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QINGDAO HOLDINGS INTERNATIONAL LIMITED

青島控股國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00499)

INSIDE INFORMATION MAJOR TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF ENTRUSTED LOAN AND SUPPLEMENTAL ANNOUNCEMENT REGARDING THE BREACH OF CONTRACT BY HUIZHOU JIUYU

This announcement is made by Qingdao Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.19 of the Listing Rules.

BREACH OF CONTRACT BY HUIZHOU JIUYU

Reference is made to the announcement of the Company dated 7 May 2020 and the circular of the Company dated 11 June 2020 (the “**Circular**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

On 7 May 2020, Qingdao Qifeng Technology Services Co., Ltd.* (青島啟峰科技服務有限公司) (“**Qifeng**”), an indirect wholly-owned subsidiary of the Company, 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**”), a connected person of the Company and Huizhou Jiuyu Real Estate Company Limited* (惠州市九煜置業有限公司) (“**Huizhou Jiuyu**”), an independent third party (as defined in the Listing Rules) of the Company, entered into an entrusted loan arrangement (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**”), which would be funded by Qifeng, to Huizhou Jiuyu, subject to the terms and conditions of the entrusted loan contract (the “**Contract**”) dated 7 May 2020 entered into among Qifeng, QURC Micro-credit Loan Company and Huizhou Jiuyu and the entrusted loan entrustment contract (the “**Entrusted Loan Entrustment Contract**”) dated 7 May 2020 entered into between Qifeng and QURC Micro-credit Loan Company.

As at the date of this announcement, 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. As at the date of this announcement, the Loan in the amount of RMB191,600,000 had been drawn down by Huizhou Jiuyu.

The board of directors (the “**Board**”) of the Company wishes to announce that it was informed that Huizhou Jiuyu had failed to repay approximately RMB126,100,000 of the principal of the Loan and approximately RMB14,270,000 of the interests of the Loan, respectively and this constitutes a breach of the Contract (the “**Breach**”).

IMPACT OF THE BREACH ON THE GROUP

The principal amount of the Loan represents approximately 18.3% of the total assets of the Company as at 30 June 2022.

Pursuant to the Contract, the following collaterals were provided as security for the purposes of the Loan, (i) the land use right of the Land and its construction-in-progress property project on the Land; (ii) 51% equity interest in Huizhou Yanlong held by Meile Land; (iii) 100% equity interest in Huizhou Jiuyu; and (iv) corporate guarantee of Meile Land.

The Board is currently seeking legal advice in respect of the Breach and is considering the options available to the Company, including but not limited to the commencement of legal proceedings, enforcement of the pledge on the Land or requesting for additional guarantees for the Loan. Given that the Board is still considering its options, the Board considers that it is not practical to assess its potential impact of the Breach on the Company at the moment. The Board is of the view that the Breach does not affect the normal operation of the Group.

The Company will make further announcement(s) to keep its shareholders and investors informed of any significant development of the Breach as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board
Qingdao Holdings International Limited
Yuan Zhi

Executive Director, Deputy Chairman and Chief Executive Officer

Hong Kong, 30 December 2022

As at the date of this announcement, the executive directors are Mr. Gao Yuzhen (Chairman), Mr. Yuan Zhi (Deputy Chairman and Chief Executive Officer) and Mr. Hu Liang; the non-executive director is Mr. Li Shaoran; and the independent non-executive directors are Mr. Yin Tek Shing, Paul, Mr. Wong Tin Kit, Ms. Zhao Meiran and Mr. Li Xue.

* *For identification purpose only*