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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board of Directors of Qeeka Home (Cayman) Inc. is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Reporting Period**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

KEY HIGHLIGHTS

1. Financial Summary

	Six months ended 30 June		Year-on-year
	2021	2020	Change (%)
	(RMB'000)	(restated)⁽²⁾	
	(RMB'000)	(RMB'000)	
Revenue	524,391	315,034	66.5%
Gross Profit	296,556	209,060	41.9%
Gross Margin	56.6%	66.4%	(14.8%)
Net profit/(loss) attributable to equity holders of the Company	12,087	(12,263)	N/A
Adjusted net profit attributable to equity holders of the Company ⁽¹⁾	20,538	5,316	286.3%
Adjusted Net Margin	3.9%	1.7%	129.4%

Notes:

- (1) Adjusted net profit attributable to equity holders of the Company excludes impairment loss on investments in an associate, fair value changes of securities and share-based compensation expenses.
- (2) Comparative figures have been restated for the Group’s application of merger accounting for business combinations under common control. Details of the restatement are set out in Note 2(a) to the condensed consolidated financial statement.

2. Key operation metrics

The table below sets forth our key operation metrics during the periods indicated:

	Six months ended 30 June		Year-on-year
	2021	2020 (restated)	Change (%)
Number of new paying merchants	1,082	1,214	(10.9%)
Number of active paying merchants ⁽¹⁾	5,667	4,236	33.8%
Number of sales leads	384,216	330,199	16.4%
Average revenue from Marketing Services per sales lead (RMB) ⁽²⁾	691	580	19.2%

Notes:

- (1) It represents the number of active paying merchants for the trailing twelve months by the ended 30 June 2021.
- (2) It refers to the average revenue per sales lead, which equals revenue of marketing service for the six months ended 30 June 2021 divided by the sales leads as of the end of 30 June 2021.

During the Reporting Period, (i) our numbers of new paying merchants decreased by 10.9% from 1,214 for the six months ended 30 June 2020 to 1,082 for the six months ended 30 June 2021; (ii) the number of active paying merchants increased by 33.8% from 4,236 for the six months ended 30 June 2020 to 5,667 for the six months ended 30 June 2021; (iii) the number of sales leads increased by 16.4% from 330,199 for the six months ended 30 June 2020 to 384,216 for the six months ended 30 June 2021; and (iv) the average revenue from marketing services per sales lead increased by 19.2% from RMB580 for the six months ended 30 June 2020 to RMB691 for the six months ended 30 June 2021.

BUSINESS REVIEW AND OUTLOOK

The business segments are consistent with the year ended 31 December 2020 being classified into (i) SaaS; (ii) Marketing Service; (iii) Supply Chain Service; (iv) Interior Design and Construction; and (v) Innovation and Others.

Business Review

- *SaaS and Extended service business*

We are one of the leading providers of SaaS solution in Interior Design and Construction industry in the PRC. We provide SaaS-based total solution to our IDC service providers (each we refer to as a merchant). By the end of the first half of 2021, we have 5,667 active paying merchants, representing an increase of 33.8% compared to the same period last year, and average revenue from SaaS and extended service per active paying merchants increased by 3.4% to RMB54,595.

We help IDC service providers set up their digital infrastructure throughout entire business operations, from sales leads generation, customer acquisition, to construction field management and bookkeeping. Each IDC service provider pays a basic SaaS subscription fee on monthly basis for using the SaaS solution plus extra for extended value-added service, including marketing service, supply chain service, on our SaaS platform according to their individual needs.

We also make great efforts in improving consumer experience and consumer rights protection. We upgraded “Qijia Bao” consumer protection plan to offer extended quality assurance period. We also disseminate decoration knowledge to users through short video, and strengthen user’s trust in our brand.

- *SaaS*

We continue to enhance our product offering to IDC service providers to better address their pain points in business operation, such as budget overruns, personnel control, construction delay, complaints handling, etc. In the first half of 2021, we introduced Wechat marketing solution, helping IDC service providers create and operate their Wechat mini store easily by leveraging social marketing toolkits including red pockets, flash sales, group buying, etc.

- *Marketing Service*

As part of the SaaS extended service, IDC service providers are able to acquire sales leads on our platform by paying per click (CPC) or sales lead (CPL). For the first half of 2021, the number of sales leads generated through our platform increased by 16.4% to 384,216, and the average revenue from marketing services per sales lead increased by 19.2% to RMB691. The increase in both quantity and quality represents increasing merchant demands and platform bargaining power.

– *Supply Chain Service*

IDC service providers are also able to purchase building and decoration materials on our platform. We partner with well-known material suppliers to provide customized and exclusive models of selected materials, so that IDC service providers can reduce their overall material purchase and logistic-related expense while ensuring the quality of the material. Revenue from supply chain service increased by 64.5% year-over-year to RMB28.4 million.

- ***Interior Design and Construction and others Business***

We operate three well-known interior design and decoration brands under the self-operation and license model. We believe we are able to create more value for them by applying hands-on experience and industry insights gained from the operation of IDC business.

We are also incubating a series of innovative service or business models. The business is still at an early stage and has yet to contribute sizable revenue but we believe they will play important roles in the future.

Company Financial Highlights

For the first half year of 2021, our total revenues increased by 66.5% year-over-year to RMB524.4 million, and revenues from our SaaS and Extended Services Business, Interior Design and Construction and others Business increased by 38.4% and 135.1% from the corresponding period of the year, respectively.

Adjusted net profit attributable to equity holders of the Company was RMB20.5 million for the first half year of 2021, compared to an adjusted net profit of RMB5.3 million for the first half year of 2020.

As of 30 June 2021, we had cash and cash equivalents of RMB929.5 million and term deposit of RMB32.3 million, compared to the balance of RMB897.1 million and RMB9.8 million, respectively as of 31 December 2020.

Company business outlook

Looking to the future, we will focus on strengthening our leading position in Interior Design and Construction industry, providing a variety of SaaS solutions related to the operation of the IDC service providers, and continue to improve our monetization capabilities.

We will explore more business opportunities related to SaaS in the Interior Design and Construction industry, improve entire industry efficiency through continues investments in technology research and development, as well as active searching of acquisition and alliance opportunities. This will be a great mission for us and we are confident to create value for our shareholders in the long run.

MANAGEMENT DISCUSSION AND ANALYSIS

(The following information disclosures were based on financial information prepared in accordance with International Accounting Standards 34, 'Interim financial reporting' unless otherwise specified)

	Six months ended 30 June	
	2021	2020
	RMB'000	(restated)* RMB'000
Revenue	524,391	315,034
Cost of sales	(227,835)	(105,974)
Gross profit	296,556	209,060
Selling and marketing expenses	(234,264)	(180,696)
Administrative expenses	(38,501)	(41,325)
Research and development expenses	(22,060)	(27,556)
Net impairment losses on financial assets	(475)	(415)
Other gains/(losses) – net	7,895	(10,573)
Operating profit/(loss)	9,151	(51,505)
Finance income	7,279	10,866
Finance costs	(2,910)	(1,810)
Finance income – net	4,369	9,056
Share of results of investments accounted for using the equity method	3,905	26,453
Profit/(loss) before income tax	17,425	(15,996)
Income tax (expenses)/credits	(1,947)	40
Profit/(loss) for the year	15,478	(15,956)
Profit/(loss) is attributable to:		
Equity holders of the Company	12,087	(12,263)
Non-controlling interests	3,391	(3,693)
	15,478	(15,956)
Non-IFRS measure		
Adjusted net profit attributable to equity holders of the Company	20,538	5,316

* Comparative figures have been restated for the Group's application of merger accounting for business combinations under common control. Details of the restatement are set out in Note 2(a) to the condensed consolidated financial statement.

Revenue

Total revenue increased by 66.5% from RMB315.0 million for the six months ended 30 June 2020 to RMB524.4 million for the six months ended 30 June 2021, primarily due to the increase in our SaaS and Extended Service Business.

The following table sets forth a breakdown of our revenue by segment during the periods indicated:

	Six months ended 30 June			
	2021		2020 (restated)	
	Amount <i>RMB'000</i>	% of total <i>revenue</i>	Amount <i>RMB'000</i>	% of total <i>revenue</i>
SaaS and Extended Services Business	309,391	59.0%	223,573	71.0%
Interior Design and Construction and others Business	215,000	41.0%	91,461	29.0%
Total	524,391	100.0%	315,034	100.0%

SaaS and Extended Service Business

The breakdown of segment revenue of SaaS and Extended Service Business is as follows:

	Six months ended 30 June			
	2021		2020 (restated)	
	Amount <i>RMB'000</i>	% of total <i>revenue</i>	Amount <i>RMB'000</i>	% of total <i>revenue</i>
SaaS	15,338	5.0%	14,849	6.6%
Marketing Service	265,668	85.9%	191,466	85.6%
Supply Chain Service	28,385	9.1%	17,258	7.8%
Total	309,391	100.0%	223,573	100.0%

Revenue from SaaS and Extended Business increased by 38.4% from RMB223.6 million for the six months ended 30 June 2020 to RMB309.4 million for the six months ended 30 June 2021. Revenue from SaaS and Extended Business included:

– *SaaS*

Revenue of our SaaS increased by 3.3% from RMB14.8 million for the six months ended 30 June 2020 to RMB15.3 million for the six months ended 30 June 2021. Revenue of SaaS including SaaS subscription fee and live video broadcast service, and revenue derived from SaaS subscription fee increased by 52.5% to RMB14.8 million, which was driven by the increase in the number of active paying merchants from 4,236 for the six months ended 30 June 2020 to 5,667 for the six months ended 30 June 2021.

– *Marketing Service*

Revenue from our Marketing Service Business increased by 38.8% from RMB191.5 million for the six months ended 30 June 2020 to RMB265.7 million for the six months ended 30 June 2021, the increase of revenue was due to (i) our growing number of sales leads from 330,199 for the six months ended 30 June 2020 to 384,216 for the six months ended 30 June 2021, and (ii) our average revenue from Marketing Services per sales lead increased from RMB580 for the six months ended 30 June 2020 to RMB691 for the six months ended 30 June 2021.

– *Supply Chain Service*

Our revenue from our Supply Chain Service Business increased by 64.5% from RMB17.3 million for the six months ended 30 June 2020 to RMB28.4 million for the six months ended 30 June 2021, primarily due to increased demand from our merchants on our SaaS platform.

Interior Design and Construction and others Business

– *Interior Design and Construction*

Revenue from Interior Design and Construction increased by 140.9% from RMB86.0 million for the six months ended 30 June 2020 to RMB207.1 million for the six months ended 30 June 2021, primarily driven by providing more high quality decoration service with our comprehensive management on the constructing sites, which including budget control, integration of material and progress management, etc.

– *Innovation and others*

Revenue from Innovation and others increased by 44.3% from RMB5.5 million for the six months ended 30 June 2020 to RMB7.9 million for the six months ended 30 June 2021, primarily due to increase of new business developed on our platform.

Cost of sales

Cost of sales increased by 115.0% to RMB227.8 million for the six months ended 30 June 2021, compared to RMB106.0 million for the six months ended 30 June 2020, of which Interior Design and Construction Business accounted for the main part.

SaaS and Extended Service Business

Cost from SaaS and Extended Business increased by 55.6% from RMB24.8 million for the six months ended 30 June 2020 to RMB38.6 million for the six months ended 30 June 2021, which in line with the increase in revenue of this segment.

Interior Design and Construction Business

Cost from Interior Design and Construction Business increased by 148.6% from RMB73.2 million for the six months ended 30 June 2020 to RMB182.0 million for the six months ended 30 June 2021, primarily due to increased sales of our IDC business.

Gross profit and gross profit margin

As a result of the foregoing, our total gross profit increased by 41.9% from RMB209.1 million for the six months ended 30 June 2020 to RMB296.6 million for the six months ended 30 June 2021.

Our overall gross profit margin decreased from 66.4% for the six months ended 30 June 2020 to 56.6% for the six months ended 30 June 2021, primarily due to the growth of our lower-margin IDC business, leading to a slightly decline in overall gross profit margin.

	Six months ended 30 June			
	2021		2020 (restated)	
	Amount <i>RMB'000</i>	Gross Margin %	Amount <i>RMB'000</i>	Gross Margin %
SaaS and Extended Services Business	270,779	87.5%	198,757	88.9%
Interior Design and Construction and others Business	25,777	12.0%	10,303	11.3%
	<u>296,556</u>	<u>56.6%</u>	<u>209,060</u>	<u>66.4%</u>

SaaS and Extended Service Business

Gross profit from SaaS and Extended Service Business increased by 36.2% from RMB198.8 million for the six months ended 30 June 2020 to RMB270.8 million for the six months ended 30 June 2021. Gross profit margin of this segment stabilized at approximately 87.5% for the six months ended 30 June 2021, as compared to 88.9% for the six months ended 30 June 2020.

Interior Design and Construction and others Business

Gross profit from Interior Design and Construction and other Business increased by 150.2% from RMB10.3 million for the six months ended 30 June 2020 to RMB25.8 million for the six months ended 30 June 2021. Gross profit margin of this segment stabilized at approximately 12.0% for the six months ended 30 June 2021, as compared to 11.3% for the six months ended 30 June 2020.

Selling and marketing expenses

Our selling and marketing expenses increased by 29.6% from RMB180.7 million for the six months ended 30 June 2020 to RMB234.3 million for the six months ended 30 June 2021, primarily due to (i) the increase in related labor expenses to acquire more paying merchants and maintain their stickiness; and (ii) the increase in advertising, promotion and branding expenses to acquire increasing number of sales leads to meet increasing demands from our merchants.

Administrative expenses

Our administrative expenses slightly decreased by 6.8% from RMB41.3 million for the six months ended 30 June 2020 to RMB38.5 million for the six months ended 30 June 2021, primarily as a result of the improvement of management efficiency.

Research and development expenses

Our research and development expenses decreased by 19.9% from RMB27.6 million for the six months ended 30 June 2020 to RMB22.1 million for the six months ended 30 June 2021, primarily due to the completion of outsourcing project in platform technology development.

Other gains – net

Other net gains was RMB7.9 million for the six months ended 30 June 2021. It was mainly due to the increase in (i) government subsidies of RMB3.9 million, and (ii) gains on disposal of subsidiaries of RMB1.3 million.

Finance income – net

Our finance income for the six months ended 30 June 2021 was mainly due to the interest income from our cash and cash equivalents.

Income tax expenses

Our income tax expenses for the six months ended 30 June 2021 was RMB1.9 million is mainly due to the decrease in deferred tax assets.

Profit and Non-IFRS measures: adjusted net profit attributable to equity holders of the Company

As a result of the foregoing, our net profit was RMB15.5 million for the six months ended 30 June 2021, as compared to net loss of RMB16.0 million for the six months ended 30 June 2020.

To supplement our unaudited interim results, which is presented in accordance with IFRS, we also use adjusted net profit attributable to equity holders of the Company as an additional financial measure, which is not required by, or presented in accordance with IFRS. The term “adjusted net profit attributable to equity holders of the Company” is not defined under IFRS. We believe that this additional financial measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the “adjusted net profit attributable to equity holders of the Company” may not be comparable to a similarly titled measure presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and should not be considered in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

The following table reconciled our adjusted net profit attributable to equity holders of the Company for the six months ended 30 June 2021 and 2020 to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Six months ended 30 June	
	2021	2020
		(restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit/(loss) attributable to equity holders of the Company for the year	12,087	(12,263)
Impairment loss on investments in an associate	–	930
Share-based compensation expenses	4,925	868
Fair value changes of securities	3,526	15,781
Adjusted net profit attributable to equity holders of the Company	20,538	5,316

Liquidity and financial resources

Our cash and other liquid financial resources as at 30 June 2021 and 31 December 2020 were as follows:

	30 June 2021 RMB'000	31 December 2020 RMB'000
Cash and cash equivalents	929,486	897,093
Term deposits	32,301	9,787
Cash and other liquid financial resources	<u>961,787</u>	<u>906,880</u>

Cash and cash equivalents includes cash in hand, and deposits held at call with banks. Term deposits are bank deposits with original maturities over three months and redeemable on maturity. Most of our cash and cash equivalents and term deposits are denominated in the USD, RMB and HKD.

Trade and other receivables and advances to suppliers

Trade and other receivables and advances to suppliers increased by 40.6% from RMB134.1 million as at 31 December 2020 to RMB188.5 million as at 30 June 2021, primarily due to (i) increase of project receivables from third parties of RMB132.9 million in relation to development of our IDC business, and (ii) increase of prepayments to suppliers of RMB22.2 million.

Borrowings

As of 30 June 2021, we had total borrowings of RMB47.5 million and the interest rate of the borrowings was from 3.6% to 4.8% per annum, RMB7.0 million of which was pledged by the property owned by Mr. Yang Weihang, who is the non-controlling shareholder of Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd, and RMB32.5 million of which was guaranteed by Shanghai Qiyu Information Technology Co., Ltd.

Gearing ratio

As of 30 June 2021, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company was approximately 3.5%.

Treasury policy

We have adopted a prudent financial management approach towards our treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2021. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Capital expenditure

	Six months ended 30 June	
	2021	2020 (restated)
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property and equipment	6,479	4,479
Purchase of intangible assets	18	202
Total	6,497	4,681

Our capital expenditures was mainly used for the acquisition of property and equipment such as servers and computers and intangible assets.

Long-term investment activities

	As at	As at
	30 June 2021	31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
Investments accounted for using the equity method	289,469	285,564
Financial assets at fair value through other comprehensive income	111,580	64,565
Financial assets at fair value through profit or loss	11,056	11,056
Total	412,105	361,185

We have made non-controlling interests in investments that we believe have technologies or businesses that supplement and benefit our business. Some of the investments we made were companies that do not generate meaningful revenue and profits yet. It is therefore difficult to determine the success of these investments in such early stage, and while successful investments could generate substantial returns, unsuccessful ones may need to be impaired.

For the six months ended 30 June 2021, the increase of long-term investment activities came from the increase in the fair value of our investment company.

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the Group entities' functional currencies. Our Company's functional currency is USD. Our Company's primary subsidiaries were incorporated in the PRC and these subsidiaries use RMB as their functional currency. Our Group operates mainly in the PRC with most of the transactions settled in RMB. As a result, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of our Group are denominated in the currencies other than the respective functional currencies of our Group's entities. Hence, we currently do not hedge or consider necessary to hedge any of these risks.

Contingent liabilities

As of 30 June 2021, we did not have any material contingent liabilities.

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

		Unaudited	
		Six months ended 30 June	
	<i>Note</i>	2021	2020
		<i>RMB'000</i>	<i>(restated)*</i> <i>RMB'000</i>
Revenue	4	524,391	315,034
Cost of sales	5	(227,835)	(105,974)
Gross profit		296,556	209,060
Selling and marketing expenses	5	(234,264)	(180,696)
Administrative expenses	5	(38,501)	(41,325)
Research and development expenses	5	(22,060)	(27,556)
Net impairment losses on financial assets	9	(475)	(415)
Other gains/(losses) – net		7,895	(10,573)
Operating profit/(loss)		9,151	(51,505)
Finance income	6	7,279	10,866
Finance costs	6	(2,910)	(1,810)
Finance income – net	6	4,369	9,056
Share of results of investments accounted for using the equity method		3,905	26,453
Profit/(loss) before income tax		17,425	(15,996)
Income tax (expenses)/credits	7	(1,947)	40
Profit/(loss) for the period		15,478	(15,956)
Profit/(loss) attributable to:			
– Equity holders of the Company		12,087	(12,263)
– Non-controlling interests		3,391	(3,693)
		15,478	(15,956)
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company			
Basic earnings/(losses) per share (<i>RMB</i>)	8(a)	0.0104	(0.0103)
Diluted earnings/(losses) per share (<i>RMB</i>)	8(b)	0.0104	(0.0103)

	Unaudited	
	Six months ended 30 June	
<i>Note</i>	2021	2020
	<i>RMB'000</i>	(restated)* <i>RMB'000</i>
Profit/(loss) for the period	15,478	(15,956)
Other comprehensive income/(loss) for the period		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive loss of investments accounted for using the equity method	–	(40)
Exchange differences on translation of foreign operations	(6,043)	9,318
	(6,043)	9,278
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	(684)	–
Changes in the fair value of equity investments at fair value through other comprehensive income	42,699	(238)
	42,015	(238)
Total other comprehensive income for the period, net of tax	35,972	9,040
Total comprehensive income/(loss) for the period	51,450	(6,916)
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the Company	48,059	(3,223)
Non-controlling interests	3,391	(3,693)
	51,450	(6,916)

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2021**

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		37,529	29,180
Right-of-use assets		340,964	336,969
Intangible assets		5,590	7,318
Goodwill		7,796	7,796
Deferred tax assets		11,081	12,730
Investments accounted for using the equity method		289,469	285,564
Financial assets at fair value through other comprehensive income (“FVOCI”)		111,580	64,565
Financial assets at fair value through profit or loss (“FVPL”)		11,056	11,056
		<hr/>	<hr/>
Total non-current assets		815,065	755,178
Current assets			
Inventories		3,526	3,332
Trade and other receivables and prepayments to suppliers	9	188,490	134,079
Amounts due from related parties	9	4,093	5,127
Contract assets		134,640	87,015
Financial assets at fair value through profit or loss (“FVPL”)		222,709	252,559
Term deposits		32,301	9,787
Cash and cash equivalents		929,486	897,093
Assets classified as held for sale		–	5,435
		<hr/>	<hr/>
Total current assets		1,515,245	1,394,427
		<hr/>	<hr/>
Total assets		2,330,310	2,149,605
		<hr/>	<hr/>

	<i>Note</i>	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
EQUITY			
Share capital		770	781
Share premium		2,269,649	2,300,250
Other reserves		(186,017)	(217,608)
Treasury shares		(7,546)	(28,468)
Accumulated losses		(730,371)	(742,458)
Equity attributable to equity holders of the Company		1,346,485	1,312,497
Non-controlling interests		(4,018)	(18,262)
Total equity		1,342,467	1,294,235
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		520	582
Lease liabilities		19,842	12,962
Total non-current liabilities		20,362	13,544
Current liabilities			
Short-term borrowings		47,500	7,000
Trade and other payables	<i>11</i>	732,339	670,127
Contract liabilities	<i>11</i>	132,218	111,480
Amounts due to related parties		–	93
Lease liabilities		16,248	11,905
Income tax liabilities		39,176	39,912
Liabilities directly associated with assets classified as held for sale		–	1,309
Total current liabilities		967,481	841,826
Total liabilities		987,843	855,370
Total equity and liabilities		2,330,310	2,149,605

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Unaudited	
	Six months ended 30 June	
<i>Note</i>	2021	2020
		(restated)*
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	16,316	44,906
Interest received	6,267	2,423
Income tax paid	(1,096)	(115)
	<hr/>	<hr/>
Net cash generated from operating activities	21,487	47,214
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,479)	(4,479)
Proceeds from disposal of property, plant and equipment	15	143
Purchase of intangible assets	(18)	(202)
Net (increase)/decrease in term deposits	(22,514)	314,555
Interest received on term deposits	322	6,303
Proceeds from disposal of financial assets at FVPL	348,969	312,801
Purchases of financial assets at FVPL	(321,034)	(411,000)
Dividends received from financial assets at FVPL	181	1,364
Reduction of certain investment in an investee measured at FVOCI	–	17,000
Increase in investments measured at FVOCI	(5,000)	(9,862)
Proceeds from disposal of a subsidiary	4,312	–
Loans to related parties	(10)	(2,060)
Repayment of loans by related parties	500	–
Net (increase)/decrease in amounts held for securities trading purposes	–	5,692
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(756)	230,255

	Unaudited	
	Six months ended 30 June	
<i>Note</i>	2021	2020
	<i>RMB'000</i>	(restated)* <i>RMB'000</i>
Cash flows from financing activities		
Proceeds from borrowings	48,000	16,500
Repayment of borrowings	(7,500)	(16,500)
Repayment of equity transfer amount	(6,099)	–
Cash paid in repurchase of shares	(9,690)	(13,887)
Interest paid for borrowings	(1,979)	(284)
Payment for lease liabilities	(6,107)	(5,560)
Cash received from capital contributions in a subsidiary from non-controlling interests	433	–
Dividends paid to the Company's shareholders	<i>10</i> –	(19,757)
	<u>17,058</u>	<u>(39,488)</u>
Net cash generated from/(used in) financing activities		
	37,789	237,981
Effect on exchange rate difference	(5,657)	7,018
	<u>897,354*</u>	<u>411,153</u>
Cash and cash equivalents at beginning of the period		
	929,486	656,152
Cash and cash equivalents at end of the period	<u>929,486</u>	<u>656,152</u>

1 GENERAL INFORMATION

Qeeka Home (Cayman) Inc. (the “**Company**”) was incorporated in the Cayman Islands on 20 November 2014 as an exempted Company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is 3-212 Governors Square, 23 Lime Tree Bay Avenue, P.O. Box 30746, Seven Mile Beach, Grand Cayman KY1-1203, Cayman Islands.

The Company is an investment holding Company. The Company and its subsidiaries, including structured entities (collectively, the “**Group**”) are principally engaged in (i) the provision of SaaS based total marketing solution (“**SaaS**”); (ii) the provision of targeted marketing services and inspection service (“**Marketing Service**”); (iii) the provision of interior design and construction service and licensing its brand to business partners and others (“**Interior Design and Construction**”); (iv) the provision of building and home decoration materials supply chain services (“**Supply Chain Service**”); and (v) the provision of other initiative services (“**Innovation and Others**”). Mr. Deng Huajin (鄧華金, “**Mr. Deng**”) is the ultimate controlling shareholder of the Company.

The Company completed its initial public offering (“**IPO**”) and listed its shares on the Main Board of The Stock Exchange of Hong Kong on 12 July 2018.

The interim condensed consolidated financial information is presented in Renminbi thousand (RMB’000), unless otherwise stated.

The interim condensed consolidated financial information was approved by the Board of Directors on 24 August 2021.

The interim condensed consolidated financial information has not been audited.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34, ‘Interim financial reporting’. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

(a) Application of business combinations under common control

On 19 October 2020, the Company (through its indirect wholly-owned subsidiary) entered into the acquisition agreement to acquire the entire equity interest of 上海住唄資訊科技有限公司 (Shanghai Zhubei Information Technology Co., Ltd*) (“**Shanghai Zhubei**”) at a consideration of RMB500,000. The entire equity interest of Shanghai Zhubei was transferred to the Group on 19 October 2020.

On 8 December 2020, the Company (through its indirect wholly-owned subsidiary) entered into the acquisition agreements to acquire the entire equity interest of 上海齊願智慧科技有限公司 (Shanghai Qiyuan Intelligent Technology Co., Ltd*) (“**Shanghai Qiyuan**”) at total consideration of RMB10,000,000. The entire equity interest of Shanghai Qiyuan was transferred to the Group on 8 December 2020.

For the purpose of these consolidated financial statements, Shanghai Zhubei and Shanghai Qiyuan (collectively, the “**Target Companies**”) and the Company were under common control of Mr. Deng, therefore they are accounted for as business combinations under common control. The assets and liabilities of the entities are consolidated by the Group using the existing book values from the controlling parties’ perspective as if the Target Companies had been in existence within the Group structure throughout the periods presented, or since the date when the companies first came under the control of ultimate controlling party, whichever is a shorter period.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

(a) New and amended standards adopted by the Group

- Amendment to IFRS 16 – Covid-19-Related Rent Concessions
- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

4 SEGMENT INFORMATION

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

During the year ended 31 December 2020, the Group has reorganised its business segments to better allocate resources and assess performance of the operating segments. The segment information for the reportable segments as at and for the six months ended 30 June 2020 has been restated accordingly.

The Group's operations are mainly organised under the following business segments as a result of the aforementioned change on operating segments:

- SaaS;
- Marketing Service;
- Supply Chain Service;
- Interior Design and Construction; and
- Innovation and Others.

The CODM assesses the performance of the operating segments mainly based on segment revenues and segment gross profit. The revenues from external customers reported to CODM are measured as segment revenues, which is the revenues derived from the customers in each segment. The segment gross profit is consistently with the Group's gross profit.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

Segment	Six months ended 30 June 2021 (unaudited)					Total RMB'000
	SaaS RMB'000	Marketing Service RMB'000	Supply Chain Service RMB'000	Interior Design and Construction RMB'000	Innovation and others RMB'000	
Revenue						
Segment revenue	15,338	267,387	32,890	209,409	22,679	547,703
Inter-segment sales	–	(1,719)	(4,505)	(2,330)	(14,758)	(23,312)
Revenue from external customers	15,338	265,668	28,385	207,079	7,921	524,391
Timing of revenue recognition						
At a point in time	–	188,693	28,385	2,990	2,304	222,372
Over time	15,338	76,975	–	204,089	5,617	302,019
	15,338	265,668	28,385	207,079	7,921	524,391
Results						
Segment gross profit	13,872	253,872	3,035	25,043	734	296,556
Selling and marketing expenses						(234,264)
Administrative expenses						(38,501)
Research and development expenses						(22,060)
Net impairment losses on financial assets						(475)
Other gains – net						7,895
Finance income – net						4,369
Share of results of investments accounted for using the equity method						3,905
						<u>17,425</u>

Segment	Six months ended 30 June 2020 (unaudited) (restated)					Total RMB'000
	SaaS RMB'000	Marketing Service RMB'000	Supply Chain Service RMB'000	Interior Design and Construction RMB'000	Innovation and others RMB'000	
Revenue						
Segment revenue	14,849	192,491	20,210	88,032	5,489	321,071
Inter-segment sales	–	(1,025)	(2,952)	(2,060)	–	(6,037)
Revenue from external customers	<u>14,849</u>	<u>191,466</u>	<u>17,258</u>	<u>85,972</u>	<u>5,489</u>	<u>315,034</u>
Timing of revenue recognition						
At a point in time	–	136,747	17,258	3,621	3,221	160,847
Over time	<u>14,849</u>	<u>54,719</u>	<u>–</u>	<u>82,351</u>	<u>2,268</u>	<u>154,187</u>
	<u>14,849</u>	<u>191,466</u>	<u>17,258</u>	<u>85,972</u>	<u>5,489</u>	<u>315,034</u>
Results						
Segment gross profit/(loss)	<u>11,933</u>	<u>185,018</u>	<u>1,806</u>	<u>12,742</u>	<u>(2,439)</u>	<u>209,060</u>
Selling and marketing expenses						(180,696)
Administrative expenses						(41,325)
Research and development expenses						(27,556)
Net impairment losses on financial assets						(415)
Other losses – net						(10,573)
Finance income – net						9,056
Share of results of investments accounted for using the equity method						<u>26,453</u>
						<u>(15,996)</u>

(a) Revenue

The revenue for the six months ended 30 June 2021 and 2020 are set out as follows:

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
SaaS	15,338	14,849
Marketing Service	265,668	191,466
Supply Chain Service	28,385	17,258
Interior Design and Construction	207,079	85,972
Innovation and others	7,921	5,489
	<u>524,391</u>	<u>315,034</u>

(b) Revenue by geographical markets

All the revenue of the Group was generated in the PRC during the six months ended 30 June 2021 and 2020.

(c) Information about major customers

No individual customer's revenue amounted to 10% or more of the Group's total revenue.

5 EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 June	
	2021	2020
		(restated)
	RMB'000	RMB'000
Outsourced labour costs	159,676	104,455
Advertising, promotion and branding expenses	142,145	106,298
Cost of inventories sold	94,908	45,647
Employee benefit expenses	85,295	61,397
Travelling, entertainment and communication expenses	8,180	5,550
Short-term leases and leases of low-valued assets	7,212	1,124
Depreciation of right-of-use assets	6,008	10,050
Professional fee	3,259	2,862
Bank charges and point-of-sale device processing fees	2,884	3,301
Depreciation of property, plant and equipment	2,195	2,831
Amortization of intangible assets	1,746	2,036
Auditor's remuneration		
– Audit service	1,600	1,600
– Non-audit service	70	70
Utilities and electricity	384	343
Taxes and levies	120	633
Miscellaneous	6,978	7,354
	522,660	355,551

6 FINANCE INCOME – NET

	Unaudited	
	Six months ended 30 June	
	2021	2020
		(restated)
	RMB'000	RMB'000
Finance income:		
Interest income	7,279	10,866
Finance costs:		
Interest expenses on borrowing	(1,979)	(285)
Interest expenses on lease liabilities	(931)	(1,525)
	(2,910)	(1,810)
Finance income – net	4,369	9,056

7 **INCOME TAX EXPENSES/(CREDITS)**

	Unaudited	
	Six months ended 30 June	
	2021	2020
	RMB'000	RMB'000
Current tax:		
Current tax on profit for the period	<u>360</u>	<u>39</u>
Deferred income tax:		
Decrease in deferred tax assets	1,649	–
Decrease in deferred tax liabilities	<u>(62)</u>	<u>(79)</u>
Total deferred tax	<u>1,587</u>	<u>(79)</u>
Income tax expenses/(credits)	<u>1,947</u>	<u>(40)</u>

(a) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(b) British Virgin Islands

The Group's entities incorporated in the British Virgin Islands are not subject to tax on income or capital gains.

(c) Hong Kong

The Group's entities incorporated in Hong Kong are subject to Hong Kong profit tax of 16.5%.

(d) PRC corporate income tax ("CIT")

CIT provision was made on the estimated assessable profits of entities within the Group incorporated/established in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the six months ended 30 June 2021 and 2020.

Certain subsidiaries of the Group in the PRC were approved as High and New Technology Enterprises, and accordingly, they were subject to a reduced preferential CIT rate of 15% for the six months ended 30 June 2021 and 2020 according to the applicable CIT Law.

Certain subsidiaries of the Group in the PRC were qualified as Small Low Profit enterprises and accordingly, the CIT of these entities are calculated on a deemed profit margin.

(e) Withholding tax on undistributed profits

According to CIT law, distribution of profits earned by PRC companies since 1 January 2008 is subject to withholding tax with a rate of 5% or 10%, depending on the country of incorporation of the foreign investor. During the six months ended 30 June 2021 and 2020, the PRC companies of the Group do not have any profit distribution plan.

8 EARNINGS/(LOSSES) PER SHARE

(a) Basic earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the interim periods excluding treasury shares.

	Unaudited	
	Six months ended 30 June	
	2021	2020 (restated)
Earnings/(losses) attributable to equity holders of the Company (RMB'000)	12,087	(12,263)
Weighted average number of ordinary shares in issue (thousand)	1,157,839	1,184,981
Earnings/(losses) per share (RMB per share)	0.0104	(0.0103)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2021, the Company had one category of dilutive potential ordinary shares: Restricted Stock Unit. For the six months ended 30 June 2020, the Company had one category of dilutive potential ordinary shares: Employee Share Option Plan.

For the Restricted Stock Unit and Employee Share Option Plan, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of RSUs and the share options.

The calculation of the diluted earnings per share for six months ended 30 June 2021 was shown as follows:

	Unaudited
	Six months
	ended
	30 June
	2021
Earnings attributable to equity holders of the Company (RMB'000)	12,087
Weighted average number of ordinary shares in issue (thousand)	1,157,839
Adjustments for RSU (thousands of shares)	3,450
Weighted average number of ordinary shares for diluted earnings per share (thousands of shares)	1,161,289
Diluted earnings per share (RMB per share)	0.0104

9 TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
Notes receivable	<u>4,451</u>	<u>7,547</u>
Trade receivables		
Due from third parties (b)	132,881	81,037
Less: provision for impairment of trade receivables	<u>(2,053)</u>	<u>(1,589)</u>
Net trade receivables	<u>130,828</u>	<u>79,448</u>
Other receivables		
Loans due from third parties	10,260	11,403
Interest receivable	690	1,621
Project deposits	11,519	9,108
Rental deposits	4,083	2,980
Staff advances	2,160	1,642
Amounts held for security trading purposes	–	3,574
Others	<u>6,247</u>	<u>6,771</u>
Gross other receivables	34,959	37,099
Less: provision for impairment of other receivables	<u>(12,893)</u>	<u>(14,452)</u>
Net other receivables	<u>22,066</u>	<u>22,647</u>
Others		
Prepayments to suppliers	22,199	12,376
Value-added tax recoverable	<u>8,946</u>	<u>12,061</u>
	<u>188,490</u>	<u>134,079</u>
Contract assets (a)	<u>134,640</u>	<u>87,015</u>

- (a) The contract assets are primarily related to the Group's rights to consideration for work completed in relation to Interior Design and Construction Business and not billed because the rights are conditional on the Group's future performance in achieving specified milestones at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional other than the passage of time. The expected loss rate of contract assets is assessed to be minimal, therefore no loss allowance is recorded for contract assets.

- (b) As at 30 June 2021, the carrying amounts of trade and other receivables are primarily denominated in RMB and approximate their fair values at each of the reporting dates.

The Group grants credit periods to customers ranging from 30 days to 180 days. As at 30 June 2021, the aging analysis of the trade receivables based on invoice date were as follows:

	Unaudited 30 June 2021 <i>RMB'000</i>	Audited 31 December 2020 <i>RMB'000</i>
Trade receivables – gross		
Within 1 month	94,450	57,698
Over 1 month and within 1 year	31,341	16,168
Over 1 year and within 2 years	4,521	5,920
Over 2 years	2,569	1,251
	<u>132,881</u>	<u>81,037</u>

- (c) Movements on the Group's provision for impairment of trade receivables are as follows:

	Unaudited Six months ended 30 June 2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
At the beginning of the period	(1,589)	(1,939)
(Provision)/reversal for impairment	(467)	536
Write-off	3	405
	<u>(2,053)</u>	<u>(998)</u>

- (d) Movements on the Group's provision for impairment of other receivables are as follows:

	Unaudited Six months ended 30 June 2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
At the beginning of the period	(14,452)	(12,038)
Provision for impairment	(8)	(951)
Write-off	1,567	64
	<u>(12,893)</u>	<u>(12,925)</u>

(e) Net impairment gains/(losses) on financial assets are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Net impairment loss provision		
– Trade receivables	(467)	536
– Other receivables	(8)	(951)
	<u>(475)</u>	<u>(415)</u>

10 DIVIDENDS

(a) Dividends paid for or declared for the period

	Unaudited	
	Six months ended 30 June	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the period	–	–
Dividends declared for the period	–	21,584
Dividends paid for the period	–	(19,757)
	<u>–</u>	<u>(19,757)</u>
At the end of the period	<u>–</u>	<u>1,827</u>

11 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Unaudited 30 June 2021 <i>RMB'000</i>	Audited 31 December 2020 <i>RMB'000</i>
Trade payables (c)	<u>214,125</u>	<u>163,966</u>
Other payables		
Deposits payables (a)	334,592	317,226
Quality and performance guarantee deposits from customers	79,119	74,744
Other accrued expenses and payables	<u>30,170</u>	<u>37,682</u>
Total other payables	<u>443,881</u>	<u>429,652</u>
Others		
Staff salaries and welfare payables	37,728	42,414
Accrued taxes other than income tax	<u>36,605</u>	<u>34,095</u>
	<u>732,339</u>	<u>670,127</u>
Contract liabilities (b)	<u>132,218</u>	<u>111,480</u>

- (a) Deposits payables mainly represent security deposits from users of our escrow payment services.
- (b) Contract liabilities represent prepayments made by customers in exchange for goods or services to be provided by the Group in subsequent period, primarily in relation to order recommendation services, Interior Design and Construction services and sales of building materials.
- (c) The aging analysis of the trade payables based on invoice date was as follows:

	Unaudited 30 June 2021 <i>RMB'000</i>	Audited 31 December 2020 <i>RMB'000</i>
Within 1 month	148,077	97,799
Over 1 month and within 3 months	21,727	16,334
Over 3 months and within 1 year	31,294	33,478
Over 1 year	<u>13,027</u>	<u>16,355</u>
	<u>214,125</u>	<u>163,966</u>

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

During the Reporting Period, the Company has repurchased 3,671,500 shares on the Stock Exchange at an aggregate consideration (excluding transaction cost) of approximately HKD7.2 million. The highest price paid was HKD2.19, and the lowest price paid was HKD1.79.

Particulars of the repurchases made by the Company during the Reporting Period and up to the date of this announcement are as follows:

Months	Number of shares repurchased	Purchase price per share		Aggregate consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	1,175,000	2.19	2.10	2,564,635
May	2,496,500	2.01	1.79	4,675,815
July	698,000	2.25	2.06	1,508,600

The 14,643,500 shares repurchased in 2020 and 1,175,000 shares repurchased in 2021 were subsequently cancelled on 25 February 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities during the Reporting Period and up to the date of this announcement.

Employee and remuneration policy

As of 30 June 2021, the Group had 981 full-time employees, most of whom were based in China, primarily at our headquarters in Shanghai, with the rest based in Beijing, Fuzhou and various other cities in China. The number of employees employed by the Group varies depending on needs and employees are remunerated based on industry practice.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. As required under the PRC regulations, we participate in housing fund and various employee social security plan that are organized by applicable local municipal and provincial governments. Bonuses are generally discretionary and based in part on the overall performance of our business. We have granted and plan to continue to grant share-based incentive awards to our employees in the future to incentivise their contributions to our growth and development.

Material acquisitions and disposals of subsidiaries, associated companies and joint ventures

During the Reporting Period, we did not have any material acquisitions and disposals of subsidiaries and joint ventures.

Compliance with the CG Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

The Company has adopted the principles and code provisions of the CG Code as set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices during the Reporting Period.

Save for code provision A.2.1, the Company has complied with all the code provisions as set out in the CG Code during the Reporting Period.

Pursuant to code provision A.2.1 of the CG Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. The Company does not have separate chairman and chief executive officer and Mr. Deng currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer by the same person has the benefit of ensuring consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Company. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider segregating the roles of chairman of the Board and the chief executive officer of the Company at an appropriate time by taking into account the circumstances of the Company as a whole.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company since the Listing Date. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Reporting Period after making reasonable enquiry.

Audit and Risk Management Committee and review of financial statements

We have established an audit and risk management committee (the “**Audit and Risk Management Committee**”) with written terms of reference in compliance with Rule 3.21 and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The Audit and Risk Management Committee consists of three independent non-executive Directors, namely Mr. WONG Man Chung Francis, Mr. CAO Zhiguang and Mr. ZHANG Lihong with Mr. WONG Man Chung Francis appointed as the chairman of the audit and risk management committee.

The Audit and Risk Management Committee has reviewed the Company's unaudited condensed consolidated interim results for the Reporting Period, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit and Risk Management Committee has also discussed the auditing, internal control and financial reporting matters.

Interim dividend

The Board has resolved not to declare any interim dividend for the Reporting Period.

Use of net proceeds

The total net proceeds from the issue of new Shares by the Company in its Listing (after deducting the underwriting fees and related expenses) amounted approximately RMB949.8 million, and the balance of unutilized net proceeds of approximately RMB400.8 million was kept at the bank accounts of the Group as at 30 June 2021.

The net proceeds from the Global Offering have been and will be utilized in accordance with the intended uses as disclosed in the Prospectus of the Company and subsequently revised in the announcement issued by the Company dated 27 March 2020. The table below sets out the intended uses and actual usage of the net proceeds as at 30 June 2021:

Use of proceeds	Revised allocation of usage of net proceeds (RMB million)	Revised Percentage of total net proceeds	Actual usage up to 30 June 2021 (RMB million)	Unutilized net proceeds as at 30 June 2021 (RMB million)
Marketing expense	379.9	40.0%	254.0	125.9
Development of supply chain management business	135.0	14.2%	70.0	65.0
Development of Loan referral business	20.0	2.1%	–	20.0
Development of our Interior Design and Construction business	50.0	5.3%	45.0	5.0
Investment in our technology infrastructure and system	162.5	17.1%	112.0	50.5
Additional strategic investments and acquisitions	95.0	10.0%	13.0	82.0
Development of our new business	40.0	4.2%	15.0	25.0
General working capital	67.4	7.1%	40.0	27.4
Total	<u>949.8</u>	<u>100.0%</u>	<u>549.0</u>	<u>400.8</u>

The Company expects to utilise the remaining proceeds of approximately RMB400.8 million within the next 1.5 years.

Important events after the Reporting Period

On 22 July 2021, the Group has entered into the equity interest transfer agreement with Vanadium Diamond Limited (“**Vanadium Diamond**”), an independent third party, to sell the entire equity interest in each of Sanming Qijia Network Information Technology Co., Ltd. (“**Sanming Qijia**”), Shanghai Zhengyi Information Technology Co., Ltd. (“**Shanghai Zhengyi**”) and Fujian Qiyi Information Science and Technology Co., Ltd. (“**Fujian Qiyi**”), which are indirect wholly-owned subsidiaries of the Company, at the total consideration of RMB432,000,000. As at 22 July 2021, Sanming Qijia Network, Shanghai Zhengyi and Fujian Qiyi own 49%, 32% and 19% of Shanghai Jinjie Furniture and Decorations Co., Ltd. (“**Shanghai Jinjie**”), respectively. Shanghai Jinjie has not commenced any business operations apart from wholly owns a land located in Shanghai, the PRC. Upon completion of the transaction, the entire equity interests of Shanghai Jinjie will be transferred to Vanadium Diamond.

Public float

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the date of this announcement, which was in line with the requirement under the Listing Rules.

Publication of the interim results announcement and interim report

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.qeeka.com. The interim report of the Company for the six months ended 30 June 2021 will be dispatched to the Shareholders and will be available on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff of the Group for their commitment and contribution. I would also like to express my appreciation to the guidance from the regulators and continued support from our shareholders and customers.

By Order of the Board
Qeeka Home (Cayman) Inc.
DENG Huajin
Chairman

Shanghai, the PRC, 24 August 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.

DEFINITION USED IN THIS ANNOUNCEMENT

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“Board”	the board of Directors of our Company
“CEO”	the chief executive officer of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Chairman”	the chairman of the Board
“CIT”	corporate income tax
“Company”, “our Company”, “we” or “us”	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 20 November 2014
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Contractual Arrangement(s)”	the series of contractual arrangements entered into among Shanghai Qijia, Qijia Network Technology and the shareholders of Shanghai Qijia, details of which are described in the section headed “Contractual Arrangements” of the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of our Company
“EPS”	earnings/(loss) per share
“Group” or “our Group”	the Company, its subsidiaries, and the PRC Operating Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IAS”	the International Accounting Standards
“IDC” or “Interior Design and Construction Business”	the provision of interior design and construction service and licensing it brand to business partners and others
“IASB”	the International Accounting Standards Board
“IFRS”	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the IASB
“Innovation and others”	the provision of other initiative services
“IPO”	the Company’s initial public offering and listing of its shares on Main Board of the Stock Exchange on 12 July 2018
“Listing Date”	12 July 2018, the date on which the Shares were listed on Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified form time to time
“Main Board”	The stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Marketing Service Business”	the provision of targeted marketing services and inspection service
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Mr. Deng”	Mr. Deng Huajin, our founder, Chairman, executive Director, CEO and our single largest Shareholder
“PRC” or “China”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this prospectus, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Entities”	Shanghai Qijia and its subsidiaries and branches, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements

“Prospectus”	the prospectus being issued in connection with the IPO
“Reporting Period”	the six months ended 30 June 2021
“RMB”	Renminbi, the lawful currency of PRC
“RSU(s)”	restricted share unit(s)
“Sales lead”	the data that identifies someone as a potential demand user of Interior Design and Construction
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Supply Chain Service Business”	the provision of building and home decoration materials
“USD”	United States dollar, the lawful currency of the United States
“%”	per cent

* The English names of the PRC nationals, enterprises, entities, departments, facilities, certificates, titles and the like are translation and/or transliteration of their Chinese names and are included for identification purposes only. In the event of inconsistency between the Chinese names and their English translations and/or transliterations, the Chinese names shall prevail.