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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)

TERMINATION OF THE VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF APPROXIMATELY 81.91% OF THE EQUITY INTEREST IN QINGDAO RURAL CONSTRUCTION FINANCIAL LEASING COMPANY LIMITED* (青島城鄉建設融資租賃有限公司) AND CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF CONVERTIBLE BONDS UNDER THE SPECIFIC MANDATE AND CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE AND POTENTIAL TRANSACTIONS

Reference is made to the announcements of Qingdao Holdings International Limited (the “**Company**”) dated 18 March 2021, 22 March 2021, 31 May 2021, 13 July 2021, 26 November 2021, 29 March 2022 and 8 April 2022 and the circular of the Company dated 24 March 2021 in relation to the very substantial acquisition and connected transaction of the Company (the “**Documents**”). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Documents.

TERMINATION OF THE ACQUISITION

As the Purchaser and the Vendor cannot agree on the Consideration Adjustment which reflects the current market value of the Target Group, the Purchaser and the Vendor agreed to terminate the Acquisition. Accordingly, the Consideration CB will not be issued to the Vendor.

* For identification purposes only

The Board considers the termination of the Acquisition shall have no material adverse impact on the existing business operation and financial position of the Group.

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE AND THE POTENTIAL TRANSACTIONS

Reference is made to the prospectus of the Company dated 26 April 2021 (the “**Prospectus**”) relating to the rights issue on the basis of one (1) Rights Share for every one (1) existing Share held on the Rights Issue Record Date, the net proceeds from the Rights Issue after deducting the transaction expenses, professional fees and all other relevant expenses, is approximately RMB159.9 million. The Company originally planned to apply approximately 90% of such net proceeds for settling the Consideration and as to approximately 10% of such proceeds for the Group’s general working capital.

Given that the Acquisition will not proceed, approximately 90% of the net proceeds initially planned for settling the Consideration, being approximately RMB143.91 million is not utilized as at the date of this announcement (the “**Remaining Proceeds**”).

As at the date of this announcement, the Company is exploring other suitable investment opportunities and is contemplating the acquisition of two commercial properties situated in Qingdao City, the PRC, with an aggregate gross floor area of approximately 102,200 square metres. In addition, the Company intends to pursue acquisition opportunities with properties management companies (especially targets which are engaged in commercial operations with quality residential and commercial properties under management). As at the date of this announcement, the Company is negotiating with several owners of properties management companies with intention to acquire the controlling stake of property management company(ies) in the PRC (the “**Potential Transaction(s)**”).

The Group has been engaging in property leasing business in the PRC. Leveraging the management expertise in the PRC real estate industry, the Potential Transaction(s) would be able to expand the Group’s business operation and to improve the financial performance of the Group so as to enhance the shareholders’ value.

As at the date of this announcement, no binding agreement has been entered into in relation to the Potential Transaction(s). The Group will comply with the applicable requirements of the Listing Rules in the event that the Potential Transaction(s) materializes, and the Company will make further announcement(s) in relation to the Potential Transaction as and when appropriate.

The Board intended to apply the Remaining Proceeds to settle part or all of the consideration for the Potential Transaction(s). Considering the Potential Transactions will diversify the revenue stream of the Company and create synergy effect with the Company's business, in particular, (i) the potential acquisition of the property management company enables the Company to apply the property management expertise and knowledge to the properties owned by the Company and the Company can provide integrated property-related services to its customers, and (ii) the potential acquisition of the commercial property enables the Group to strengthen the Group in its existing segment in properties development and investment, the Board is of the view that the proposed change in the use of proceeds from the Rights Issue is beneficial to the Company and the Shareholders as a whole.

The Potential Transaction(s) may or may not materialise. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

On behalf of the board of
Qingdao Holdings International Limited
Gao Yuzhen
Executive Director and Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Mr. Gao Yuzhen, Mr. Yuan Zhi 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.