



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 499)

2026
Interim Report

* For identification purposes only

CONTENTS

2	Corporate Information
4	Interim Condensed Consolidated Statement of Profit or Loss
5	Interim Condensed Consolidated Statement of Comprehensive Income
6	Interim Condensed Consolidated Statement of Financial Position
8	Interim Condensed Consolidated Statement of Changes in Equity
9	Interim Condensed Consolidated Statement of Cash Flows
10	Notes to the Interim Condensed Consolidated Financial Information
22	Management Discussion and Analysis
27	Corporate Governance and Other Information



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Mr. Cui Mingshou (*Chairman*)
Mr. Wang Yimei (*Deputy Chairman*)
Mr. Hu Liang

Independent Non-executive Directors:

Mr. Wang Yaping
Ms. Qi Yan
Mr. Feng Enxin

AUDIT COMMITTEE

Ms. Qi Yan (*Chairman*)
Mr. Wang Yaping
Mr. Feng Enxin

REMUNERATION COMMITTEE

Mr. Wang Yaping (*Chairman*)
Ms. Qi Yan
Mr. Feng Enxin

NOMINATION COMMITTEE

Mr. Cui Mingshou (*Chairman*)
Mr. Wang Yaping
Ms. Qi Yan
Mr. Feng Enxin

COMPANY SECRETARY

Mr. Chan Kwong Leung, Eric

AUTHORISED REPRESENTATIVES

Mr. Wang Yimei
Mr. Chan Kwong Leung, Eric

HONG KONG LEGAL ADVISER

King & Wood
13/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

China Citic Bank International Limited
Bank of Communications Co., Ltd.
Hang Seng Bank Limited

REGISTERED OFFICE

Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. 1805, 18th Floor, Tower Two
Lippo Centre
No. 89 Queensway
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

TRICOR INVESTOR SERVICES LIMITED
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

Hong Kong Stock Exchange: 499

WEBSITE

<http://www.qingdaohi.com>



INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
REVENUE			
– Goods		4,778	5,220
– Rental		4,363	5,506
Total revenue	4	9,141	10,726
Cost of inventories sold		(3,321)	(3,403)
Decrease in fair value of investment properties		(1,600)	–
Other income	4	2,671	2,107
Employee benefits expenses		(6,067)	(6,038)
Other operating expenses		(5,932)	(6,826)
Finance costs	5	(7,575)	(7,791)
Share of results of joint ventures		89	(1,171)
LOSS BEFORE TAX	6	(12,594)	(12,396)
Income tax expense	7	(205)	(2)
LOSS FOR THE PERIOD		(12,799)	(12,398)
Attributable to:			
Owners of the parent		(10,372)	(9,505)
Non-controlling interests		(2,427)	(2,893)
		(12,799)	(12,398)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic (RMB cents)	9	(1.04)	(0.95)
– Diluted (RMB cents)	9	(1.04)	(0.95)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	(12,799)	(12,398)
OTHER COMPREHENSIVE LOSS		
<i>Item that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	(6,565)	(2,902)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(6,565)	(2,902)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(19,364)	(15,300)
Attributable to:		
Owners of the Company	(16,937)	(12,407)
Non-controlling interests	(2,427)	(2,893)
	(19,364)	(15,300)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		53,440	37,839
Investment properties	10	385,923	407,688
Right-of-use assets		767	383
Other intangible assets		4,256	5,447
Investments in joint ventures		3,656	3,567
Deferred tax assets		16,057	16,422
Total non-current assets		464,099	471,346
CURRENT ASSETS			
Inventories	11	9,471	8,578
Trade and other receivables	12	7,506	50,282
Amount due from a joint venture	17	6,286	6,286
Cash and cash equivalents	13	158,815	141,270
Total current assets		182,078	206,416
CURRENT LIABILITIES			
Trade and other payables	14	10,247	21,160
Contract liabilities		1,397	1,064
Interest-bearing bank and other borrowings		1,427	1,352
Amount due to the ultimate holding company		364,490	357,079
Amount due to immediate holding company		–	8,464
Income tax payable		2	124
Total current liabilities		377,563	389,243
NET CURRENT LIABILITIES		(195,485)	(182,827)
TOTAL ASSETS LESS CURRENT LIABILITIES		268,614	288,519



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		3,630	4,125
Deferred tax liabilities		1,205	1,251
Total non-current liabilities		4,835	5,376
NET ASSETS		263,779	283,143
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	81,257	81,257
Reserves		136,921	153,858
		218,178	235,115
Non-controlling interests		45,601	48,028
TOTAL EQUITY		263,779	283,143



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the parent					Non-controlling interests	Total
	Share capital RMB'000	Surplus account* RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000		
At 1 January 2025 (audited)	81,257	382,880	12,344	(192,942)	283,539	55,583	339,122
Loss for the period	–	–	–	(9,505)	(9,505)	(2,893)	(12,398)
Other comprehensive loss for the period	–	–	(2,902)	–	(2,902)	–	(2,902)
Total comprehensive loss for the period	–	–	(2,902)	(9,505)	(12,407)	(2,893)	(15,300)
At 30 June 2025 (unaudited)	<u>81,257</u>	<u>382,880</u>	<u>9,442</u>	<u>(202,447)</u>	<u>271,132</u>	<u>52,690</u>	<u>323,822</u>

	Attributable to owners of the parent					Non-controlling interests	Total
	Share capital RMB'000	Surplus account* RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000		
At 1 January 2026 (audited)	81,257	382,880	7,529	(236,551)	235,115	48,028	283,143
Loss for the period	–	–	–	(10,372)	(10,372)	(2,427)	(12,799)
Other comprehensive income for the period	–	–	(6,565)	–	(6,565)	–	(6,565)
Total comprehensive loss for the period	–	–	(6,565)	(10,372)	(16,937)	(2,427)	(19,364)
At 30 June 2026 (unaudited)	<u>81,257</u>	<u>382,880</u>	<u>964</u>	<u>(246,923)</u>	<u>218,178</u>	<u>45,601</u>	<u>263,779</u>

* 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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash flow generated from/(used in) operating activities	28,989	(4,439)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14)	–
Investment income received	–	28
Proceed from disposal of financial assets at fair value through profit and loss	–	6,600
Purchase of financial assets at fair value through profit and loss	–	(6,600)
Capital injection to a joint venture	–	(2,000)
Net cash flow used in investing activities	(14)	(1,972)
FINANCING ACTIVITIES		
Repayment of an amount due to the ultimate holding company	–	(2,000)
Repayment to immediate holding company	(8,263)	–
Repayment of bank borrowings	(495)	(495)
Principal portion of lease payment	(821)	(1,281)
Interest portion of lease payment	(10)	(38)
Interest paid	(154)	(109)
Net cash flows used in financing activities	(9,743)	(3,923)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19,232	(10,334)
Cash and cash equivalents at the beginning of the period	141,270	178,397
Effect of foreign exchange rate changes, net	(1,687)	39
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	158,815	168,102



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

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 2025.

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 2026. 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 2026

	Segment revenue RMB’000 (Unaudited)	Segment results RMB’000 (Unaudited)
Leasing of properties	4,363	720
Production and sale of technology product	4,778	(2,951)
Consulting service	–	(1,036)
Financial service	–	–
Segment total	<u>9,141</u>	<u>(3,267)</u>
Unallocated income		2,685
Unallocated expenses		<u>(12,012)</u>
Loss before tax		<u>(12,594)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

3. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the six months ended 30 June 2025

	Segment revenue RMB'000 (Unaudited)	Segment results RMB'000 (Unaudited)
Leasing of properties	5,506	(1,146)
Production and sale of technology product	5,220	(2,330)
Consulting service	—	(1,069)
Financial service	—	—
Segment total	<u>10,726</u>	<u>(4,545)</u>
Unallocated income		2,107
Unallocated expenses		<u>(9,958)</u>
Loss before tax		<u>(12,396)</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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Leasing of properties	422,950	425,261	365,760	359,086
Production and sale of technology product	48,657	91,325	7,729	25,808
Consulting service	11,300	10,227	5,879	5,622
Financial service	—	—	—	—
Segment total	<u>482,907</u>	<u>526,813</u>	<u>379,368</u>	<u>390,516</u>
Unallocated:				
Cash and cash equivalents	158,815	141,270	—	—
Others	4,455	9,679	3,030	4,103
Total	<u>646,177</u>	<u>677,762</u>	<u>382,398</u>	<u>394,619</u>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

3. SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Mainland China	7,765	9,555
Hong Kong	1,376	1,171
	<u>9,141</u>	<u>10,726</u>

(b) Non-current assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Mainland China	345,329	346,392
Hong Kong	102,713	108,532
	<u>448,042</u>	<u>454,924</u>

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

4. REVENUE AND OTHER INCOME

Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of technology product	4,778	5,220
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases with fixed payments	4,363	5,506
	<u>9,141</u>	<u>10,726</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

4. REVENUE AND OTHER INCOME (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Segments		
Sale of technology product	4,778	5,220
Geographical markets		
Mainland China	4,263	5,220
Hong Kong	515	–
	4,778	5,220
Timing of revenue recognition		
Goods transferred at a point in time	4,778	5,220

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Sale of technology product	1,064	226

(b) Performance obligations

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

Sale of technology product

The performance obligation of the sale of technology product is satisfied upon delivery of goods and payment in advance is generally required.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

4. REVENUE AND OTHER INCOME (continued)

Other income

An analysis of other income is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Bank interest income	1,116	1,878
Investment income from financial assets at fair value through profit or loss	–	24
Others	1,555	205
	<u>2,671</u>	<u>2,107</u>

5. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest expenses on:		
Loan from the ultimate holding company	7,412	7,688
Loan from the immediate holding company	68	–
Bank loans	85	103
Lease liabilities	10	–
	<u>7,575</u>	<u>7,791</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

6. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	1,023	1,058
Depreciation of right-of-use assets	511	567
Amortisation of intangible assets	495	495
Investment income from financial assets at fair value through profit or loss	—	(24)
Cost of inventories sold	3,321	3,403

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 2026 and 30 June 2025.

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%, and the tax rate for other Mainland China subsidiaries was 25% for the six months ended 30 June 2026 and 30 June 2025.

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current tax		
Charge for the period	4	2
Underprovision in prior years	465	—
	469	2
Deferred tax	(264)	—
Total tax expense for the period	205	2

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months ended 30 June 2026 and 30 June 2025, nor has any dividend been proposed since the end of the reporting period (30 June 2025: Nil).



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to ordinary equity holders of the parent are based on:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss attributable to ordinary equity holders of the parent	<u>(10,372)</u>	<u>(9,505)</u>

	For the six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period	<u>998,553,360</u>	<u>998,553,360</u>

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

10. INVESTMENT PROPERTIES

The investment properties of the Group are located in Hong Kong and Mainland China. The fair value of the Group's investment properties as at 30 June 2026 were estimated by directors of the Company with reference to properties valuations at that dates performed by Vincorn Consulting and Appraisal Limited (30 June 2025: Vincorn Consulting and Appraisal Limited), an independent professionally qualified valuer.

11. INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Raw materials	6,949	6,607
Finished goods	<u>3,765</u>	<u>3,214</u>
	10,714	9,821
Less: impairment loss on inventories	<u>(1,243)</u>	<u>(1,243)</u>
	<u>9,471</u>	<u>8,578</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

12. TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	12,992	12,908
Less: Allowance for credit losses	(8,556)	(8,556)
	<u>4,436</u>	<u>4,352</u>
Deposits, prepayments and other receivables	3,265	1,986
Less: Allowance for credit losses	(195)	(195)
	<u>3,070</u>	<u>1,791</u>
Prepayment (note)	–	43,747
Value-added tax recoverable	–	392
	<u>7,506</u>	<u>50,282</u>

Note: At 31 December 2025, the balance represents prepayments to third parties, primarily related to the segment's sales of technology products. The amounts are non-interest bearing and recovered during the Period.

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	–	2,302
1 to 2 months	694	–
2 to 3 months	–	–
Over 3 months	3,742	2,050
	<u>4,436</u>	<u>4,352</u>

13. CASH AND CASH EQUIVALENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	129,349	106,927
Time deposits	29,466	34,343
	<u>158,815</u>	<u>141,270</u>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

14. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade payables	1,029	1,417
Accrued charges and other payables	8,200	9,665
Receipt in advance	583	8,985
Other taxes payable	435	1,093
	10,247	21,160

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	303	309
1 to 2 months	–	108
2 to 3 months	–	73
Over 3 months	726	927
	1,029	1,417

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid 998,553,360 (2025: 998,553,360) ordinary shares	81,257	81,257



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

15. SHARE CAPITAL (continued)

Shares (continued)

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 2025, 31 December 2025, 1 January 2026 and 30 June 2026 (unaudited)	<u>998,553,360</u>	<u>81,257</u>

16. PLEDGE OF ASSETS

As at 30 June 2026 and 31 December 2025, the Group had no pledged assets.

17. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short-term benefits	<u>158</u>	<u>221</u>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

17. RELATED PARTY TRANSACTIONS (continued)

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

		For the six months ended 30 June	
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
A joint venture:			
Interest income from a loan	(ii)	236	236
The ultimate holding company:			
Interest expense on loans	(i)	7,412	7,688
An intermediate holding company:			
Rental Income	(iii)	121	127
Immediate holding company:			
Interest expense on loans	(iv)	68	—

- (c) Balance with related parties:

		30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
	Notes		
Amounts due from related parties:			
Amount due from a joint venture	(ii)	6,286	6,286
Amounts due to related parties:			
Amount due to the ultimate holding company	(i)	364,490	357,079
Amount due to an intermediate holding company	(iii)	—	—
Amount due to immediate holding company	(iv)	—	8,464



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2026

17. RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties: (continued)

Notes:

- (i) As at 30 June 2026, the RMB-denominated loan from the ultimate holding company was unsecured and bears a fixed weighted average interest rate of 4.67% (2025: 4.52%) per annum. The maturity date of the loan is 31 December 2026.
- (ii) As at 30 June 2026, the RMB-denominated loan with a principal amount of RMB5 million provided to Hejian Qingkong Construction Engineering Co., Ltd (核建青控建设工程有限公司), a joint venture of the Group, was unsecured and bears a fixed interest rate of 10% (2025: 10%) per annum. The maturity date of the loan is 30 June 2026.
- (iii) The Group has leased its residential property in Hong Kong under an operating lease agreement to an intermediate holding company, China Qingdao Development (Holdings) Group Company Limited.
- (iv) As at 31 December 2025, the USD-denominated loan from the immediate holding company of USD1,200,000 (equivalent to RMB8,464,000) was unsecured, bears a fixed weighted average interest rate of 4.61% per annum and repayable within one year.

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 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 and the amount due to the ultimate 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 and the amount due to the ultimate holding company as at 30 June 2026 were assessed to be insignificant.

19. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the board of directors on 26 August 2026.



MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended 30 June 2026 (the “Period”) (30 June 2025: Nil).

BUSINESS REVIEW

The Group is principally engaged in the business of leasing of investment properties, production and sale of technology products, provision of consulting services and loan financing.

Leasing of Properties

During the six months ended 30 June 2026, 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 RMB4.36 million (2025: RMB5.51 million), which accounted for 47.7% of the Group’s total revenue. Owing to the unfavorable conditions in the office leasing market in Hong Kong, in alignment with the Group’s strategic development, one of the investment properties was converted for internal use during the Period. Another property was converted to investment properties and leased out during the Period.

Production and Sale of Technology Products

During the six months ended 30 June 2026, revenue generated from the production and sale of technology products amounted to approximately RMB4.78 million (2025: RMB5.22 million), which accounted for 52.3% of the Group’s total revenue.

The decrease in revenue was mainly due to our customers being more prudent about entering into the sales contracts due to the unstable global economic situation. As a result, the installation works for our digital Chinese calligraphy education equipment in classrooms were generally delayed, the impact of which was partially offset by the new technology products sold in Hong Kong during the Period.

Consulting Services

During the six months ended 30 June 2026, the provision of consulting services business did not generate any revenue (2025: Nil). The consulting services are mainly provided to property developers engaged in the construction works in new districts in the PRC.

Financial Services

During the six months ended 30 June 2026, the Group’s financial services business did not generate any revenue (2025: Nil) and the Group did not grant any new loans.

The Group continues to maintain a sound credit control policy when advancing loans to its customers. The Group holds the principle that prudent measures are particularly important and essential.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and Results

During the six months ended 30 June 2026, the Group recorded a revenue of approximately RMB9.14 million (2025: RMB10.73 million). The Group recorded a loss attributable to the equity holders of the parent in the amount of approximately RMB10.37 million for the six months ended 30 June 2026 (2025: RMB9.51 million). Loss per share was RMB1.04 cents for the six months ended 30 June 2026 (2025: RMB0.95 cents). The increase in loss was mainly due to the decrease in fair value of investment properties.

Cost of inventories sold for the six months ended 30 June 2026 was approximately RMB3.32 million (2025: RMB3.40 million).

Other income for the six months ended 30 June 2026 was approximately RMB2.67 million (2025: RMB2.11 million), representing an increase of approximately 26.8% compared with the same period last year. The increase was mainly attributable to the other income from customers.

Employee benefit expenses for the six months ended 30 June 2026 were approximately RMB6.07 million (2025: RMB6.04 million), remaining relatively stable compared to the same period last year.

Other operating expenses for the six months ended 30 June 2026 were approximately RMB5.93 million (2025: RMB6.83 million), representing a decrease of approximately 13.1% compared with the same period last year. The decrease was mainly attributable to the decrease in professional fees and labour costs.

Finance costs for the six months ended 30 June 2026 were approximately RMB7.58 million (2025: RMB7.79 million), representing a decrease of approximately 2.8% compared with the same period last year. The decrease was primarily resulted from the repayment of loans.

Income tax expense for the Period amounted to approximately RMB205,000 (2025: approximately RMB2,000). The increase was mainly due to under-provision of PRC EIT in prior years.

Segment Information

An analysis of the Group's performance by business segment for the Period is set out in note 3 to the consolidated financial statements of this report.

Financial Resources and Liquidity

As at 30 June 2026, total current assets and current ratio (which is defined as total current assets divided by total current liabilities) of the Group were approximately RMB182.08 million (31 December 2025: RMB206.42 million) and 0.48 (31 December 2025: 0.53) respectively.

As at 30 June 2026, the outstanding bank and other borrowings (denominated in Renminbi) of the Group were approximately RMB5.06 million (31 December 2025: RMB5.48 million).

The gearing ratio of the Group, being the ratio of net debt to net debt plus equity, was 46% as at 30 June 2026 (31 December 2025: 47%). The Directors believe that the Group has adequate cash resources to meet its commitments and current working capital requirements.

The Group has adopted a prudent financial management approach and has maintained a solid liquidity position during the Period. To manage liquidity risk, the Board closely monitors the liquidity position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements at all times.



MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure

The number of issued ordinary shares of the Company as at 30 June 2026 was 998,553,360 (31 December 2025: 998,553,360).

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 2026, the Group also pledged certain of its property, plant and equipment with a net carrying amount of approximately RMB24.10 million (31 December 2025: RMB24.40 million) to a bank in Mainland China to secure mortgage financing facilities granted to the Group.

As at 30 June 2026 and 31 December 2025, the Group had no unutilised banking facilities.

Foreign Exchange Exposure

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

Capital Commitments

The Group's capital commitments including capital contributions payable to joint ventures amounted to approximately RMB21.00 million as at 30 June 2026 (31 December 2025: RMB21.00 million). Other than that, the Group does not have any plan for any material investment, disposal of or addition of capital assets as at the date of this report.

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

The Group aims to provide employees with a stimulating and harmonious working environment. The Group also encourages lifelong learning and offers training to its employees to enhance their performance and provide support to their personal development. As at 30 June 2026, the Group employed a total of 90 (31 December 2025: 90) employees. Employees 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 are rewarded with performance-related bonuses and other staff welfare benefits.



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking forward, the global economic situation remains complex and stagnant, with increasingly fierce market competition. The Group will continue to focus on leasing of investment properties, production and sale of the digital Chinese calligraphy education equipment and relevant learning, tutorial systems, sale of technology products and consulting services. We are committed to expanding the market and enhancing our brand influence through innovation and high-quality services. The Group also plans to further develop its trading business as and when appropriate. In terms of internal management, we will further strengthen cost control and risk management, enhance operational efficiency and profitability. We believe that through the collective efforts of all employees and the effective decisions of the management, the Company will achieve higher-quality development in the second half of 2026 and create greater value for our Shareholders.

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 RMB159.90 million.

As disclosed in the announcement of the Company dated 30 June 2022 in relation to the change of use of proceeds from the Rights Issue, the Company intended to use 90% of the Net Proceeds, being approximately RMB143.91 million, for other suitable investment opportunities. 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. 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 RMB36.40 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’s loans, to provide funding for its investment activities.

As disclosed in the announcements of the Company dated 17 November 2025 and 2 January 2026 in relation to the change of use of proceeds from the Rights Issue, the Board had resolved to allocate approximately RMB9.00 million to general working capital for optimising the efficiency of capital utilisation and ensuring the stability of daily operations and allocate approximately RMB29.00 million for the expansion of distribution of electronic products and components business (“Technology Business”) for promoting revenue growth and diversification.

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. The Company expects to utilize all the Net Proceeds from the Rights Issue by 31 December 2026.

As at 30 June 2026, out of the Net Proceeds, RMB29.00 million had been utilised for the expansion of Technology Business and RMB5.91 million had been utilised as general working capital of the Group. The remaining Net Proceeds were unutilised and deposited with a bank in order to generate steady interest income.



MANAGEMENT DISCUSSION AND ANALYSIS

The details of the use of the Net Proceeds as at 30 June 2026 are set out as follows:

Intended use of Net Proceeds	Proposed use of Net Proceeds as at 28 March 2023 RMB million ①	Change in use of the Unutilised Net Proceeds on 7 August 2024 RMB million ②	Actual use of the Net Proceeds up to 31 December 2024 RMB million ③	Change in use of the Unutilised Net Proceeds on 17 November 2025 RMB million ④	Actual use of the Net Proceeds during the Period RMB million ⑤	Unutilised balance as at 30 June 2026 RMB million ①+②-③+④-⑤	Expected timeline for full utilisation of the Unutilised Net Proceeds
As general working capital of the Group	15.99	–	15.99	9.00	5.91	3.09	31 December 2026
Investment opportunities	105.75	(36.40)	–	(38.00)	–	31.35	31 December 2026
Repayment of bank loans	38.16	36.40	74.56	–	–	Nil	Not applicable
Technology Business	–	–	–	29.00	29.00	Nil	Not applicable
Total	<u>159.90</u>	<u>–</u>	<u>90.55</u>	<u>–</u>	<u>34.91</u>	<u>34.44</u>	

For details, please refer to the announcements of the Company dated 30 June 2022, 19 July 2022, 28 March 2023, 7 August 2024, 17 November 2025 and 2 January 2026, respectively.



CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2026, 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 had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong 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 by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Hong Kong 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 Hong Kong Stock Exchange (the "Listing Rules").

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 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 2026.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to the Directors and chief executive of the Company, as at 30 June 2026, 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 required to be kept by the Company under section 336 of the SFO:

Interests in the shares of the Company

Long positions

Name	Capacity	Number of shares held (Note 1)	Approximate percentage of the Company's total number of shares in issue (Note 2)
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")	Beneficial owner	689,243,266	69.02%

Notes:

1. These 689,243,266 shares of the Company were held by CQDHG, which is a wholly-owned subsidiary of QCCIG. By virtue of the SFO, QCCIG is deemed to be interested in the shares of the Company held by CQDHG.
2. The percentage was calculated based on 998,553,360 shares in issue as at 30 June 2026.

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 2026.

* For identification purpose only



CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE CODE

The Board is committed to ensuring high standards of corporate governance in the interests of the shareholders of the Company and devotes its efforts to identifying and developing the best practices. The Company complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Listing Rules during the Period except for the following deviation.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Following the resignation of Mr. Chen Bo as the chief executive officer of the Company (“CEO”) on 17 April 2026, the Company currently has no CEO. As disclosed in the Company’s announcement dated 17 April 2026, the Board is still identifying a qualified candidate to succeed the former CEO. The Company will issue a further announcement as soon as the appointment is made.

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 the change
Mr. Wang Yaping	appointed as an independent non-executive director of Tsingtao Brewery Company Limited, the shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange with stock codes 00168 and 600600 respectively, with effect from 26 June 2026.

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 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 Hong Kong Stock Exchange (including the sale of treasury shares) during the Period. As at 30 June 2026, the Company did not hold any treasury shares.

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
Cui Mingshou
Chairman and Executive Director

Hong Kong, 26 August 2026