available-for-sale financial assets		**–**	1,811
Interests in joint ventures		**122**	–
Amounts due from joint ventures		**29,015**	28,668
		125,491	112,090
Current assets			
Trade and other receivables	9	**706**	1,719
Loans receivable		**–**	7,820
Bank balances and cash		**132,153**	198,032
		132,859	207,571
Current liabilities			
Other payables and accrued charges	10	**1,418**	1,032
Income tax payable		**90**	10
		1,508	1,042
Net current assets		**131,351**	206,529
Total assets less current liabilities		**256,842**	318,619
Non-current liabilities			
Deferred tax liabilities		**921**	861
		255,921	317,758
Capital and reserves			
Share capital		**49,928**	49,928
Reserves		**205,795**	267,634
Equity attributable to owners of the Company		**255,723**	317,562
Non-controlling interests		**198**	196
		255,921	317,758

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company							
	Share capital *HK$'000*	Share premium *HK$'000*	Surplus account *HK$'000* *(note (i))*	Available-for-sale financial assets fair value reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
As at 1 April 2013	49,928	143,805	255,025	(6,708)	(131,041)	311,009	144	311,153
Fair value gain on available-for-sale financial assets	–	–	–	4,622	–	4,622	–	4,622
Reclassification adjustments of available-for-sale financial assets fair value reserve to profit or loss upon disposal	–	–	–	1,218	–	1,218	–	1,218
Profit for the year	–	–	–	–	713	713	52	765
Total comprehensive income for the year	–	–	–	5,840	713	6,553	52	6,605
As at 31 March 2014 and 1 April 2014	49,928	143,805	255,025	(868)	(130,328)	317,562	196	317,758
Fair value loss on available-for-sale financial assets	–	–	–	(290)	–	(290)	–	(290)
Reclassification adjustments of available-for-sale financial assets fair value reserve to profit or loss upon disposal	–	–	–	1,158	–	1,158	–	1,158
Profit for the year	–	–	–	–	7,192	7,192	2	7,194
Total comprehensive income for the year	–	–	–	868	7,192	8,060	2	8,062
Share premium reduction *(note (ii))*	–	(143,805)	143,805	–	–	–	–	–
Special dividend declared *(note (ii))*	–	–	(69,899)	–	–	(69,899)	–	(69,899)
As at 31 March 2015	49,928	–	328,931	–	(123,136)	255,723	198	255,921

notes:

(i) The surplus account as at 1 April 2013 and 31 March 2014 represented 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 the Group reorganisation in 1997.

(ii) Pursuant to a resolution passed by the shareholders at a special general meeting of the Company held on 18 August 2014, share premium of approximately HK$143,805,000 was approved to be reduced and transferred to the contributed surplus of the Company and an amount of approximately HK$69,899,000 was approved to be distributed as a special dividend standing to the credit of the account of the Company.

Notes to the Financial Statements

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12, and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

Except for HKFRS 9 (2014) *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers* as described below, the directors of the Company (the "Directors") anticipate that the application of the new and revised HKFRSs will not have material impact on the results and financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 (2014) in the future may result in early recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 (2014) until the Group perform a detailed review.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the disclosures in the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of the goods and services delivered or provided by the Group's operating divisions which is consistent with the internal information that is regularly reviewed by the executive Directors, the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of performance.

Details of the Group's four operating and reportable segments are as follows:

(i) Leasing of properties: this segment mainly leases residential, industrial and commercial premises in Hong Kong to generate rental income.

(ii) Property investments through joint ventures: this segment mainly holds commercial properties in Hong Kong through investments in joint ventures to gain from appreciation in property values.

(iii) Carpark management: this segment mainly subleases carparks in Hong Kong to generate rental income.

(iv) Loan financing: this segment provides loan financing services to individual and corporate customers. The Group possesses a money lender license and its money lending business is mainly carried out in Hong Kong.

Information regarding these segments is reported below:

For the year ended 31 March 2015

	Segment revenue	**Operating profit (loss)**	**Share of profits of joint ventures**	**Segment results: profit (loss) before taxation**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Leasing of properties	**2,102**	**879**	**–**	**879**
Property investments through joint ventures	**–**	**–**	**469**	**469**
Carpark management	**5,495**	**(319)**	**–**	**(319)**
Loan financing	**135**	**22**	**–**	**22**
SEGMENT TOTAL	**7,732**	**582**	**469**	**1,051**
Unallocated	**–**	**6,366**	**–**	**6,366**
GROUP TOTAL	**7,732**	**6,948**	**469**	**7,417**

For the year ended 31 March 2014

	Segment revenue *HK$'000*	Operating profit (loss) *HK$'000*	Share of profits of joint ventures *HK$'000*	Segment results: profit (loss) before taxation *HK$'000*
Leasing of properties	783	23	–	23
Property investments through joint ventures	–	–	203	203
Carpark management	6,718	(254)	–	(254)
Loan financing	1,621	1,221	–	1,221
SEGMENT TOTAL	9,122	990	203	1,193
Unallocated	–	(562)	–	(562)
GROUP TOTAL	9,122	428	203	631

The accounting policies of the reporting segments are the same as the Group's accounting policies in preparation of the consolidated financial statements. The CODM assesses the performance of the operating segments based on the profit (loss) before taxation of the group entities engaged in the respective segment activities which represents the segment results. Segment profit (loss) represents the profit earned by (loss from) each segment without allocation of net increase in fair value of investment properties, certain other income, certain other gains and losses, certain employee benefits expenses and certain other operating expenses. Besides, segment results are analysed before taxation whereas tax payable and deferred tax liabilities are allocated to operating segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Geographical information

As all the Group's revenue is derived from its operation in Hong Kong and all its non-current assets are located in Hong Kong, no geographical information is presented.

4. OTHER INCOME, OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Other income		
Bank interest income	**1,100**	1,569
Loan interest income from joint ventures	**455**	415
Agency income from provision of trading services	**793**	–
	2,348	1,984
Other losses, net		
Loss on disposal of available-for-sale financial assets	**(1,158)**	(1,218)
Loss on disposal of investment properties	**–**	(2,959)
Loss on disposal of property, plant and equipment	**–**	(94)
Others	**(261)**	–
	(1,419)	(4,271)

5. PROFIT BEFORE TAXATION

	2015	2014
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging (crediting):		
Auditor's remuneration	**670**	556
Directors' emoluments	**3,644**	2,282
Other staff costs:		
Salaries and other benefits	**1,109**	1,579
Retirement benefits scheme contributions	**50**	171
Total staff costs	**4,803**	4,032
Depreciation of property, plant and equipment	**8**	16
Gross rental income	**(7,597)**	(7,501)
Less: direct operating expenses that generated rental income during the year (included in other operating expenses)	**5,076**	5,224
	(2,521)	(2,277)

6. TAXATION

	2015	2014
	HK\$'000	*HK\$'000*
Current tax:		
Hong Kong Profits Tax	**163**	47
Underprovision in prior years	**–**	11
Deferred tax	**60**	(192)
	223	(134)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

7. DIVIDENDS

A special cash dividend of HK\$0.14 per ordinary share (equivalent to approximately HK\$69,899,000) was passed by the shareholders for distribution of a special general meeting of the Company held on 18 August 2014.

The Directors do not recommend the payment of final dividends for both years.

8. EARNINGS PER SHARE

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

	2015	2014
	HK\$'000	*HK\$'000*
Earnings:		
Profit for the year attributable to owners of the Company	**7,192**	713

	2015	2014
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**499,276,680**	499,276,680

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

9. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**4**	199
Other receivables, deposits and prepayments	**702**	1,520
	706	1,719

For leasing of properties and carpark management, due to the nature of businesses, the Group generally grants no credit period to these customers. The following is an aged analysis of trade debtors from carpark management, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period.

	2015	2014
	HK$'000	*HK$'000*
Trade debtors aged:		
0 – 60 days	**4**	199

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately HK$4,000 (2014: HK$199,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

10. OTHER PAYABLES AND ACCRUED CHARGES

	2015	2014
	HK$'000	*HK$'000*
Other payables	**61**	1
Accrued charges	**1,031**	705
Deposits received	**326**	326
	1,418	1,032

DIVIDEND

The Board does not recommend the payment of any final dividends for the year ended 31 March 2015 (2014: Nil). Except for the special dividend of HK$0.14 per share paid on 5 September 2014, no interim dividend was paid during the year (2014: Nil). The total dividend for the year amounted to HK$0.14 (2014: Nil) per share.

BUSINESS REVIEW

For the financial year ended 31 March 2015, the Group was mainly engaged in the businesses of leasing of properties, property investment through joint ventures, sub-leasing of car parking spaces and provision of loan financing which continued to contribute to and provide stable income streams to the Group.

During the financial year ended 31 March 2015, the Group recorded turnover for the year of approximately HK$7.7 million (2014: HK$9.1 million) and a profit for the year of approximately HK$7.2 million (2014: HK$0.8 million). The significant increase in profit for the year was mainly attributable to the substantial increase in fair value of investment properties located in Hong Kong.

With strong and sustainable demand for commercial and industrial premises and the absence of a significant change in property supply in Hong Kong, certain property transaction prices climbed to new high this year. Benefited from the growth of Hong Kong property market, the Group recorded an increase in fair value of investment properties amounting to HK$14.7 million (2014: HK$5.7 million).

During the financial year ended 31 March 2015, the Group's revenue was mainly derived from the rental income from leasing of properties and carpark management. Profit of approximately HK$0.9 million and loss of approximately HK$0.3 million arose from leasing of properties and carpark management, respectively. Earning per share increased to 1.44 HK cents for the year ended 31 March 2015 (2014: 0.14 HK cents).

PROSPECTS

The 2015 global economic outlook is expected to be better than that for 2014, but remains challenging while China's economic growth would continue to slowdown in 2015. A decelerating Chinese economy, coming at a time of global economic uncertainty, could have significant economic implications throughout the world. A dampened Chinese economy will be a pivotal challenge to Hong Kong too.

The Group will adhere to its strategic business model and keep a close eye on market changes to strengthen its foundation. Looking forward, the Group will be dedicating its efforts to explore other business opportunities and investments and generate greater returns for our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group had total assets of approximately HK$258.3 million (2014: HK$319.7 million), whereas total liabilities amounted to approximately HK$2.4 million (2014: HK$1.9 million), resulting in a net assets position of HK$255.9 million (2014: HK$317.8 million). The gearing of the Group, measured as total liabilities to total assets, was 0.9% as at 31 March 2015 (2014: 0.6%), indicating the Group's safe liquidity position. The Group maintained a strong cash position with bank balances and cash and short term time deposit of approximately HK$132.2 million as at 31 March 2015 (2014: HK$198.0 million). It is believed that the Group has adequate cash resources to meet its normal working capital requirements and any commitments for future development.

PLEDGE OF ASSETS

There was no pledge on the Group's assets during the year ended 31 March 2015 (2014: Nil).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

As at 31 March 2015, the Group did not have any material contingent liabilities or capital commitments.

HUMAN RESOURCES

We aim to provide employees a stimulating and harmonious working environment. We also encourage lifelong learning and offer training to enhance their performance and provide support to their personal development. As at 31 March 2015, the Group employed a total of 9 (2014: 11) full time employees. Employees and Directors are remunerated based on their performance and experience, current industry practices and prevailing market conditions and in accordance with existing labour laws. In addition to basic salaries, employees and Directors are rewarded with performance-related bonuses and other staff welfare benefits.

CORPORATE GOVERNANCE

The Board is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes efforts to identifying and formalising best practices. The Company has applied the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the deviations set out below.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for specific terms, subject to re-election. During the period from 1 April 2014 to 27 September 2014 (the date of resignation), Mr. Kong Lingbiao being a non-executive Director, and Mr. Ng Wai Hung and Mr. Jacobsen William Keith being the independent non-executive Directors, were not appointed for specific terms. During the period from 1 April 2014 to 20 November 2014 (the date of resignation), Mr. Wu Wang

Li being an independent non-executive Director, was not appointed for a specific term. According to the Company's bye-laws, at every annual general meeting, one-third of the Directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. The Board considers that sufficient measures have been taken to ensure the corporate governance practices of the Company are not less exacting than those in the CG Code.

Code provision A.6.7 of the CG Code stipulates that the independent non-executive directors and other non-executive directors should attend general meetings. Mr. Kong Lingbiao, a non-executive Director, and Mr. Ng Wai Hung and Mr. Jacobsen William Keith, the independent non-executive Directors, were unable to attend the annual general meeting and the special general meeting of the Company both held on 18 August 2014 due to their other important engagements. Mr. Jiang Yi, a non-executive Director, and Mr. Wu Wang Li, Mr. Wong Tin Kit and Mr. Li Xue, the independent non-executive Directors, were unable to attend the special general meeting of the Company held on 17 November 2014 due to their other business engagements. Mr. Wu Wang Li resigned from the Board on 20 November 2014.

To ensure compliance with the CG Code in the future, the Company will arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule such that all Directors (including the Chairman of the Company) can attend the general meetings.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the CG Code as and when considered appropriate.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 of the Listing Rules 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 of all directors and is satisfied that they have complied with the Model Code throughout the year ended 31 March 2015.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive directors to be independent.

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 listed shares during the year ended 31 March 2015.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises four 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 overview the auditing and financial reporting processes and the internal control systems of the Group, including a review of the annual results. The Audit Committee meets with the Group's senior management regularly to review the effectiveness of the internal control systems and also reviews the interim and annual reports of the Group.

The Company's annual results for the year ended 31 March 2015 have been reviewed by the Audit Committee with the management of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE INTERNET WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE

The annual report of the Company for the year ended 31 March 2015 will be published on the websites of the Company (http://www.qingdaohi.com) and the Stock Exchange (http://www.hkexnews.hk) in due course.

By order of the Board
Qingdao Holdings International Limited
Zhang Lianqing
Executive Director and Chief Executive Officer

Hong Kong, 29 June 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Zhenan (Chairman), Mr. Xing Luzheng (Vice-chairman) and Mr. Zhang Lianqing (Chief Executive Officer); the non-executive Director is Mr. Jiang Yi; and the independent non-executive Directors are Mr. Yin Tek Shing, Paul, Mr. Wong Tin Kit, Ms. Zhao Meiran and Mr. Li Xue.