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 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Qingdao Holdings International Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 (the "**Year**"), together with the comparative figures for 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	**2024** ***RMB'000***	2023 *RMB'000* (Re-presented)
Continuing operations			
Revenue			
– Goods		**33,029**	33,466
– Rental		**11,305**	8,839
Total revenue	*4*	**44,334**	42,305
Cost of inventories sold		**(18,791)**	(23,431)
Decrease in fair value of investment properties		**(3,288)**	(29,202)
Other income	*4*	**5,298**	4,646
Other gains and losses	*4*	**70**	659
Impairment of financial assets at amortised cost, net	*5*	**(1,000)**	(1,150)
Employee benefit expenses		**(14,195)**	(14,280)
Other operating expenses		**(18,145)**	(17,767)
Finance costs	*6*	**(22,354)**	(27,885)
Share of (losses)/profit of joint ventures		**(5,218)**	5,694

	Notes	2024 RMB'000	2023 RMB'000 (Re-presented)
Loss before tax	*5*	**(33,289)**	(60,411)
Income tax (expense)/credit	*7*	**(3,876)**	12,763
Loss for the year from continuing operations		**(37,165)**	(47,648)
Discontinued operation			
Profit for the year from discontinued operation		**19,549**	12
Loss for the year		**(17,616)**	(47,636)
(Loss)/profit attributable to:	*9*		
Owners of the parent			
– from continuing operations		**(34,847)**	(47,335)
– from discontinued operation		**19,535**	11
		(15,312)	(47,324)
Non-controlling interests			
– from continuing operations		**(2,318)**	(313)
– from discontinued operation		**14**	1
		(2,304)	(312)
Loss for the year		**(17,616)**	(47,636)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024	2023
		RMB'000	*RMB'000*
			(Re-presented)
Loss of the year		**(17,616)**	(47,636)
Other comprehensive income			
Exchange differences:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**3,428**	2,551
Other comprehensive income for the year, net of tax		**3,428**	2,551
Total comprehensive loss for the year		**(14,188)**	(45,085)
Total comprehensive loss for the year attributable to:			
Owners of the parent		**(11,884)**	(44,773)
Non-controlling interests		**(2,304)**	(312)
		(14,188)	(45,085)

	Notes	2024	2023
			(Re-presented)
Loss per share attributable to ordinary equity holders of the parent:	*9*		
– Basic (RMB cents)			
– from continuing operations		**(3.49)**	(4.74)
– from discontinued operation		**1.96**	–
		(1.53)	(4.74)
– Diluted (RMB cents)			
– from continuing operations		**(3.49)**	(4.74)
– from discontinued operation		**1.96**	–
		(1.53)	(4.74)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**40,489**	42,489
Investment properties		**432,976**	433,633
Right-of-use assets		**1,518**	1,532
Goodwill		**1,970**	1,970
Other intangible assets		**7,823**	10,199
Investments in joint ventures		**4,394**	9,612
Deferred tax assets		**11,466**	15,349
Total non-current assets		**500,636**	514,784
CURRENT ASSETS			
Inventories	*10*	**10,284**	386,798
Trade and other receivables	*11*	**31,800**	27,011
Amounts due from joint ventures		**5,786**	160,080
Financial assets at fair value through profit or loss		**–**	2,058
Cash and cash equivalents		**178,397**	156,267
Total current assets		**226,267**	732,214
CURRENT LIABILITIES			
Trade and other payables	*12*	**14,184**	370,932
Contract liabilities		**226**	1,736
Interest-bearing bank and other borrowings		**2,160**	38,435
Amount due to the ultimate holding company		**344,000**	459,100
Amount due to a joint venture		**20,000**	15,000
Income tax payable		**33**	95
Total current liabilities		**380,603**	885,298
NET CURRENT LIABILITIES		**(154,336)**	(153,084)
TOTAL ASSETS LESS CURRENT LIABILITIES		**346,300**	361,700

	Notes	**2024** **RMB'000**	2023 RMB'000
NON-CURRENT LIABILITIES			
Rental deposits from tenants		**419**	453
Interest-bearing bank and other borrowings		**5,477**	6,682
Deferred tax liabilities		**1,282**	1,255
Total non-current liabilities		**7,178**	8,390
NET ASSETS		**339,122**	353,310
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**81,257**	81,257
Other reserves		**202,282**	212,215
		283,539	293,472
Non-controlling interests		**55,583**	59,838
TOTAL EQUITY		**339,122**	353,310

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE AND GROUP INFORMATION

Qingdao Holding International Limited (the "**Company**") is a public limited liability company incorporated in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong is located at Unit 8, 26th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

The Company's immediate holding company is China Qingdao International (Holdings) Company Limited, an indirect wholly-owned subsidiary of 青島城市建設投資（集團）有限責任公司 (Qingdao City Construction Investment (Group) Limited*) (the "**Ultimate Holding Company**"), which is a state-owned enterprise controlled by Qingdao Municipal Government of the People's Republic of China.

The Company and its subsidiaries (collectively referred to as the "**Group**") are involved in the following principal activities:

(a) Leasing of properties: this segment mainly leases residential, industrial and commercial premises to generate rental income;

(b) Production and sale of education equipment: this segment is engaged in the research and development, production and sale of digital Chinese calligraphy education equipment together with relevant learning and tutorial sessions;

(c) Loan financing: this segment provides loan financing services to individuals or corporate customers. The Group possesses a money lender licence and its money lending business is mainly carried out in Hong Kong;

(d) Consulting service: this segment provides construction project supervision, project cost consulting and bidding consulting services in Mainland China; and

(e) Real estate development: this segment provides real estate development services in Mainland China which was discontinued during the year as disclosed in Management discussion and analysis.

* *The English name is for identification purpose only.*

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis notwithstanding the Group incurred a loss of RMB17,616,000 for the year ended 31 December 2024 and had net current liabilities of approximately RMB154,336,000 as at 31 December 2024.

In the opinion of the directors of the Company, the Group should be able to maintain itself as a going concern in the next twelve months from 31 December 2024 by taking into consideration the followings:

– The Group had total cash and cash equivalents of approximately RMB178,397,000 as at 31 December 2024;

– The directors of the Company anticipate that the Group will generate positive cash flows from its operations; and

– Obtained continuous financial support and funding from the Ultimate Holding Company.

Based on the above, the directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations when they fall due for the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 *Statement of Cash Flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]

[1] Effective for annual periods beginning on or after 1 January 2025
[2] Effective for annual periods beginning on or after 1 January 2026
[3] Effective for annual periods beginning on or after 1 January 2027
[4] Effective for annual periods beginning on or after a date to be determined by HKICPA

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and have four reportable segments as follows:

Leasing of properties: this segment mainly leases residential, industrial and commercial premises to generate rental income;

Production and sale of education equipment: this segment is engaged in the research and development, production and sale of digital Chinese calligraphy education equipment together with relevant learning and tutorial sessions;

Loan financing: this segment provides loan financing services to individuals or corporate customers. The Group possesses a money lender licence and its money lending business is mainly carried out in Hong Kong; and

Consulting service: this segment provides construction project supervision, project cost consulting services and bidding consulting in Mainland China;

During the year ended 31 December 2024, the Group disposed of its equity interest in "Real estate development" segment which was presented as "discontinued operation". The segment information of the Group's business units does not include the discontinued operation. Prior year segment disclosures have been re-presented to conform with the current year's presentation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that fair value changes of investment properties, certain other income, certain other gains and losses, certain employee benefit expenses, finance costs, as well as certain other operating expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and cash and cash equivalents, financial assets at fair value through profit or loss, other financial assets, tax recoverable, certain property, plant and equipment, certain other receivables of the corporate offices.

Segment liabilities exclude certain other payables and accrued charges of the corporate offices as these liabilities are managed on a group basis.

Segment revenue and results

For the year ended 31 December 2024

	Segment revenue *RMB'000*	**Segment results** *RMB'000*
Continuing operations:		
Leasing of properties	**11,305**	**2,603**
Production and sale of education equipment	**33,029**	**(928)**
Consulting service	**–**	**(3,921)**
Loan financing	**–**	**(75)**
Segment total	**44,334**	**(2,321)**
Unallocated income		**5,297**
Unallocated expenses		**(36,265)**
Loss before tax		**(33,289)**

For the year ended 31 December 2023

	Segment revenue *RMB'000*	Segment results *RMB'000* (Re-presented)
Continuing operations:		
Leasing of properties	8,839	(25,470)
Production and sale of education equipment	33,466	(4,849)
Consulting service	–	2,144
Loan financing	–	(24)
Segment total	42,305	(28,199)
Unallocated income		4,376
Unallocated expenses		(36,588)
Loss before tax		(60,411)

Segment assets and liabilities

	Segment assets		Segment liabilities	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Leasing of properties	**452,837**	602,059	**347,416**	482,378
Production and sale of education equipment	**59,922**	63,301	**11,162**	12,595
Consulting service	**30,205**	32,920	**26,503**	24,693
Loan financing	**–**	–	**–**	–
Real estate development	**–**	376,885	**–**	338,443
Segment total	**542,964**	1,075,165	**385,081**	858,109
Unallocated:				
Cash and cash equivalents	**178,397**	156,267	**–**	–
Others	**5,542**	15,566	**2,700**	35,579
Total	**726,903**	1,246,998	**387,781**	893,688

Other segment information

Year ended 31 December 2024

	Leasing of properties ***RMB'000***	**Production and sale of education equipment** ***RMB'000***	**Consulting service** ***RMB'000***	**Loan financing** ***RMB'000***	**Others** ***RMB'000***	**Total** ***RMB'000***
Continuing operations:						
Share of losses of Joint ventures	**–**	**–**	**(5,218)**	**–**	**–**	**(5,218)**
Impairment losses of financial assets at amortized cost recognised in the statement of profit or loss, net	**–**	**1,000**	**–**	**–**	**–**	**1,000**
Decrease in fair value of investment properties	**(3,288)**	**–**	**–**	**–**	**–**	**(3,288)**
Depreciation and amortization	**1,882**	**3,149**	**576**	**–**	**237**	**5,844**
Investments in joint ventures	**–**	**–**	**4,394**	**–**	**–**	**4,394**
Capital expenditure*	**1,126**	**14**	**–**	**–**	**–**	**1,140**

Year ended 31 December 2023

	Leasing of properties *RMB'000*	Production and sale of education equipment *RMB'000*	Consulting service *RMB'000*	Loan financing *RMB'000*	Others *RMB'000*	Total *RMB'000*
Continuing operations:						
Share of profit of Joint ventures	–	–	5,694	–	–	5,694
Impairment losses of financial assets at amortized cost recognised in the statement of profit or loss, net	–	1,150	–	–	–	1,150
Decrease in fair value of investment properties	(29,202)	–	–	–	–	(29,202)
Depreciation and amortization	1,515	3,119	825	–	223	5,682
Investments in joint ventures	–	–	9,612	–	–	9,612
Capital expenditure*	1,724	648	–	–	–	2,372

* *Capital expenditure consists of addition to property, plant and equipment and right-of-use assets.*

Geographical information

(a) Revenue from external customers

	2024 *RMB'000*	2023 *RMB'000*
Continuing operations:		
Mainland China	**41,600**	39,593
Hong Kong	**2,734**	2,712
	44,334	42,305

(b) Non-current assets

	2024 *RMB'000*	2023 *RMB'000*
Mainland China	**354,082**	344,581
Hong Kong	**135,088**	154,854
	489,170	499,435

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

Information about major customer

Revenue of RMB8,570,000 from a customer relating to rental income of the Group's investment properties which contributed over 10% of total revenue for the year ended 31 December 2024 (2023: no individual customer contributed over 10% of total revenue for the year).

4. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

An analysis of revenue is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Continuing operations:		
Revenue from contracts with customers		
Sale of education equipment	**33,029**	33,466
Revenue from other sources		
Gross rental income from investment property operating leases with fixed payments	**11,305**	8,839
	44,334	42,305

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Segments		
Sale of education equipment	**33,029**	33,466
Geographical markets		
Mainland China	**33,029**	33,466
Timing of revenue recognition		
Goods transferred at a point in time	**33,029**	33,466

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

	2024	2023
	RMB'000	*RMB'000*
Sale of education equipment	**1,736**	1,271

(b) Performance obligations

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

Sale of education equipment

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

An analysis of other income is as follows:

	2024	2023
	RMB'000	*RMB'000*
		(re-presented)
Other income:		
Bank interest income	**4,123**	3,459
Investment income from financial assets at fair value through profit or loss	**81**	162
Government grant *(Note)*	**422**	557
Others	**672**	468
	5,298	4,646

Note:

The amount of the government grant represents the incentive subsidies received from the local district authorities in Mainland China for business activities carried out by the Group in the district. There are no unfulfilled conditions related to the grants.

An analysis of other gains and losses is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other gains and losses:		
Net foreign exchange gain	**3**	768
Gain on disposal of loan receivable from a joint venture	**88**	–
Loss from financial assets at fair value through profit or loss	**(21)**	(109)
	70	659

5. LOSS BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
		(Re-presented)
Continuing operations:		
Auditor's remuneration	**830**	860
Depreciation of property, plant and equipment	**2,335**	2,299
Depreciation of right-of-use assets	**1,133**	1,004
Amortization of intangible assets	**2,376**	2,379
Impairment losses on financial assets at amortized cost, net	**1,000**	1,150
Investment income from financial assets at fair value through profit or loss	**(81)**	(162)
Loss on disposal of items of property, plant and equipment	**–**	1
Government grant	**(422)**	(557)
Net foreign exchange gain	**(3)**	(768)
Loss from financial assets at fair value through profit or loss	**21**	109
Expense relating to short-term leases	**–**	100
Cost of inventories sold (including write down of inventories amounting to Nil (2023: RMB1,023,000))	**18,791**	23,431
Directors' fees	**377**	400
Other staff costs:		
– Salaries and other benefits	**12,197**	12,948
– Retirement benefit scheme contributions	**1,621**	932
Total staff costs	**14,195**	14,280
Gross rental income	**(11,305)**	(8,839)
Less: Direct operating expenses that generate rental income during the year	**742**	1,161
	(10,563)	(7,678)

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Continuing operations:		
Interest on loan from the ultimate holding company	**20,269**	24,964
Interest on bank loan	**1,994**	2,885
Interest on lease liabilities	**91**	36
	22,354	27,885

7. INCOME TAX

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% (2023:16.5%) on the estimated assessable profits arising in Hong Kong for the current year and prior year.

Mainland China

Under the Law of Mainland China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of Mainland China subsidiaries was 25% for both the current year and prior year. 山東啟華教育科技有限公司, a non-wholly owned subsidiary of the Company, was approved as High and New Technology Enterprise and was eligible to enjoy a preferential enterprise income tax rate of 15% for both the current year and prior year.

	2024	2023
	RMB'000	*RMB'000*
		(Re-presented)
Continuing operations:		
Current tax		
Charge for the year	**103**	217
Over provision in prior years	**(149)**	–
	(46)	217
Deferred taxation	**3,922**	(12,980)
Total tax expenses/(credit) for the year	**3,876**	(12,763)

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024 (31 December 2023: Nil).

9. LOSS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
		(Re-presented)
(Loss)/profit attributable to ordinary equity holders of the parent		
– from continuing operations	**(34,847)**	(47,335)
– from discontinued operation	**19,535**	11
	(15,312)	(47,324)

	Number of shares	
	2024	2023
Number of shares		
Weighted average number of ordinary shares in issue during the year	**998,553,360**	998,553,360

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

10. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**7,344**	8,401
Finished goods	**2,940**	4,913
Properties under development	**–**	373,484
	10,284	386,798

During the year, cost of inventories sold of RMB18,791,000 (2023: RMB23,431,000) are recognised as expenses with nil allowance recognized (2023: RMB1,023,000) for write down to net realizable value for inventories.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**12,069**	7,672
Less: Allowance for credit losses	**(3,612)**	(2,612)
	8,457	5,060
Deposits, prepayments and other receivables	**23,245**	18,823
Less: Allowance for credit losses	**(195)**	(195)
	23,050	18,628
Advance payment of income tax	**–**	2,423
Value-added tax recoverable	**293**	900
	31,800	27,011

According to the Group's trading terms with its customers, payment in advance is normally required, except for certain customers, where a credit period is allowed. The credit period is generally three months, extending up to six months or longer for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group has concentration of credit risk as 31% and 92% of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within production and sale of education equipment segment. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Deposits, prepayments and other receivables mainly represents prepayments and the deposits with suppliers and other parties. The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group with similar debtors and are adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**4,153**	2,695
1 to 2 months	**444**	40
2 to 3 months	**–**	1,362
Over 3 months	**3,860**	963
	8,457	5,060

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**2,612**	1,462
Impairment losses, net	**1,000**	1,150
At end of year	**3,612**	2,612

Except for debtors become credit-impaired of significant increase in credit risk which assess expected credit loss on individual basis, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on a collective basis. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

12. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**2,811**	339,364
Accrued charges and other payables	**9,805**	30,144
Other taxes payable	**1,568**	1,424
	14,184	370,932

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**371**	24,451
1 to 2 months	**252**	15,686
2 to 3 months	**332**	–
Over 3 months	**1,856**	299,227
	2,811	339,364

The trade and other payables are non-interest-bearing and are normally settled on 90-day terms.

13. SHARE CAPITAL

Shares

The number of authorised capital is 20,000,000,000. The par value per share is HK$0.1.

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid 998,553,360 (2023: 998,553,360) ordinary shares	**81,257**	81,257

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 2023, 31 December 2023, 1 January 2024 and 31 December 2024	998,553,360	81,257

14. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital contributions payable to joint ventures	**24,000**	28,900

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the business of leasing of investment properties, production and sale of the digital Chinese calligraphy education equipment and relevant learning, tutorial systems and the provision of loan financing, consulting services and property development.

Leasing of Properties

During the Year, 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 RMB11,305,000 (2023: RMB8,839,000), which accounted for 25.5% of the Group's total revenue. Owing to the unfavorable situation of office properties in Hong Kong, one investment property is still vacant and the Company is actively looking for suitable tenants.

Production and Sale of Digital Chinese Calligraphy Education Equipment

During the Year, revenue generated from the production and sale of digital Chinese calligraphy education equipment amounted to approximately RMB33,029,000 (2023: RMB33,466,000), which accounted for 74.5% of the Group's total revenue.

In 2024, our main products continued to develop well in the northwest China market, leading in market share. In key provinces of our strategic goals, such as Sichuan, Jiangsu, and Zhejiang, our market share has significantly increased, achieving the intended results. The addition of art projects and traditional calligraphy products, in line with market conditions, has increased the gross profit margin. Meanwhile, by reducing expenses controlling large expenditures such as exhibition events, we have managed to reduce losses in this segment.

Loan Financing

During the Year, the Group's loan financing business did not generate any revenue (2023: nil). The Group did not grant any new loans during the Year.

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. Nevertheless, after careful consideration, the Group has decided to discontinue this business in 2025.

Consulting Services

During the Year, the provision of consulting services segment did not generate any revenue (2023: nil). The consulting services mainly included consulting services provided to property developers engaged in the construction works in new districts in the PRC.

Property Development

The Group had, through Bengbu City Huai Yi Construction and Development Ltd.* (蚌埠市淮翼建設發展有限公司) ("**BCHYCDL**", an indirect owned subsidiary of the Company), successfully acquired the land use right in respect of a land where the project is located by way of bidding in March 2021. Upon completion of the acquisition of BCHYCDL, property development became one of the principal business activities of the Group. During the Year, the Group's 51%-owned subsidiary, Nuclear Construction Qingdao Development and Construction Co., Ltd. ("**Nuclear Construction Qingdao**"), signed an equity transfer contract with Bengbu Huaiying Investment Management Co., Ltd. ("**Huaiying Investment**"), under which Nuclear Construction Qingdao sold its 95% equity interest in BCHYCDL to Huaiying Investment. This transaction was completed in December 2024, and BCHYCDL ceased to be a subsidiary of the Company. For details, please refer to the announcements of the Company dated 30 December 2022, 30 January 2023, 24 October 2024, 21 November 2024 and 29 November 2024 and in the circular of the Company dated 18 December 2024, respectively. After completion of the disposal of BCHYCDL, the Group discontinued the property development business.

FINANCIAL REVIEW

Revenue and Results

During the Year, the Group recorded a revenue of approximately RMB44,334,000 (2023: RMB 42,305,000). The Group recorded a loss attributable to the equity holders of the parent in the amount of approximately RMB15,312,000 for the Year (2023: loss attributable to the equity holders of the parent of RMB47,324,000). Loss per Share was RMB2.2 cents for the Year (2023: loss per Share of RMB4.74 cents). The loss was mainly attributable to (i) the decrease in fair value of investment properties of the Group, as a result of the unfavourable property market conditions; (ii) the share of loss in the joint venture due to delays in certain projects; and (iii) the reversal of previously recognized deferred tax assets.

Cost of inventories sold for the Year was approximately RMB18,791,000 (2023: RMB23,431,000, re-presented).

Other income for the Year was approximately RMB5,298,000 (2023: RMB4,646,000), representing an increase of approximately RMB652,000. The increase was primarily attributable to the increase of interest income from the banks.

Employee benefit expenses for the Year were approximately RMB14,195,000 (2023: RMB14,280,000), remaining relatively stable compared to the prior year.

Other operating expenses for the Year were approximately RMB18,145,000 (2023: RMB17,767,000), representing a slight increase of approximately RMB378,000, mainly because of increased professional fees due to significant disposal transactions.

Finance costs for the Year were approximately RMB22,354,000 (2023: RMB27,885,000), representing a decrease of RMB5,531,000. The decrease primarily resulted from the repayment of loans.

Income tax expense for the Year was approximately RMB3,876,000 (2023: income tax credit of RMB12,763,000). The increase in income tax expense was mainly because of the decrease in the deferred tax assets during the Year.

Segmental Information

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

Dividends

The Board does not recommend the payment of any final dividends for the Year (2023: nil).

Liquidity and Financial Resources

As at 31 December 2024, the Group had total assets of approximately RMB726,903,000 (31 December 2023: RMB1,246,998,000), whereas total liabilities of the Group amounted to approximately RMB387,781,000 (31 December 2023: RMB893,688,000).

Accordingly, the net assets of the Group as at 31 December 2024 was RMB339,122,000 (31 December 2023: RMB353,310,000).

As at 31 December 2024, the outstanding bank and other borrowings of the Group was approximately RMB7,637,000 (31 December 2023: RMB45,117,000).

The gearing ratio of the Group, being the net debt to net debt and equity, 35% as at 31 December 2024 (31 December 2023: 67%). The Directors believe that the Group has adequate cash resources to meet its commitments and current working capital requirements.

Capital Structure

The number of issued ordinary shares of the Company as at 31 December 2024 was 998,553,360 Shares (31 December 2023: 998,553,360 Shares).

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 31 December 2024, the Group pledged certain of its investment properties with a market value of RMB119.9 million (31 December 2023: RMB127.1 million) to a bank in Hong Kong to secure mortgage financing facilities granted to the Group. As at 31 December 2024, the Group also pledged its leasehold land and building with a cost of RMB25.0 million (31 December 2023: RMB25.7 million) to a bank in the PRC to secure mortgage financing facilities granted to the Group.

As at 31 December 2024, the Group had no unutilized banking facilities (31 December 2023: nil).

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 did not have capital commitments including acquisition of subsidiary as at 31 December 2024 (2023: nil).

The Group's capital commitments including leasehold land and buildings and capital contributions payable to joint ventures amounted to approximately RMB24.0 million as at 31 December 2024 (2023: RMB28.9 million).

Contingent Liabilities

As at 31 December 2024 and 31 December 2023, the Group did not have any material contingent liabilities.

PROSPECTS

Looking forward to 2025, the global economic situation remains complex and ever-changing, 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 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 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 2025 and create greater value for our shareholders.

Lastly, the controlling shareholder, QCIG, issued a letter of financial support to the Group to further support the operations of the Group, while accelerating the process of acquiring potential high-quality assets, promoting asset acquisitions, gradually improving the Group's principal business, and maintaining the Group's market value. The defaulted loan was transferred to a connected person of the Company, and it is expected that the disposal will significantly reduce the operating risks of the Group. Sales of digital Chinese calligraphy education equipment are expected to continue to improve profitability and maintain growth. As the joint venture of the Group gradually commences operations, engineering development, construction and consulting income is expected to see significant growth in the foreseeable future.

Material Transactions

1. ***The Transfer of Loan***

   On 15 November 2019, Qingdao Holdings (Hong Kong) Limited ("**Qingdao (HK)**"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "**Joint Venture Agreement**") with China Nuclear Industry Zhongyuan Construction Co., Limited* (中國核工業中原建設有限公司) ("**China Nuclear Industry**") and China Huadong Construction and Engineering Group Limited* (中國華東建設工程集團有限公司) ("**China Huadong**") in relation to the formation of a joint venture company (the "**Joint Venture Company**"). The Joint Venture Company is principally engaged in urban reconstruction and development, construction and management of parks, construction and management of municipal facilities and equity investment and capital deployment in the PRC.

On 25 February 2020, the Joint Venture Company and Huizhou Meile Land Company Limited* (惠州市美樂置地實業有限公司) ("**Meile Land**"), an independent third party of the Company, established Huizhou Yanlong Land Company Limited* (惠州市炎隆置業有限公司) ("**Huizhou Yanlong**"). Huizhou Yanlong is 49% and 51% owned by the Joint Venture Company and Meile Land, respectively. Huizhou Jiuyu Real Estate Company Limited*(惠州市九煜置業有限公司) ("**Huizhou Jiuyu**") is wholly owned by Huizhou Yanlong. Huizhou Jiuyu is expected to acquire the land use rights of the Land.

To provide Huizhou Jiuyu with part of the funding for the acquisition, development and operating expenses of the Land, Qingdao Qifeng Technology Services Co., Ltd.* (青島啟峰科技服務有限公司) ("**Qifeng**"), Qingdao Urban Rural Construction Micro-credit Loan Co. Ltd.* (青島城鄉建設小額貸款有限公司) ("**QURC Micro-credit Loan Company**") and Huizhou Jiuyu entered into an entrusted loan arrangement on 7 May 2020 (the "**Entrusted Loan Arrangement**"). Pursuant to the Entrusted Loan Arrangement, QURC Micro-credit Loan Company, acting as the lending agent, agreed to release a loan in the principal amount of RMB195,100,000 (the "**Loan**") funded by Qifeng, to Huizhou Jiuyu, subject to the terms and conditions of the entrusted loan contract dated 7 May 2020 entered into among Qifeng, QURC Micro-credit Loan Company and Huizhou Jiuyu and the entrusted loan entrustment contract. QURC Micro-credit Loan Company is a non-banking financial institution approved and regulated by the relevant PRC regulatory authorities and is a connected person of the Company.

On 7 May 2020, QCCIG entered into a loan agreement with Qifeng, pursuant to which, QCCIG agreed to provide, upon Qifeng's request, unsecured loan of RMB182,000,000 to Qifeng at an interest rate of 3.85% per annum ("**Financial Assistance**"). The Group used its internal resources and the Financial Assistance to fund the Loan for the years ended 31 December 2020, 2021 and 2022.

The entrusted loan entrustment contract had been terminated, QURC Micro-credit Loan Company ceased to be the lending agent in relation to the Loan and the Loan was provided to Huizhou Jiuyu by Qifeng directly.

In 2022, Huizhou Jiuyu failed to repay RMB191,600,000 of the principal of the Loan and approximately RMB7,006,000 of the interests of the Loan. Accordingly, as at 31 December 2024, the expected credit losses amounting to RMB43,694,000 (31 December 2023: RMB43,694,000) were estimated by fair value of collateral and recovery rate. The loss rate applied at 31 December 2024 was 22% (31 December 2023: 22%).

On 22 December 2023, Qifeng and Qingdao City Investment and Assets Management Company Limited (青島城投資產管理有限公司) entered into a transfer of loan agreement, pursuant to which, Qifeng, as the transferor, agreed to transfer the Loan to Qingdao City Investment and Assets Management Company Limited (青島城投資產管理有限公司), as the transferee, at the consideration of RMB155,000,000.

On 20 March 2024, the transfer of the Loan was approved at the special general meeting of the Company. Upon completion of the transfer of the Loan, the Company received RMB155,000,000, which was used to repay its shareholders' loans.

For further details, please refer to the announcements of the Company dated 7 May 2020, 30 June 2020, 30 December 2022, 3 January 2023, 22 December 2023 and 20 March 2024 and the circulars of the Company dated 11 June 2020 and 29 February 2024.

2. The Disposal of 95% Equity Interest in Subsidiary

On 29 November 2024, NEQH Development and Construction Co. Ltd (核建青控開發建設有限公司) (the "**Vendor**", a 51% directly owned subsidiary of the Company), and Bengbu City Huaiying Investment and Management Company Limited (the "**Purchaser**", an independent third party), entered into the Equity Transaction Agreement, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to acquire 95% equity interest in BCHYCDL, at the consideration of RMB43,654,590 by way of public tender on the Qingdao Property Rights Exchange* (青島產權交易所). Upon completion of the disposal, BCHYCDL ceased to be a subsidiary of the Company.

Detailed information was provided in the announcements of the Company dated 24 October 2024, 21 November 2024, 29 November 2024 and 17 December 2024 and circular of the Company dated 18 December 2024.

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 RMB159.9 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 RMB36.4 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 loans, to provide funding for the investment activities. The Board considers that the change in use of the Net Proceeds will be in the 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.

As at 31 December 2024, out of the Net Proceeds, RMB74.56 million had been utilised for the settlement of bank loans and RMB15.99 million had been utilised as general working capital of the Group. The remaining Net Proceeds remained unutilised and had been deposited with bank in order to generate stable interest income.

The details of the use of the Net Proceeds as at 31 December 2024 are set out as follows:

Intended use of Net Proceeds	**Proposed use of Net Proceeds as at 28 March 2023**	**Actual use of the Net Proceeds up to 31 December 2023**	**Change in use of the Unutilised Net Proceeds on 7 August 2024**	**Actual use of the Net Proceeds during the Year**	**Unutilised balance as at 31 December 2024**	**Expected timeline for full utilisation of the Unutilised Net Proceeds**
	RMB million ①	*RMB million* ②	*RMB million* ③	*RMB million* ④	*RMB million* ①-②+③-④	
As general working capital of the Group	15.99	13.5	–	2.49	Nil	Not applicable
Investment opportunities	105.75	–	(36.4)	–	69.35	30 June 2025
Repayment of bank loans	38.16	38.16	36.4	36.4	Nil	Not applicable
Total	159.9	51.66	–	38.89	69.35	

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

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE YEAR

There are no events affecting the Group that had occurred after 31 December 2024 and up to the date of this announcement.

HUMAN RESOURCES

The Group aims to provide employees with a stimulating and harmonious working environment. The Group also encourages life-long learning and offers training to its employees to enhance their performance and provide support to their personal development. As at 31 December 2024, the Group employed a total of 110 employees (31 December 2023: 121). Employees and Directors 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 and Directors are rewarded with performance-related bonuses and other staff welfare benefits.

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 efforts to identify and formalise best practices. The Company has applied the principles of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the Year, the Company complied with the code provisions set out in the CG Code, except for the deviations set out below.

Code provision C.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the Year, no formal meeting was arranged between the Chairman of the Board and the independent non-executive Directors without the other Directors present due to tight schedules of the Chairman of the Board and the Independent non-executive Directors. The Independent non-executive Directors may communicate and discuss with the Chairman of the Board directly at any time to share their views on the Company's affairs. The Company considers that there are sufficient channels and communication for discussion of the Company's affairs between the Chairman and Independent non-executive Directors in the absence of other Directors.

Code provision of D.3.3 stipulates that the Audit Committee must meet, at least twice a year, with the Company's auditor. Since the Company already engaged its then auditor to conduct a review of the Group's financial information in its interim report for the six months ended 30 June 2024, the Audit Committee only met the Company's auditor once during the Year to discuss matters arising from the audit of the Company's annual results for the year ended 31 December 2024 and other matters the auditor may wish to raise.

Under code provision C.5.1 of the CG Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the Year, the Board held three regular Board meetings. For these Board meetings held during the Year, at least 14 days' notice had been given to all Directors. The significant matters concerning the business activities and operation of the Group had been either duly reported, discussed and resolved at the above Board meetings or otherwise dealt with by the Board by way of written resolutions for expeditious commercial decisions making purposes. The Board will use reasonable endeavor to meet the requirement of code provision C.5.1 of the CG Code in the future.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to 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 complied with the Model Code throughout the Year.

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.

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 review the auditing and financial reporting processes and the risk management and internal control systems of the Group, including the review of the annual results. The Audit Committee meets the Group's senior management regularly to review the effectiveness of the risk management and internal control systems and also reviews the interim and annual reports of the Group. The Group's results for the Year have been reviewed by the Audit Committee with the management of the Company.

AUDITOR AND SCOPE OF WORK OF MESSRS. BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. BDO Limited ("**BDO**"), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by BDO 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 opinion or assurance conclusion has been expressed by BDO on this preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

The annual report of the Company for the Year 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
Cui Mingshou
Chairman and Executive Director

Hong Kong, 24 March 2025

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

* *For identification purpose only*