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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)

ANNOUNCEMENT ON THE UPDATE ON THE CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the announcements of Qingdao Holdings International Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 30 June 2022, 19 July 2022, 28 March 2023 and 7 August 2024 (the "**Announcements**"), the 2024 annual report of the Company (the "**2024 Annual Report**") and the 2025 interim report of the Company (the "**2025 Interim Report**"). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

CHANGE IN USE OF PROCEEDS AND THE EXPECTED TIMELINE

As disclosed in the 2025 Interim Report, the net proceeds (the "**Net Proceeds**") from the rights issue of one rights share for every one existing share held by members on the register of members of the Company on 11 May 2021 (the "**Rights Issue**") was approximately RMB159.90 million. RMB69.35 million of the Net Proceeds had not been utilised as at 30 June 2025 and the expected timeline for the full utilisation of the unutilised Net Proceeds at the time of the issue of the 2025 Interim Report was 31 December 2025. The Company had not been able to identify any suitable investment opportunities from 30 June 2025 to the date of this announcement.

As at the date of this announcement, save for RMB74.56 million which has been utilised for the repayment of bank loans, and RMB15.99 million which has been utilised as general working capital of the Group, the remaining unutilised Net Proceeds (the "**Unutilised Net Proceeds**") amounting to RMB69.35 million has been deposited in a bank to generate interest income.

* *For identification purposes only*

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

	Proposed use of Net Proceeds as at 7 August 2024 *(RMB' million)*	**Actual use of the Net Proceeds as at the date of this announcement** *(RMB' million)*	**Before change: Unutilised balance as of the date of this announcement** *(RMB' million)*	**After change: Unutilised balance as of the date of this announcement** *(RMB' million)*	**Revised allocation of the Unutilised Net Proceeds** *(RMB' million)*	**Expected timeline for full utilisation of the Unutilised Net Proceeds**
Intended use of Net Proceeds						
As general working capital of the Group	15.99	15.99	–	9.00	9.00	31 December 2026
Investment opportunities	69.35	–	69.35	31.35	31.35	31 December 2026
Repayment of bank loans	74.56	74.56	–	–	–	Not applicable
Technology Business	–	–	–	29.00	29.00	31 December 2026
	159.90	90.55	69.35	69.35	69.35	

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

Taking into account the following factors, the Board has resolved to change the use of the Unutilised Net Proceeds which, it believes, is for the best interests of the shareholders and the Company as a whole.

1. Optimising the efficiency of capital utilisation and ensuring the stability of daily operations

As disclosed in the announcement of the Company dated 30 June 2022, the use of the Net Proceeds was changed to the acquisition of two commercial properties situated in Qingdao City, the PRC. The contemplated acquisition had not been realised due to the then sluggish PRC property market. The use of the Net Proceeds was changed again on 28 March 2023 and 7 August 2024 to enable the Company to reallocate and apply the funds to the repayment of bank loans and bank deposits for interest earning so as to avoid the said funds lying idle.

Since the publication of the announcement of the Company dated 7 August 2024, the property markets in the PRC and Hong Kong have remained sluggish, with property market prices continuing on a downward trend due to fundamental adjustments to property values triggered by persistently poor economic conditions and geopolitical impacts. The Directors believe that such a situation will persist for a sustained period of time.

Compared to investing in property market projects with high uncertainty or placing the Unutilised Net Proceeds in time deposits, the Directors consider that allocating RMB9.00 million out of the Unutilised Net Proceeds for general working capital provides more direct support for the Company's core business operations. This enables the Company to utilise its resources more effectively, improve its cash flow and minimise its idle funds.

Allocating RMB9.00 million of the Unutilised Net Proceeds to general working capital will help ensure the Company maintains sufficient liquidity for its daily operations and enhances the Group's flexibility in managing its assets and liabilities amid the current volatile business environment. In the current business environment, the Company must remain flexible so as to respond effectively to unexpected situations and evolving market demands. Adequate working capital helps the Company maintain operational stability in a competitive market.

2. Promoting revenue growth and diversification

As disclosed in the 2024 Annual Report and the 2025 Interim Report, the Company has been exploring the development of a trading business to expand and diversify its business scope and optimise its revenue structure with a view to enhancing operational resilience and shareholder value. The Directors wish to inform its shareholders and potential investors that the Company will further expand its current operations within the distribution of electronic products and components business (the "**Technology Business**"). Specifically, the Company plans to further grow the Technology Business organically, by (i) establishing a team comprising experienced sales and marketing personnel to lead the development of the Technology Business, (ii) sourcing electronic products and components from selected reputable suppliers in the Guangdong–Hong Kong–Macao Greater Bay Area and Qingdao City in China and distributing them to technology service providers in the region, and (iii) conducting research and development of certain proprietary technologies.

Leveraging the current business of the Company's subsidiary Shandong Qihua Education Technology Co., Ltd.* (山東啟華教育科技有限公司), which is engaged in the provision of digital services and the manufacturing of electronic products for the education sector, and in view of the sustained high demand for electronic products and components across the technology, artificial intelligence and related sectors in the current market, the Directors believe that allocating and using RMB29.00 million out of the Unutilised Net Proceeds for the development of the Technology Business will support the Company's revenue generating activities and boost its operational development. The expansion of the Company's Technology Business is expected to be conducted through its wholly-owned Hong Kong subsidiary, Prime Concept Development Limited.

As at the date of this announcement, no legally binding agreements have been entered into by the Group in relation to the Technology Business. Further announcement(s) will be made by the Company in relation to the Technology Business as and when appropriate.

3. Aligning with the Company's long-term strategic adjustments

The Company continuously reviews and adjusts its long-term development strategy in response to market changes. The Company's current goal is to strengthen its existing business foundation, enhance its core competencies and expand its market share. Ensuring adequate working capital and supporting the expansion into the Technology Business are key factors in achieving these strategic goals. By maintaining stable and efficient daily operations while allocating a portion of the Unutilised Net Proceeds to the expansion of the Technology Business, the Company can lay a solid foundation for future business expansion and long-term growth. The use of proceeds for the remaining RMB31.35 million of the Unutilised Net Proceeds will remain unchanged and be retained for investment opportunities and, pending deployment, will continue to be deposited in a bank to generate interest. The Company will deploy such proceeds as and when suitable opportunities arise, subject to market conditions and the Board's assessment.

The Board considers that the change in use of the Net Proceeds is fair and reasonable, and will allow the Group to meet its financial needs more efficiently and flexibly. In addition, the Board considers the change in use of the Net Proceeds is in the best 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.

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

By Order of the Board
Qingdao Holdings International Limited
Cui Mingshou
Chairman and Executive Director

Hong Kong, 17 November 2025

As at the date of this announcement, the executive Directors are Mr. Cui Mingshou (Chairman), Mr. Wang Yimei (Deputy Chairman) and Mr. Hu Liang; and the independent non-executive Directors are Mr. Yin Tek Shing, Paul, Mr. Li Xue, Mr. Wang Yaping and Ms. Qi Yan.

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