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Qeeka Home (Cayman) Inc.

齊屹科技(開曼)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1739)

DISCLOSEABLE TRANSACTION

TRANSFERS OF ENTIRE EQUITY INTERESTS IN SANMING QIJIA NETWORK, SHANGHAI ZHENGYI AND FUJIAN QIYI

TRANSFERS OF ENTIRE EQUITY INTERESTS IN SANMING QIJIA NETWORK, SHANGHAI ZHENGYI AND FUJIAN QIYI

On July 22, 2021, Shanghai Qiyu (as the transferor), an indirect wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with, among others, Vanadium Diamond (as the transferee), an Independent Third Party, pursuant to which Shanghai Qiyu agreed to sell, and Vanadium Diamond agreed to purchase, the entire equity interest in each of Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi, at the total consideration of RMB432,000,000.

As at the date of this announcement, Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi own 49%, 32% and 19% of Shanghai Jinjie, respectively. Shanghai Jinjie in turns wholly owns the Land.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transfers is more than 5% but all of the applicable percentage ratios are less than 25%, the Transfers constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE EQUITY INTEREST TRANSFER AGREEMENT

The principal terms of the Equity Interest Transfer Agreement are summarized below.

- Date:** July 22, 2021 (after trading hours)
- Parties:**
- (1) Transferor: Shanghai Qiyu, an indirect wholly-owned subsidiary of the Company
 - (2) Transferee: Vanadium Diamond
 - (3) Targets: Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi, each a wholly-owned subsidiary of the Company
 - (4) Project Company: Shanghai Jinjie, a wholly-owned subsidiary of the Company. As at the date of this announcement, Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi own 49%, 32% and 19% of Shanghai Jinjie, respectively. Shanghai Jinjie wholly owns the Land located at Jiading District, Shanghai, the PRC.
 - (5) Guarantor: Brausen, a subsidiary of the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Vanadium Diamond and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

Subject matter: Pursuant to the Equity Interest Transfer Agreement, Shanghai Qiyu agreed to sell, and Vanadium Diamond agreed to purchase, the entire equity interest in each of Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi together with all rights and benefits therein. Vanadium Diamond shall thereby indirectly acquire the entire equity interest in Shanghai Jinjie.

Consideration and basis of the consideration: The total consideration payable for the Sale Interest is RMB432,000,000, of which RMB345,600,000 shall be payable by Vanadium Diamond and RMB86,400,000 shall be payable by a designated entity of Vanadium Diamond.

The consideration for the Sale Interest was arrived at after arm's length negotiation among the parties, and was determined by reference to the market value of the land use right of the Land held by Shanghai Jinjie of RMB436,000,000 as of June 30, 2021 as determined by a valuation by an independent valuer.

Payment terms: The consideration for the Sale Interest is RMB432,000,000 shall be in cash in the following manner:

- i. a sum of RMB330,000,000 to be paid by Vanadium Diamond to a specified bank account of SUAEE within ten (10) business days after (a) signing of the Equity Interest Transfer Agreement; (b) all necessary internal approvals have been obtained by the parties in accordance with their respective articles of association and applicable laws; and (c) all necessary regulatory disclosure have been complied with. Shanghai Qiyu shall arrange for the business registration of the transfers of the Sale Interest to Vanadium Diamond (and its designated entity) with local Administration for Industry and Commerce within five (5) business days of the RMB330,000,000 being paid to the specified bank account of SUAEE. SUAEE shall release the sum to a specified bank account of Shanghai Qiyu within three (3) business days of completion of the business registration and the setting up of such bank account;
- ii. a sum of RMB97,000,000 to be paid upon the earlier of (a) fifteen (15) business days from the construction permit of the Land having been obtained; or (b) six (6) months from the signing of the Equity Interest Transfer Agreement, of which RMB15,600,000 shall be payable by Vanadium Diamond and RMB81,400,000 shall be payable by the designated entity of Vanadium Diamond; and
- iii. a sum of RMB5,000,000 shall be payable by the designated entity of Vanadium Diamond upon twenty four (24) months from the signing of the Equity Interest Transfer Agreement.

Completion: Completion of the Transfers shall take place on the date on which the first payment of RMB330,000,000 is paid by Vanadium Diamond to a specified bank account of SUAEE.

Guarantee: Pursuant to the Equity Interest Transfer Agreement, Brausen (a subsidiary of Shanghai Qiyu) shall enter into a stipulated guarantee agreement with Vanadium Diamond to guarantee the obligations of Shanghai Qiyu under the Equity Interest Transfer Agreement. Brausen and Vanadium Diamond have entered into the guarantee agreement on the same date of the Equity Interest Transfer Agreement, pursuant to which Brausen has guaranteed a maximum amount of RMB498,000,000, covering the repayment of the consideration paid by Vanadium Diamond and its designated entity for the Sale Interest and any incidental interest, penalties and damages should there be any material breaches by Shanghai Qiyu under the Equity Interest Transfer Agreement.

INFORMATION OF THE PARTIES

Shanghai Qiyu, the transferor

Shanghai Qiyu is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company, which is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Company is a leading interior design and construction SaaS service platform in the PRC.

Brausen, the guarantor

Brausen is a company established in the PRC with limited liability and a subsidiary of Shanghai Qiyu and the Company.

Vanadium Diamond, the transferee

Vanadium Diamond is a company established under the laws of Hong Kong and as of the date of this announcement, a wholly-owned subsidiary of Vanadium Stone Group Ltd, which is an investment holding company.

Sanming Qijia Network, the target company

Sanming Qijia Network is a company established under the laws of the PRC and as of the date of this announcement, a wholly-owned subsidiary of Shanghai Qiyu and in turn the Company.

As of December 31, 2020, the unaudited total asset and net asset value of Sanming Qijia Network were approximately RMB166,614,000 and RMB166,614,000, respectively. As Sanming Qijia Network has not commenced any business operations apart from holding 49% of Shanghai Jinjie, it did not generate any significant revenue nor profit/loss before and after tax for the two years immediately preceding the date of the Equity Interest Transfer Agreement.

Shanghai Zhengyi, the target company

Shanghai Zhengyi is a company established under the laws of the PRC and as of the date of this announcement, a wholly-owned subsidiary of Shanghai Qiyu and in turn the Company.

As of December 31, 2020, the unaudited total asset and net asset value of Shanghai Zhengyi were approximately RMB108,812,000 and RMB108,812,000, respectively. As Shanghai Zhengyi has not commenced any business operations apart from holding 32% of Shanghai Jinjie, it did not generate any significant revenue nor profit/loss before and after tax for the two years immediately preceding the date of the Equity Interest Transfer Agreement.

Fujian Qiyi, the target company

Fujian Qiyi is a company established under the laws of the PRC and as of the date of this announcement, a wholly-owned subsidiary of Shanghai Qiyu and in turn the Company.

As of December 31, 2020, the unaudited total asset and net asset value of Fujian Qiyi were approximately RMB64,922,000 and RMB64,750,000, respectively. As Fujian Qiyi has not commenced any business operations apart from holding 19% of Shanghai Jinjie, it did not generate any significant revenue nor profit/loss before and after tax for the two years immediately preceding the date of the Equity Interest Transfer Agreement.

Shanghai Jinjie, the project company

Shanghai Jinjie is a company established under the laws of the PRC and as of the date of this announcement, is held as to 49%, 32% and 19% by Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi, respectively.

As of December 31, 2020, the unaudited total asset and net asset value of Shanghai Jinjie were approximately RMB325,927,000 and RMB319,948,000, respectively. As Shanghai Jinjie has not commenced any business operations apart from holding the Land, it did not generate any significant revenue nor profit before tax for the two years immediately preceding the date of the Equity Interest Transfer Agreement. It recorded a net loss after tax of approximately RMB918,000 and RMB2,565,000 for the years ended December 31, 2019 and 2020, respectively.

INFORMATION ON THE LAND

The land lot No.08-08 located at North Hongqiao Community, Jiangqiao Town, Jiading District, Shanghai, the PRC (嘉定區江橋鎮北虹橋社區) east to Jinyuan Road No.1, west to the base boundary, south to Lisha River and base boundary and north to base boundary (東至金園一路，西至基地邊界，南至李沙河、基地邊界，北至基地邊界) with a total land area of 19,255.2 sq.m., a plot ratio of not more than 2.7 and an aboveground gross floor area of not more than 51,989 sq.m.. The land use right of the Land shall be 40 years for commercial purpose. The audited net book value of the Land and construction in progress as of December 31, 2020 was approximately RMB311,941,000 and RMB10,606,000, respectively. The market value of the Land as of June 30, 2021 was RMB436,000,000 as determined by a valuation by an independent valuer.

FINANCIAL EFFECTS AND USE OF PROCEEDS FROM THE TRANSFERS

Upon completion of the Transfers, the Group will realize a gross gain of approximately RMB91.4 million. The Group intends to apply the net proceeds from the Transfers after deducting estimated tax, referral commissions, costs and other expenses for general working capital.

REASONS FOR THE TRANSFERS

The Group is principally engaged in the operation of interior design and construction SaaS service platform and self-operated interior design and construction business in the PRC. As detailed in the announcement of the Company dated October 23, 2018, given that the Group is not principally engaged in land development, the Group has since then actively looking for developers to partner with, or outsource to, for the development of the Land.

As the Group has encountered difficulties to look for developers which are willing to partner for the development of the Land, the Group has entered into negotiations with Vanadium Diamond in good faith regarding the Transfers such that the Land can be developed and managed under the suitable expertise.

In addition, the Group will obtain a premium from the Transfers, which is in line with the Company's strategic monetization plan in light of the prevailing market conditions. Resources and attention can be devoted to the Company's principal businesses of operation of interior design and construction SaaS service platform and self-operated interior design and construction.

The Directors consider that the Transfers and the transactions contemplated under the Equity Interest Transfer Agreement have been made on normal commercial terms and were arrived at after arm's length negotiation. The Directors believe that the terms of the Equity Interest Transfer Agreement, including the consideration for the Transfers, are fair and reasonable and that the Transfers are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transfers is more than 5% but all of the applicable percentage ratios are less than 25%, the Transfers constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Brausen”	Brausen (Fujian) Decoration Engineering Co., Ltd.* (博若森(福建)裝飾工程有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Company”	Qeeka Home (Cayman) Inc. 齊屹科技(開曼)有限公司 (formerly known as China Home (Cayman) Inc.), an exempted company with limited liability incorporated in the Cayman Islands on November 20, 2014, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1739)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Interest Transfer Agreement”	the Equity Interest Transfer Agreement dated July 22, 2021 entered into among Shanghai Qiyu (as transferor), Brausen (as guarantor), Vanadium Diamond (as transferee), Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi (as targets) and Shanghai Jinjie (as project company)
“Fujian Qiyi”	Fujian Qiyi Information Science and Technology Co., Ltd.* (福建齊屹信息科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“Group”	the Company and its subsidiaries (including its PRC operating entities the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of a series of contractual arrangements)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Land”	land lot No.08-08 located at North Hongqiao Community, Jiangqiao Town, Jiading District, Shanghai, the PRC (嘉定區江橋鎮北虹橋社區) east to Jinyuan Road No.1, west to the base boundary, south to Lisha River and base boundary and north to base boundary (東至金園一路，西至基地邊界，南至李沙河、基地邊界，北至基地邊界)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	the entire equity interest in each of Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi
“Sanming Qijia Network”	Sanming Qijia Network Information Technology Co., Ltd.* (三門市齊家網信息科技有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company

“Shanghai Jinjie”	Shanghai Jinjie Furniture and Decorations Co., Ltd.* (上海今杰家居用品有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Shanghai Qiyu”	Shanghai Qiyu Information Technology Co., Ltd.* (上海齊煜信息科技有限公司), a company established in the PRC
“Shanghai Zhengyi”	Shanghai Zhengyi Information Technology Co., Ltd* (上海正軼信息科技有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of US\$0.0001 each of the Company
“Shareholders”	holders of the Shares
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUAEE”	Shanghai United Assets and Equity Exchange* (上海聯合產權交易所)
“Transfers”	the transfers of the entire equity interest in each of Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi
“Vanadium Diamond”	Vanadium Diamond Limited, a company established under the laws of Hong Kong
“%”	per cent.

* *The Chinese name of the entities established in the PRC is the official name and the English name is the translation for identification purpose only.*

By order of the Board
Qeeka Home (Cayman) Inc.
DENG Huajin
Chairman & Chief Executive Officer

Shanghai, the PRC, July 22, 2021

As at the date of this announcement, the Board comprises Mr. DENG Huajin, Mr. TIAN Yuan and Mr. GAO Wei as executive Directors; Mr. LI Gabriel, Ms. PING Xiaoli and Mr. ZHAO Guibin as non-executive Directors and Mr. ZHANG Lihong, Mr. CAO Zhiguang and Mr. WONG Man Chung Francis as independent non-executive Directors.