



齐屹科技

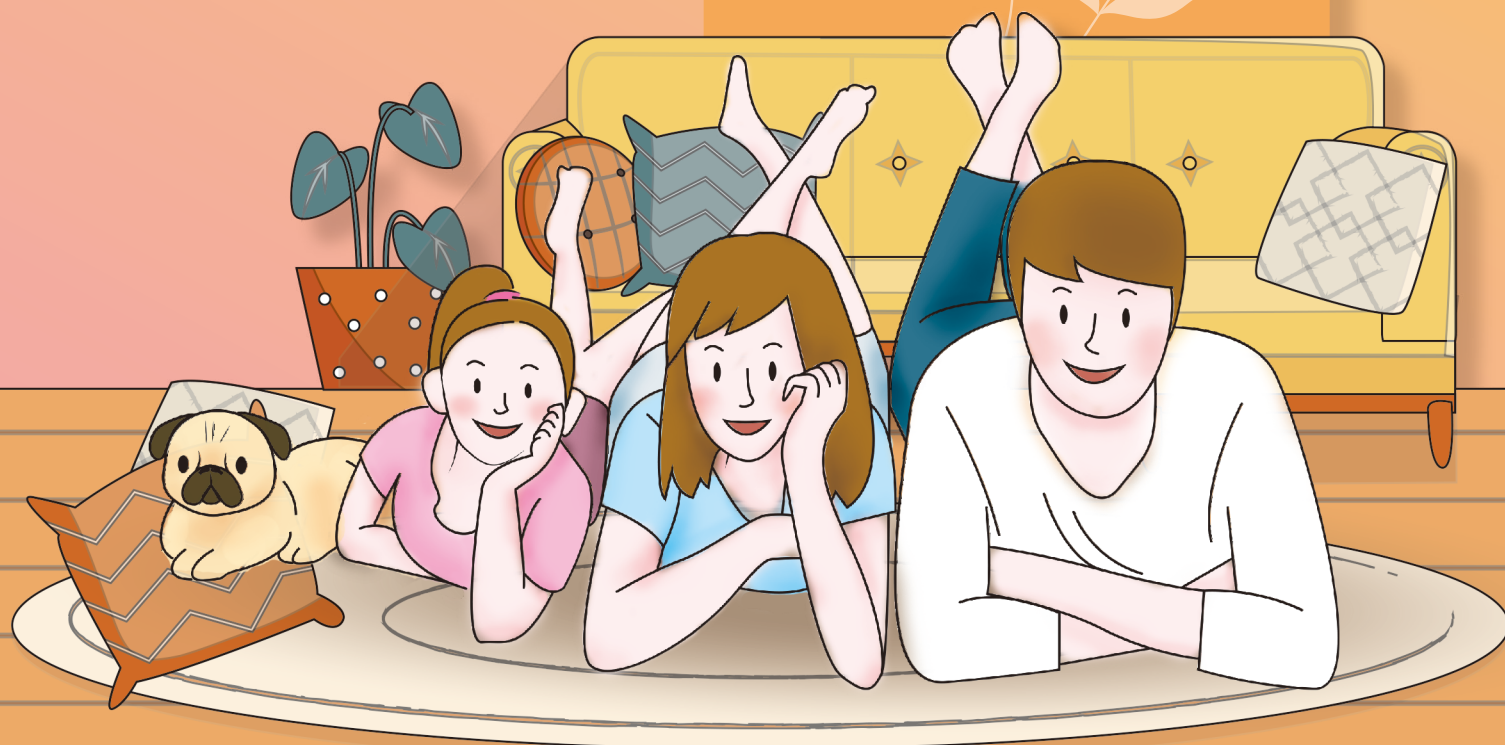
Qeeka Home

**Qeeka Home (Cayman) Inc.**

Stock Code:1739

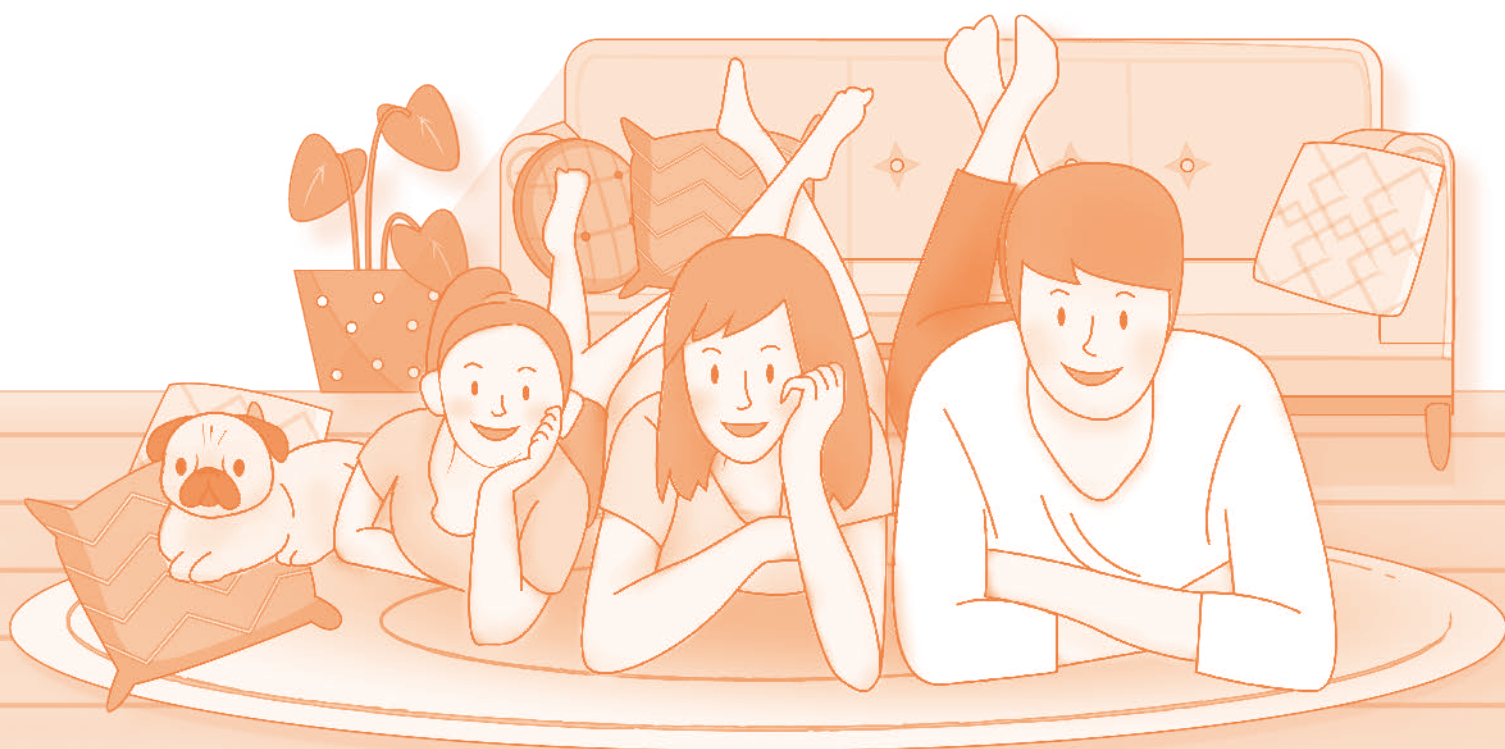
# 2021

## INTERIM REPORT



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. DENG Huajin (*Chairman and Chief Executive Officer*)  
Mr. TIAN Yuan  
Mr. GAO Wei

### Non-executive Directors

Mr. LI Gabriel  
Ms. PING Xiaoli  
Mr. ZHAO Guibin

### Independent Non-executive Directors

Mr. ZHANG Lihong  
Mr. CAO Zhiguang  
Mr. WONG Man Chung Francis

## JOINT COMPANY SECRETARIES

Mr. TIAN Yuan  
Ms. LEUNG Kwan Wai

## AUTHORIZED REPRESENTATIVES

Mr. DENG Huajin  
Mr. TIAN Yuan

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. WONG Man Chung Francis (*Chairman*)  
Mr. ZHANG Lihong  
Mr. CAO Zhiguang

## REMUNERATION COMMITTEE

Mr. CAO Zhiguang (*Chairman*)  
Mr. DENG Huajin  
Mr. ZHANG Lihong  
Mr. WONG Man Chung Francis

## NOMINATION COMMITTEE

Mr. DENG Huajin (*Chairman*)  
Mr. ZHANG Lihong  
Mr. CAO Zhiguang

## REGISTERED OFFICE

ICS Corporate Services (Cayman) Limited  
3-212 Governors Square, 23 Lime Tree Bay Avenue  
P.O. Box 30746, Seven Mile Beach  
Grand Cayman KY1-1203  
Cayman Islands

## HEADQUARTERS

Building 1, No. 1926, Cao An Highway  
Jiading District, Shanghai  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong



## Corporate Information

### PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

ICS Corporate Services (Cayman) Limited  
3-212 Governors Square,  
23 Lime Tree Bay Avenue  
P.O. Box 30746, Seven Mile Beach  
Grand Cayman KY1-1203  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### LEGAL ADVISERS

As to Hong Kong law and United States law  
Simpson Thacher & Bartlett  
35/F, ICBC Tower 3  
Garden Road  
Central  
Hong Kong

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants and  
Registered Public Interest Entity Auditor  
22/F, Prince's Building  
Central  
Hong Kong

### STOCK CODE

1739

### COMPANY'S WEBSITE

[www.qeeka.com](http://www.qeeka.com)

### PRINCIPAL BANKS

China Merchants Bank, Shanghai Branch  
Road Jinshajiang Sub-branch  
1-2/F, Tower A, Shengnuoya Building  
No. 1759, Road Jinshajiang  
Putuo District  
Shanghai  
PRC

Bank of China (Hong Kong) Limited  
Hong Kong Branch  
3/F, Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

# Key Highlights

## 1. FINANCIAL SUMMARY

	Six months ended 30 June		Year-on-year Change (%)
	2021	2020 (restated) <sup>(2)</sup>	
	(RMB'000)	(RMB'000)	
Revenue	<b>524,391</b>	315,034	66.5%
Gross Profit	<b>296,556</b>	209,060	41.9%
Gross Margin	<b>56.6%</b>	66.4%	(14.8%)
Net profit/(loss) attributable to equity holders of the Company	<b>12,087</b>	(12,263)	N/A
Adjusted net profit attributable to equity holders of the Company <sup>(1)</sup>	<b>20,538</b>	5,316	286.3%
Adjusted Net Margin	<b>3.9%</b>	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 Change (%)
	2021	2020 (restated)	
Number of new paying merchants	<b>1,082</b>	1,214	(10.9%)
Number of active paying merchants <sup>(1)</sup>	<b>5,667</b>	4,236	33.8%
Number of sales leads	<b>384,216</b>	330,199	16.4%
Average revenue from Marketing Services per sales lead (RMB) <sup>(2)</sup>	<b>691</b>	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.



# Chairman's Statement

## Dear Shareholders,

In the first half of 2021, there were more dramatic changes in the home decoration industry, with a more complex industrial environment. On the one hand, affected by real estate regulation based on policies and flare-ups of the coronavirus in many regions, the home decoration industry recovered with the demand lower than expectation; on the other hand, there was greater attention to such industry in the capital market, with more frequent financing of SaaS application and traditional large-scale IDC service providers in the industry, thus providing increasing opportunities.

On the whole, the industry tended toward concentration to a certain degree, which led to increased competition for the survival of the fittest. At present, customer acquisition remains one of the biggest barriers for IDC service providers. As it is increasingly difficult for individual IDC service providers to acquire customers, the trend of relying on platforms to acquire customers in the future may be more significant. Meanwhile, with the increasingly well-regulated market and increasingly fierce competition, it has become the consensus of IDC service providers to seek the improvement in their management capacity, digitalization capacity and supply chain capacity, and transformation is inevitable.

These changes provide a good opportunity for The company to promote its SaaS full-process solution. It is urgent to help IDC service providers obtain online traffic through CRM and marketing services, and small and medium-sized enterprises upgrade overall decoration-based businesses, through supply chain services.

In the past six months, The company actively promoted its SaaS strategy, and helped IDC service providers adapt to industry changes and embrace the new form of the industry, boosted the resumption of industry development, and vigorously promoted the improvement in its operational efficiency, thus achieving good results: the number of active paying IDC service providers increased by 33.8% year-on-year to 5,667, and the total revenue of the Company increased by 66.5% year-on-year to RMB524 million. Meanwhile, the profit was RMB20.5 million. As a result, the overall development of the Company was improved steadily. In particular, the positive and effective empowerment measures helped us better activate active paying merchants and enhance their stickiness, and make us more attractive for IDC service providers outside the platform.

On behalf of the Board of the Company, I would like to present the interim results of the Group for the six months ended 30 June 2021.

## FINANCIAL HIGHLIGHTS

As at 30 June 2021, our financial data showed a steady growth as a whole. Our total revenue increased by 66.5% year-on-year from RMB315 million in the same period of 2020 to RMB524 million. Revenue from SaaS and extended services was RMB3.09 million, representing a year-on-year increase of 38.4% as compared with 2020. Revenue from Interior Design and Construction Business was RMB207 million, representing a year-on-year increase of 140.9%. The Company remained profitable, with its adjusted net profit attributable to the parent company being RMB20.54 million, representing a year-on-year increase of 286.3%.

## Chairman's Statement

### BUSINESS REVIEW

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), which 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 and Extended Services

Under the background of deep adjustment and digitalization of the industry, SaaS has become an important way for marketing management, efficiency improvement and brand upgrading, as well as the key to the survival, development, operation and management efficiency improvement of IDC service providers. As more and more IDC service providers are aware of the trend, the demand for digitalization is increasing day by day, thus accelerating the emergence of a new industrial model.

In order to meet the increasing demand of IDC service providers, in the first half of 2021, we continued to steadily promote the SaaS service platform strategy, providing IDC service providers with overall business solutions covering marketing, centralized procurement in the supply chain, innovative value-added services, etc., and help IDC service providers enhance their core competitiveness in various aspects.

Taking marketing services as an example, we provide IDC service providers with sales leads, and our solutions covering the whole processes and chains of their customer acquisition, and a set of value-added services from setting, implementation and tracking of marketing plans and budgets to digital tools for new media and channels, CRM user sales funnel management, related analysis and performance management tools, which are extended to cover processes of signing agreements for sales.

Due to the empowerment effect of our SaaS strategy, the service capacity and reputation of our cooperative merchants were improved, with an increase in the signing rate in respect of merchants in North China, South China, Southwest China and other regions, a steady rise in the distribution ratio, average transaction value and revenue level, and IDC service providers' revenue. The average transaction values of IDC service providers in various major cities increased rapidly and even hit a record high. According to the data, we achieved good development with the total number of our active paying merchants reaching 5,667, representing a year-on-year increase of 33.8%, a decrease of 50% in our merchant churn rate and a significant increase in the merchant retention rate in the first half of the year.

The development of diversification of demands of merchants imposed higher requirements on service providers. In order to better expand our business and promote the implementation of SaaS, we continuously optimized and adjusted our corporate structure, which improved the organizational and operational capabilities of our team, thus providing a strong organizational guarantee for the steady implementation of our strategies.

On the whole, in the first half of 2021, the SaaS and extended service segment performed well in terms of the number of active paying merchants, the merchant retention rate, the payments by merchants and the revenue. We believe that the digital demand of IDC service providers will continuously increase in the future, while the SaaS strategy will continue to be the core driver of the growth of the Company.



## Chairman's Statement

### Interior Design and Construction, and Innovation Business

Interior design and construction, and innovation business means the operations of Brausen, Qijia Jumei, Qijia Dianshang and other decoration brands. Our exploration and development in this aspect will help us understand the front-end market more comprehensively at the front line and reach users, thus continuously optimizing the service system based on practice and carrying out targeted empowerment. Due to the empowerment by our SaaS platform, there is room for the significant growth of such business, which is also an important strategic business of the Company. In the first half of the year, due to large-scale duplication of the SaaS-related empowerment business of the Company, the Interior Design and Construction Business was also improved, with a year-on-year increase of 140.9% to RMB207 million. With our SaaS empowerment business, such business is expected to achieve further growth.

Innovation and other businesses represent the Company's development in smart home, soft decoration, new retail, etc., as well as our continuous exploration of diversified monetization. In the first half of the year, the business performed well with a year-on-year increase of 44.3%, which met the development expectations of the Company. In terms of the innovation model, we will continuously explore new growth momentum, courageously carry out innovations, strive to achieve higher quality development of the Company, and create new development potential of the Company in the future.

Meanwhile, in terms of consumer rights protection, in the first half of 2021, we took various measures including vigorous promotion of the upgrade of Qijia Bao, enhancement of platform supervision, and implementation of the complaint response and punishment mechanism, thus practically improving users' experience in home decoration and establishing a good word-of-mouth effect.

### OUTLOOK

In the next five years, we will continue to strengthen the Company's position as the most influential home decoration SaaS service provider in China. Based on our SaaS strategy, we will strengthen the philosophy of empowering the whole-chain development of home decoration and establish an operating model with a focus on digitalization, standardization and ecology.

In the second half of the year, based on the SaaS strategy, we will continue to increase the number of cooperative merchants and the retention rate, and help IDC service providers improve their service capabilities and management standards, further reduce costs, and improve efficiency and the user experience. We plan to take actions in several aspects: We will 1) enhance our research and development investment, and upgrade the supporting facilities of our SaaS system, so as to provide a stable and reliable technical environment for digital transformation and innovation; 2) continuously optimize our organizational structure and management transformation to provide effective organizational guarantee for the implementation of the strategies of the Company; 3) continue to deepen the exploration of intelligent supply chain services driven by industry demand, so as to promote the improvement in the industry efficiency; and 4) continue to strengthen platform supervision and optimize the guarantee mechanism, so as to help users avoid possible risks in decoration, fully protect the rights and interests of users, and deliver a better home decoration experience for consumers.

### APPRECIATION

I would like to take this opportunity to express my gratitude to all shareholders, investors, business partners and users for trusting and supporting the Group. At the same time, I would like to thank colleagues of the Board, the management and our employees for their efforts and contributions to the Group. In the future, we will continue to promote the development of the Group and seek to create maximum value for shareholders.

**Mr. Deng Huajin**

*Chairman*

Shanghai, the PRC  
24 August 2021



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



## Management Discussion and Analysis

### 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 RMB'000	% of total revenue	Amount RMB'000	% of total revenue
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 RMB'000	% of total revenue	Amount RMB'000	% of total revenue
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.

## Management Discussion and Analysis

### - 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 RMB'000	Gross Margin %	Amount RMB'000	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%
	296,556	56.6%	209,060	66.4%



## Management Discussion and Analysis

### 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.

## Management Discussion and Analysis

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
	RMB'000	(restated) RMB'000
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
<b>Adjusted net profit attributable to equity holders of the Company</b>	<b>20,538</b>	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	31 December 2020
	RMB'000	RMB'000
Cash and cash equivalents	929,486	897,093
Term deposits	32,301	9,787
<b>Cash and other liquid financial resources</b>	<b>961,787</b>	906,880

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.



## Management Discussion and Analysis

### 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 Weihai, 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)
	RMB'000	RMB'000
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.

## Management Discussion and Analysis

### LONG-TERM INVESTMENT ACTIVITIES

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



## Other Information

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

#### (i) Interest in Shares of the Company

Name of Director	Nature of interest	Number of ordinary Shares	Number of underlying Shares	Total number of Shares	Approximate percentage of the issued voting Shares of the Company
Mr. Deng <sup>(1)</sup>	Interest in controlled corporation and interest of spouse	308,377,140	–	308,377,140	26.61%
Mr. Gao Wei <sup>(2)</sup>	Interest in controlled corporation	5,229,970	8,981,390	14,211,360	1.23%
Mr. Tian Yuan <sup>(3)</sup>	Interest in controlled corporation	4,578,876	–	4,578,876	0.40%
Mr. Gabriel Li <sup>(4)</sup>	Interest of spouse	100,000,000	–	100,000,000	8.63%

Notes:

- (1) Mr. Deng holds 100% equity interests of Qeeka Holding, which in turn directly holds 294,789,530 Shares. Accordingly, Mr. Deng is deemed to be interested in the 294,789,530 Shares held by Qeeka Holding. Mr. Deng is the spouse of Ms. Sun Jie ("**Ms. Sun**"), and is deemed to be interested in the 13,587,610 Shares of Ms. Sun held through Qeeka Sunjie Home Holding Limited ("**Sunjie Home**"), representing approximately 1.15% interest in the Company.
- (2) Mr. Gao Wei holds 100% equity interests in Qeeka Josephine Holding Limited ("**Josephine Holding**"), which in turn directly holds 5,229,970 Shares. Accordingly, Mr. Gao Wei is deemed to be interested in the 5,229,970 Shares held by Josephine Holding. In addition, Mr. Gao Wei was granted a total of 8,981,390 options under the pre-IPO Share Option Scheme on 31 December 2011.
- (3) Mr. Tian Yuan holds 100% equity interests of Qeeka Tianyuan Holding Limited ("**Tianyuan Holding**"), which in turn directly holds 4,578,876 Shares. Accordingly, Mr. Tian Yuan is deemed to be interested in the 4,578,876 Shares held by Tianyuan Holding.
- (4) Mr. Gabriel Li is the spouse of Ms. Lam Lai Ming ("**Ms. Lam**"), and is deemed to be interested in the Shares held by Ms. Lam in Clinton Global Limited, it directly holds 100,000,000 Shares. Clinton Global Limited is owned as to 95% by Orchid Asia VI, L.P. and as to 5% by Orchid Asia V Co-Investment Limited. The general partner of Orchid Asia VI, L.P. is OAVI Holdings, L.P. and the general partner of OAVI Holdings, L.P. is Orchid Asia VI GP, Limited, a company which is indirectly wholly-owned by Ms. Lam. Orchid Asia V Co-Investment Limited is wholly controlled by Ms. Lam.



## Other Information

Save as disclosed above, as of 30 June 2021, none of the Directors and chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Model Code.

### (ii) Interest in associated corporations

Save as disclosed above, so far as the Directors are aware, as at 30 June 2021, none of the Directors or chief executive of the Company and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors are aware, as at 30 June 2021, the following persons had interest or short positions in the shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Name of Shareholders	Nature of interest	Number of shares <sup>(1)</sup>	Approximate percentage of shareholding in the Company
Mr. Deng <sup>(2)</sup>	Interest in a controlled corporation and interest of spouse	308,377,140(L)	26.61%
Ms. Sun <sup>(3)</sup>	Interest in a controlled corporation and interest of spouse	308,377,140(L)	26.61%
Geeka Holding <sup>(2)</sup>	Beneficial owner	294,789,530(L)	25.44%
Suzhou Oriza Holdings Co., Ltd. <sup>(4)(5)</sup>	Interest in a controlled corporation	185,246,080(L)	15.99%
Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. <sup>(4)(5)</sup>	Interest in a controlled corporation	185,246,080(L)	15.99%
Suzhou Industrial Park Economic Development Co., Ltd. <sup>(4)(5)</sup>	Interest in a controlled corporation	185,246,080(L)	15.99%
Suzhou Industrial Zone Management Committee <sup>(4)(5)</sup>	Interest in a controlled corporation	185,246,080(L)	15.99%
Baidu HK <sup>(6)</sup>	Beneficial owner	124,981,861(L)	10.79%
Baidu Holdings Limited <sup>(6)</sup>	Interest in a controlled corporation	124,981,861(L)	10.79%
Baidu, Inc. <sup>(6)</sup>	Interest in a controlled corporation	124,981,861(L)	10.79%
Teng Yue Partners GP, LLC <sup>(7)</sup>	Interest in a controlled corporation	105,186,500(L)	9.08%
Teng Yue Partners Holdings GP, LLC <sup>(7)</sup>	Interest in a controlled corporation	105,186,500(L)	9.08%
Teng Yue Partners Holdings, LLC <sup>(7)</sup>	Interest in a controlled corporation	105,186,500(L)	9.08%
Teng Yue Partners Master Fund, L.P. <sup>(7)</sup>	Beneficial owner	105,186,500(L)	9.08%
Teng Yue Partners, L.P. <sup>(7)</sup>	Investment manager	105,186,500(L)	9.08%
Mr. Li Tao <sup>(7)</sup>	Interest in a controlled corporation	105,186,500(L)	9.08%
Hua Yuan International <sup>(4)</sup>	Beneficial owner	101,912,750(L)	8.79%
China-Singapore Suzhou Industrial Park Ventures Co., Ltd. <sup>(4)</sup>	Interest in a controlled corporation	101,912,750(L)	8.79%



## Other Information

Name of Shareholders	Nature of interest	Number of shares <sup>(1)</sup>	Approximate percentage of shareholding in the Company
Clinton Global Limited <sup>(2)</sup>	Beneficial owner	100,000,000(L)	8.63%
Areo Holdings Limited <sup>(2)</sup>	Interested in a controlled corporation	100,000,000(L)	8.63%
Mr. Gabriel Lj <sup>(2)</sup>	Interest of spouse	100,000,000(L)	8.63%
Ms. Lam Lai Ming <sup>(2)</sup>	Interest in a controlled corporation	100,000,000(L)	8.63%
OAVI Holdings, L.P. <sup>(2)</sup>	Interest in a controlled corporation	100,000,000(L)	8.63%
Orchid Asia V Group Management, Limited <sup>(2)</sup>	Interested in a controlled corporation	100,000,000(L)	8.63%
Orchid Asia V Group, Limited <sup>(2)</sup>	Interested in a controlled corporation	100,000,000(L)	8.63%
Orchid Asia VI GP, Limited <sup>(2)</sup>	Interest in a controlled corporation	100,000,000(L)	8.63%
Orchid Asia VI, L.P. <sup>(2)</sup>	Interest in a controlled corporation	100,000,000(L)	8.63%
SIP Oriza <sup>(5)</sup>	Beneficial owner	83,333,330(L)	7.19%
Mr. Yao Hua <sup>(5)</sup>	Interest in a controlled corporation	83,333,330(L)	7.19%
SIP Oriza PE Fund Management Co., Ltd. <sup>(5)</sup>	Interest in a controlled corporation	83,333,330(L)	7.19%
SIP Oriza Jingfeng Equity Investment Management Co., Ltd. <sup>(5)</sup>	Interest in a controlled corporation	83,333,330(L)	7.19%
Morgan Stanley <sup>(9)</sup>	Interest in a controlled corporation	81,586,100(L)	7.04%

### Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Qeeka Holding is wholly-owned by Mr. Deng, therefore Mr. Deng is deemed to be interested in the 294,789,530 Shares held by Qeeka Holding under the SFO. In addition, Mr. Deng is the spouse of Ms. Sun and therefore is deemed to be interested in the 13,587,610 Shares which Ms. Sun is interested in under the SFO.
- (3) Qeeka Sunjie Home is wholly-owned by Ms. Sun Jie, therefore Ms. Sun is deemed to be interested in the 13,587,610 Shares held by Sunjie Home under the SFO. In addition, Ms. Sun Jie is the spouse of Mr. Deng and is therefore deemed to be interested in the 294,789,530 Shares which are interested by Mr. Deng under the SFO.
- (4) Hua Yuan International Limited is wholly-owned by China-Singapore Suzhou Industrial Park Ventures Co., Ltd., which is wholly-owned by Suzhou Oriza Holdings Co., Ltd, which is owned as to 60% by Suzhou Industrial Park Economic Development Co., Ltd., as to 20% by Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. and as to 20% by Jiangsu Investment Management Co. Ltd., the first two of which are wholly-owned by Suzhou Industrial Zone Management Committee, the latter is wholly-owned by Jiangsu Guoxin Group Co. Ltd.. Under the SFO, China-Singapore Suzhou Industrial Park Ventures Co., Ltd., Suzhou Oriza Holdings Co., Ltd, Suzhou Industrial Park Economic Development Co., Ltd., Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd., Jiangsu Investment Co. Ltd, Suzhou Industrial Zone Management Committee and Jiangsu Guoxin Group Co. Ltd. are deemed to be interested in the Shares held by Hua Yuan International Limited.
- (5) The general partner of SIP Oriza is SIP Oriza PE Fund Management Co., Ltd., which is owned as to 51% by SIP Oriza Jingfeng Equity Investment Management Co., Ltd. and as to 49% by Suzhou Oriza Holdings Co., Ltd.. SIP Oriza Jingfeng Equity Investment Management Co., Ltd. is owned as to 44.19% by Yao Hua. Suzhou Oriza Holdings Co., Ltd. is owned as to 60% by Suzhou Industrial Park Economic Development Co., Ltd., as to 20% by Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. and as to 20% by Jiangsu Investment Management Co. Ltd., the first two of which are wholly-owned by Suzhou Industrial Zone Management Committee, the latter is wholly-owned by Jiangsu Guoxin Group Co. Ltd. Under the SFO, SIP Oriza PE Fund Management Co., Ltd., SIP Oriza Jingfeng Equity Investment Management Co., Ltd., Suzhou Oriza Holdings Co., Ltd., Yao Hua, Suzhou Industrial Park Economic Development Co., Ltd., Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd., Jiangsu Investment Management Co. Ltd., Suzhou Industrial Zone Management Committee and Jiangsu Guoxin Group Co. Ltd. are deemed to be interested in the Shares held by SIP Oriza.

## Other Information

- (6) Baidu (Hong Kong) Limited is an investment holding company wholly-owned by Baidu Holdings Limited, which is wholly-owned by Baidu, Inc., a company listed on NASDAQ (NASDAQ: BIDU) and listed on Stock Exchange (HKSE: 9888) (Main Board). Under the SFO, Baidu, Inc. and Baidu Holdings Limited are deemed to be interested in the Shares held by Baidu (Hong Kong) Limited.
- (7) Teng Yue Partners Master Fund, L.P., holds 105,186,500 Shares, which is wholly owned by Teng Yue Partners GP, LLC. Teng Yue Partners GP, LLC. is wholly owned by Teng Yue Partners Holdings GP, LLC, a company which is owned as to 99% by Mr. Li Tao. Teng Yue Partners, L.P. is wholly owned by Teng Yue Partners Holdings, LLC, a company which is owned as to 99% by Mr. Li Tao. Accordingly, based on the above disclosure, Teng Yue Partners Master Fund, L.P., Teng Yue Partners GP, LLC, Teng Yue Partners Holdings GP, LLC, Teng Yue Partners Holdings, LLC, Teng Yue Partners, L.P. and Mr. Li Tao are deemed to be interested in the Shares held by Teng Yue Partners Master Fund, L.P.
- (8) Clinton Global Limited (previously known as Orchid Asia) is owned as to 95% by Orchid Asia VI, L.P., and as to 5% by Orchid Asia V Co-Investment Limited. The general partner of Orchid Asia VI, L.P. is OAVI Holdings, L.P., and the general partner of OAVI Holdings, L.P. is Orchid Asia VI GP, Limited. Orchid Asia VI GP, Limited is wholly owned by Orchid Asia V Group Management, Limited, which is wholly owned by Orchid Asia V Group, Limited. Orchid Asia V Group, Limited is wholly owned by Areo Holdings Limited, a company which is wholly owned by Ms. Lam. Under the SFO, Orchid Asia VI, L.P., OAVI Holdings, L.P., Orchid Asia VI GP, Limited, Orchid Asia V Group Management, Limited, Orchid Asia V Group, Limited, Areo Holdings Limited and Ms. Lam are deemed to be interested in the Shares held by Clinton Global Limited. Mr. Gabriel Li is the spouse of Ms. Lam, and is deemed to be interested in the Shares held by Ms. Lam in Clinton Global Limited.
- (9) Morgan Stanley & Co. LLC holds 66,818,000 shares, which is wholly-owned by Morgan Stanley Domestic Holdings, Inc.. Morgan Stanley Domestic Holdings, Inc. is wholly-owned by Morgan Stanley Capital Management, LLC, which is wholly-owned by Morgan Stanley. Under the SFO, Morgan Stanley Domestic Holdings, Inc., Morgan Stanley Capital Management, LLC and Morgan Stanley are deemed to be interested in these Shares held by Morgan Stanley & Co., LLC.

Morgan Stanley & Co. International plc holds 14,768,100 shares, which is wholly-owned by Morgan Stanley Investments (UK). Morgan Stanley Investments (UK) is wholly-owned by Morgan Stanley International Limited, which is wholly-owned by Morgan Stanley International Holdings Inc, a wholly-owned subsidiary of Morgan Stanley. Under the SFO, Morgan Stanley Investments (UK), Morgan Stanley International Limited, Morgan Stanley International Holdings Inc and Morgan Stanley are deemed to be interested in these Shares held by Morgan Stanley & Co. International plc.

## 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 report 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	2,496,000	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 report.



## Other Information

### SHARE OPTION SCHEMES

#### Pre-IPO Share Option Scheme

A Pre-IPO Share Option Scheme (the “**Scheme**”) was approved and adopted by the Company in 2011 which was formalised in 2018. The purposes of the Scheme are to reward the participants defined thereunder for their past contribution to the success of the Group and to provide incentives to them to further contribute to the Group.

The principal terms of the Scheme are summarised in the section headed “Statutory and General Information – 11. Pre – IPO Share Option Scheme” in Appendix IV to the Company’s Prospectus dated 21 June 2018. The terms of the Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as this Scheme will not involve the grant of options by the Company to subscribe for Shares subsequent to the Listing of the Company.

During the Reporting Period under the Pre-IPO Share Option Scheme, 10,382,172 share options were lapsed. As at 30 June 2021, the total number of outstanding share options was 29,478,860 representing approximately 2.5% of the total number of issued shares of the Company as at that date. The details below set out the movement of the share option granted under the Pre-IPO Share Option Scheme during the Reporting Period:

Name of grantee	Date of grant	Balance as at 01/01/2021	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	Balance as at 30/06/2021	Exercise price per Share (RMB)	Option period
<b>Director</b>								
GAO Wei	31/12/2011	8,981,390	–	–	–	8,981,390	2.004	10 years from grant date
<b>Senior management</b>								
Senior management	31/12/2011	12,461,680	–	–	–	12,461,680	2.004	10 years from grant date
(in aggregate)	31/12/2016	1,684,016	–	–	–	1,684,016	2.004	10 years from grant date
<b>Employee</b>								
Employee (in aggregate)	31/12/2016	16,733,946	–	–	10,382,172	6,351,774	2.004	10 years from grant date
<b>Total</b>	–	39,861,032	–	–	10,382,172	29,478,860	–	–

#### Restricted Share Unit Scheme

The post-IPO Restricted Share Unit Scheme (the “**2021 RSU Scheme**”) was approved and adopted by the Board on 15 January 2021 (the “**Adoption Date**”). The RSU Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The purposes of the 2021 RSU Scheme are to attract, and retain and incentivize the best personnel and senior management of the Group, and to promote the value of the Company by offering these individuals an opportunity to acquire Shares and a proprietary interest in the success of the Company, thereby linking their interests with the Company’s performance.

Persons eligible to receive RSUs under the 2021 RSU Scheme are existing employees, directors or officers of the Company (the “**RSU Eligible Persons**”). Our Board selects the RSU Eligible Persons to receive RSUs under the 2021 RSU Scheme at its discretion.

Subject to any termination as may be determined by the Board pursuant to the terms of the rules of the 2021 RSU Scheme (the “**Rules**”), the 2021 RSU Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date.

## Other Information

No Shares shall be subscribed for and/or purchased pursuant to the 2021 RSU Scheme, nor any amounts paid to the Trustee for the purpose of making such a subscription and/or purchase, if as a result of such subscription and/or purchase, the number of Shares administered under the 2021 RSU Scheme and the Pre-IPO Share Option Scheme shall exceed in total 7.5% of the number of the Company's shares in issue from time to time (the "Scheme Limit").

A Selected Participant shall not have any contingent interest in the Shares which are referable to him until such RSUs have been vested as Shares in accordance with the Rules. The Trustee shall hold the Shares awarded until they are vested to the relevant Selected Participants in accordance with the terms of the RSUs.

The vesting criteria of the RSUs is based on the satisfaction of specified criteria relating generally to the Company and the Selected Participant. The Board may from time to time while the 2021 RSU Scheme is in force determine any other vesting criteria or conditions for the RSUs to be vested or credited.

Details of movements in the RSUs granted under the 2021 RSU Scheme during the six months ended 30 June 2021 are as follows:

Grantee	Date of grant	Balance as at 01/01/2021	Granted during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Balance as at 30/06/2021	Vesting period of RSUs
<b>Employee</b>							
Employee (in aggregate) <sup>(1)</sup>	19/03/2021	-	28,522,540	-	26,500	28,496,040	by 2026 <sup>(2)</sup>
<b>Total</b>		-	28,522,540	-	26,500	28,496,040	

Notes:

(1) Apart from the 11,000,000 RSUs granted to one Grantee which is exercisable at HK\$1.00 per Share, other grantees of the RSUs are not required to pay for the exercise of the RSUs.

(2) the details as disclosed in announcement issued by the Company dated 22 March 2021.

## 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.



## Other Information

### 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.

## Other Information

### 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	949.8	100.0%	549.0	400.8

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 Network**”), 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.



# Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2021

	Note	Unaudited	
		2021	2020
		RMB'000	(restated)* RMB'000
<b>Six months ended 30 June</b>			
<b>Revenue</b>	6	<b>524,391</b>	315,034
Cost of sales	7	<b>(227,835)</b>	(105,974)
<b>Gross profit</b>		<b>296,556</b>	209,060
Selling and marketing expenses	7	<b>(234,264)</b>	(180,696)
Administrative expenses	7	<b>(38,501)</b>	(41,325)
Research and development expenses	7	<b>(22,060)</b>	(27,556)
Net impairment losses on financial assets	15	<b>(475)</b>	(415)
Other gains/(losses) – net	8	<b>7,895</b>	(10,573)
<b>Operating profit/(loss)</b>		<b>9,151</b>	(51,505)
Finance income	9	<b>7,279</b>	10,866
Finance costs	9	<b>(2,910)</b>	(1,810)
Finance income – net	9	<b>4,369</b>	9,056
Share of results of investments accounted for using the equity method	12	<b>3,905</b>	26,453
<b>Profit/(loss) before income tax</b>		<b>17,425</b>	(15,996)
Income tax (expenses)/credits	10	<b>(1,947)</b>	40
<b>Profit/(loss) for the period</b>		<b>15,478</b>	(15,956)
<b>Profit/(loss) attributable to:</b>			
– Equity holders of the Company		<b>12,087</b>	(12,263)
– Non-controlling interests		<b>3,391</b>	(3,693)
		<b>15,478</b>	(15,956)
<b>Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company</b>			
Basic earnings/(losses) per share (RMB)	11	<b>0.0104</b>	(0.0103)
Diluted earnings/(losses) per share (RMB)	11	<b>0.0104</b>	(0.0103)

The above interim condensed consolidated income statement should be read in conjunction with the accompanying notes.

\* Comparative figures have been restated for the Group's application of merger accounting for business combinations under common control.



# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Note	Unaudited	
		Six months ended 30 June 2021	2020 (restated)*
		RMB'000	RMB'000
<b>Profit/(loss) for the period</b>		<b>15,478</b>	(15,956)
<b>Other comprehensive income/(loss) for the period</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Share of other comprehensive loss of investments accounted for using the equity method	12	–	(40)
Exchange differences on translation of foreign operations		<b>(6,043)</b>	9,318
		<b>(6,043)</b>	9,278
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	13	<b>(684)</b>	–
Changes in the fair value of equity investments at fair value through other comprehensive income	13	<b>42,699</b>	(238)
		<b>42,015</b>	(238)
Total other comprehensive income for the period, net of tax		<b>35,972</b>	9,040
<b>Total comprehensive income/(loss) for the period</b>		<b>51,450</b>	(6,916)
<b>Total comprehensive income/(loss) for the period attributable to:</b>			
Equity holders of the Company		<b>48,059</b>	(3,223)
Non-controlling interests		<b>3,391</b>	(3,693)
		<b>51,450</b>	(6,916)

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

\* Comparative figures have been restated for the Group's application of merger accounting for business combinations under common control.



# Interim Condensed Consolidated Balance Sheet

As at 30 June 2021

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
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	12	289,469	285,564
Financial assets at fair value through other comprehensive income ("FVOCI")	13	111,580	64,565
Financial assets at fair value through profit or loss ("FVPL")	14	11,056	11,056
<b>Total non-current assets</b>		<b>815,065</b>	755,178
<b>Current assets</b>			
Inventories		3,526	3,332
Trade and other receivables and prepayments to suppliers	15	188,490	134,079
Amounts due from related parties	22(c)	4,093	5,127
Contract assets	15	134,640	87,015
Financial assets at fair value through profit or loss ("FVPL")	14	222,709	252,559
Term deposits	16	32,301	9,787
Cash and cash equivalents	16	929,486	897,093
Assets classified as held for sale		–	5,435
<b>Total current assets</b>		<b>1,515,245</b>	1,394,427
<b>Total assets</b>		<b>2,330,310</b>	2,149,605
<b>EQUITY</b>			
Share capital	17	770	781
Share premium	17	2,269,649	2,300,250
Other reserves	18	(186,017)	(217,608)
Treasury shares	17	(7,546)	(28,468)
Accumulated losses		(730,371)	(742,458)
<b>Equity attributable to equity holders of the Company</b>		<b>1,346,485</b>	1,312,497
<b>Non-controlling interests</b>		<b>(4,018)</b>	(18,262)
<b>Total equity</b>		<b>1,342,467</b>	1,294,235

## Interim Condensed Consolidated Balance Sheet

As at 30 June 2021

	Note	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		520	582
Lease liabilities	21	19,842	12,962
<b>Total non-current liabilities</b>		<b>20,362</b>	13,544
<b>Current liabilities</b>			
Short-term borrowings		47,500	7,000
Trade and other payables	20	732,339	670,127
Contract liabilities	20	132,218	111,480
Amounts due to related parties	22(c)	–	93
Lease liabilities	21	16,248	11,905
Income tax liabilities		39,176	39,912
Liabilities directly associated with assets classified as held for sale		–	1,309
<b>Total current liabilities</b>		<b>967,481</b>	841,826
<b>Total liabilities</b>		<b>987,843</b>	855,370
<b>Total equity and liabilities</b>		<b>2,330,310</b>	2,149,605

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.



# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Note	Unaudited						Total equity RMB'000
		Attributable to the equity holders of the Company						
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury Shares RMB'000	Accumulated losses RMB'000	Non-controlling interests RMB'000	
<b>At 31 December 2020 (audited)</b>		781	2,300,250	(217,608)	(28,468)	(742,458)	(18,262)	1,294,235
Profit for the period		-	-	-	-	12,087	3,391	15,478
Other comprehensive income		-	-	35,972	-	-	-	35,972
<b>Total comprehensive income for the six months ended 30 June 2021</b>		-	-	35,972	-	12,087	3,391	51,450
<b>Transactions with owners:</b>								
- Repurchase and cancellation of shares	17	(11)	(30,601)	-	20,922	-	-	(9,690)
- Share-based compensation under Employee Stock Ownership Plans (ESOP)		-	-	1,528	-	-	-	1,528
- Share-based compensation under Restricted Stock Units (RSUs) (Note 18(b))		-	-	3,397	-	-	-	3,397
- Capital contribution from non-controlling shareholders		-	-	-	-	-	433	433
- Transaction with non-controlling interests (Note 18(a))		-	-	(9,306)	-	-	9,306	-
- Disposal of a subsidiary		-	-	-	-	-	1,114	1,114
<b>Transactions with owners for the six months ended 30 June 2021</b>		(11)	(30,601)	(4,381)	20,922	-	10,853	(3,218)
<b>At 30 June 2021 (unaudited)</b>		770	2,269,649	(186,017)	(7,546)	(730,371)	(4,018)	1,342,467

## Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Note	Unaudited						Total equity RMB'000
		Attributable to the equity holders of the Company					Non-controlling interests RMB'000	
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Treasury shares RMB'000	Accumulated losses (restated)* RMB'000		
<b>At 1 January 2020, as previously reported</b>		799	2,356,802	(203,399)	(25,281)	(758,909)	(22,681)	1,347,331
Application of business combinations under common control		-	-	10,000	-	(2,608)	-	7,392
<b>Restated balance at 1 January 2020</b>		799	2,356,802	(193,399)	(25,281)	(761,517)	(22,681)	1,354,723
Loss for the period		-	-	-	-	(12,263)	(3,693)	(15,956)
Other comprehensive income		-	-	9,040	-	-	-	9,040
<b>Total comprehensive loss for the six months ended 30 June 2020</b>		-	-	9,040	-	(12,263)	(3,693)	(6,916)
<b>Transactions with owners:</b>								
- Repurchase and cancellation of shares		(11)	(33,508)	-	19,632	-	-	(13,887)
- Share-based compensation under Employee Stock Ownership Plans (ESOP)		-	-	868	-	-	-	868
- Dividends declared	19	-	-	-	-	(21,584)	-	(21,584)
<b>Transactions with owners for the six months ended 30 June 2020</b>		(11)	(33,508)	868	19,632	(21,584)	-	(34,603)
<b>At 30 June 2020 (unaudited)</b>		788	2,323,294	(183,491)	(5,649)	(795,364)	(26,374)	1,313,204

The above interim condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

\* Comparative figures have been restated for the Group's application of merger accounting for business combinations under common control.



# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Note	Unaudited Six months ended 30 June	
		2021 RMB'000	2020 (restated)** RMB'000
<b>Cash flows from operating activities</b>			
Cash generated from operations		16,316	44,906
Interest received		6,267	2,423
Income tax paid		(1,096)	(115)
<b>Net cash generated from operating activities</b>		<b>21,487</b>	<b>47,214</b>
<b>Cash flows from investing activities</b>			
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	8	181	1,364
Reduction of certain investment in an investee measured at FVOCI	13(b)	–	17,000
Increase in investments measured at FVOCI	13(a)	(5,000)	(9,862)
Proceeds from disposal of a subsidiary		4,312	–
Loans to related parties	22(b)	(10)	(2,060)
Repayment of loans by related parties	22(b)	500	–
Net decrease in amounts held for securities trading purpose		–	5,692
<b>Net cash (used in)/generated from investing activities</b>		<b>(756)</b>	<b>230,255</b>
<b>Cash flows from financing activities</b>			
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	17	(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	19	–	(19,757)
<b>Net cash generated from/(used in) financing activities</b>		<b>17,058</b>	<b>(39,488)</b>
<b>Net increase in cash and cash equivalents</b>			
Effect on exchange rate difference		(5,657)	7,018
<b>Cash and cash equivalents at beginning of the period</b>	16	<b>897,354*</b>	411,153
<b>Cash and cash equivalents at end of the period</b>	16	<b>929,486</b>	656,152

The above interim condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

\* As at 31 December 2020, cash and cash equivalents included RMB261,000 that were presented as assets classified as held for sale in the consolidated balance sheet.

\*\* Comparative figures have been restated for the Group's application of merger accounting for business combinations under common control.

# Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

## 1 GENERAL INFORMATION

Geeka 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 the interim condensed consolidated financial information, 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.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 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 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended 31 December 2020.

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures as described in the annual financial information for the year ended 31 December 2020.

There have been no changes in the risk management policies since 31 December 2020.

#### 5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

#### 5.2 Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 30 June 2021.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<b>As at 30 June 2021</b>				
Financial assets at FVPL (Note 14)	20,616	–	213,149	233,765
Financial assets at FVOCI (Note 13)	–	–	111,580	111,580
	20,616	–	324,729	345,345

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2021.

There were no transfers among levels 1, 2 and 3 during the period.

#### (i) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments, and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the period.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

#### 5.2 Fair value estimation (continued)

##### (ii) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 30 June 2021:

	Financial assets at FVOCI				
	Financial assets at FVPL RMB'000	Financial assets related to redemption rights RMB'000	Derivatives RMB'000	Wealth management products RMB'000	Total RMB'000
<b>As at 1 January 2021</b>	64,565	11,056	–	229,070	304,691
Acquisitions	5,000	–	–	320,380	325,380
Changes in fair value	42,699	–	(1,015)	3,013	44,697
Currency translation differences	(684)	–	–	(386)	(1,070)
Disposals	–	–	–	(348,969)	(348,969)
<b>As at 30 June 2021</b>	<b>111,580</b>	<b>11,056</b>	<b>(1,015)</b>	<b>203,108</b>	<b>324,729</b>
<b>Net unrealised gains for the period</b>	<b>42,699</b>	<b>–</b>	<b>(1,015)</b>	<b>572</b>	<b>42,256</b>

#### 5.3 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables (excluding prepayments to suppliers)
- Amounts due from related parties
- Cash and cash equivalents and term deposits
- Short-term borrowings
- Trade and other payables (excluding accrued taxes other than income tax, tax payables, staff salaries and welfare payables)
- Amounts due to related parties
- Lease liabilities

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 6 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.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 6 SEGMENT INFORMATION (continued)

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	
<b>Revenue</b>						
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
<b>Results</b>						
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
						17,425

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 6 SEGMENT INFORMATION (continued)

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	
<b>Revenue</b>						
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	14,849	191,466	17,258	85,972	5,489	315,034
Timing of revenue recognition						
At a point in time	–	136,747	17,258	3,621	3,221	160,847
Over time	14,849	54,719	–	82,351	2,268	154,187
	14,849	191,466	17,258	85,972	5,489	315,034
<b>Results</b>						
Segment gross profit/(loss)	11,933	185,018	1,806	12,742	(2,439)	209,060
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						26,453
						(15,996)



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 6 SEGMENT INFORMATION (continued)

#### (a) Revenue

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

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

#### (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.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 7 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
	<b>522,660</b>	<b>355,551</b>



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 8 OTHER GAINS/(LOSSES) – NET

	Unaudited Six months ended 30 June	
	2021	2020 (restated)
	RMB'000	RMB'000
Government grants	3,874	1,009
Waved payables due to third parties	3,297	–
Gains on disposal of a subsidiary	1,264	–
Dividends received from financial assets at FVPL	181	1,364
Gains on termination of lease contracts	–	974
Impairment loss on investment accounted for using the equity method (a)	–	(930)
Fair value changes of financial assets at FVPL	(1,528)	(13,789)
Net foreign exchange gains	–	1,407
Net loss on disposal of property, plant and equipment	(27)	(793)
Others	834	185
	<b>7,895</b>	<b>(10,573)</b>

(a) In respect of the Group's investments accounted for using the equity method, the Group tested them for impairment by estimating the value-in-use of these investments as both at 30 June 2020 and 30 June 2021, if any impairment indicator noted. Based on the result of test, an impairment loss of RMB930,000 was recognised as at 30 June 2020, while no impairment loss was found at 30 June 2021 (Note 12).

### 9 FINANCE INCOME – NET

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



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 10 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	360	39
Deferred income tax:		
Decrease in deferred tax assets	1,649	–
Decrease in deferred tax liabilities	(62)	(79)
Total deferred tax	1,587	(79)
Income tax expenses/(credits)	1,947	(40)

#### (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.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 11 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.

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020 (restated)
Earnings/(losses) attributable to equity holders of the Company (RMB'000)	<b>12,087</b>	(12,263)
Weighted average number of ordinary shares in issue (thousand)	<b>1,157,839</b>	1,184,981
Earnings/(losses) per share (RMB per share)	<b>0.0104</b>	(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 Units (meeting the annual performance target or without performance target at the reporting day). 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:

	<b>Unaudited</b>
	<b>Six months</b>
	<b>ended 30 June</b>
	<b>2021</b>
Earnings attributable to equity holders of the Company (RMB'000)	<b>12,087</b>
Weighted average number of ordinary shares in issue (thousand)	<b>1,157,839</b>
Adjustments for RSUs (thousands of shares) (Note 18(b))	<b>3,450</b>
Weighted average number of ordinary shares for diluted earnings per share (thousands of shares)	<b>1,161,289</b>
Diluted earnings per share (RMB per share)	<b>0.0104</b>

As the Group incurred losses for the six months ended 30 June 2020, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended 30 June 2020 was the same as basic loss per share.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 12 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method refer to investments in associates held by the Group. The movements for six months ended 30 June 2021 and 2020 are set out as follows.

	Unaudited Six months ended 30 June	
	2021	2020 (restated)
	RMB'000	RMB'000
At the beginning of the period – carrying amount	301,765	254,704
Share of results of associates	3,905	26,453
Share of other comprehensive loss of investments accounted for using the equity method	–	(40)
At the end of the period – carrying amount	305,670	281,117
Less: provision of impairment	(16,201)	(15,270)
	289,469	265,847

### 13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2021	2020 (restated)
	RMB'000	RMB'000
At the beginning of the period	64,565	51,969
Additions (a)	5,000	–
Currency translation differences	(684)	–
Withdrawal of certain investment in an investee (b)	–	(17,000)
Changes in the fair value	42,699	(238)
At the end of the period	111,580	34,731

(a) In June 2021, the Group invested an amount of RMB5,000,000 to Xiamen Jingdao Zhibo Investment LLP (廈門京道智博投資合夥企業(有限合夥), “Jing Dao Zhi Bo”) as FVOCI. After the investment, the Group became a limited partner with a capital contribution at 24.7525%.

(b) In June 2020, the registered capital of one investee, Shanghai Qin Shui Jia Ding Investment LLP (上海欽水嘉丁投資合夥企業(有限合夥), “Qin Shui Jia Ding”), was reduced by RMB34,000,000. Subsequent to the required regulatory administrative procedures, the Group withdrew an amount of RMB17,000,000 from Qin Shui Jia Ding. After this withdrawal, the Group holds 49.62% equity interests in Qin Shui Jia Ding.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<b>Non-current:</b>		
Financial assets related to redemption rights	11,056	11,056
<b>Current:</b>		
Wealth management products	203,108	229,070
Investment in a listed company	19,962	23,489
Mutual funds	654	–
Derivatives	(1,015)	–
	<b>222,709</b>	252,559

### 15 TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS

	Unaudited 30 June 2021 RMB'000	Audited 31 December 2020 RMB'000
<b>Notes receivable</b>	4,451	7,547
<b>Trade receivables</b>		
Due from third parties (b)	132,881	81,037
Less: provision for impairment of trade receivables	(2,053)	(1,589)
Net trade receivables	130,828	79,448
<b>Other receivables</b>		
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 securities trading purpose	–	3,574
Others	6,247	6,771
Gross other receivables	34,959	37,099
Less: provision for impairment of other receivables	(12,893)	(14,452)
Net other receivables	22,066	22,647
<b>Others</b>		
Prepayments to suppliers	22,199	12,376
Value-added tax recoverable	8,946	12,061
	<b>188,490</b>	134,079
<b>Contract assets (a)</b>	<b>134,640</b>	87,015

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 15 TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

- (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:

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

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

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



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 15 TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS (continued)

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

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

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

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

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 16 CASH AND CASH EQUIVALENTS

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
Cash at bank	961,737	906,778
Cash on hand	50	102
	<b>961,787</b>	906,880
Less: term deposits with initial term of over three months (a)	<b>(32,301)</b>	(9,787)
	<b>929,486</b>	897,093

- (a) The term deposits as at 30 June 2021 represents guarantee deposits held in bank accounts as security deposits under foreign exchange derivatives (Note 14).

Cash at bank and cash on hand are denominated in the following currencies:

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
RMB	443,072	400,904
U.S. dollars ("USD")	476,017	502,205
Hong Kong dollars ("HKD")	42,698	3,771
	<b>961,787</b>	906,880

Cash and cash equivalents include the following for the purposes of the interim condensed consolidated statement of cash flows:

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
Cash at bank	929,436	896,991
Cash on hand	50	102
	<b>929,486</b>	897,093



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 17 SHARE CAPITAL, SHARE PREMIUM

	Ordinary shares			
	Number of ordinary shares	Nominal value of ordinary shares	US\$'000	
<b>Authorised:</b>				
<b>As of 30 June 2021 and 31 December 2020</b>	2,000,000,000	200		
	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Share premium
		US\$'000	RMB'000	RMB'000
<b>Issued:</b>				
<b>As of 31 December 2020</b>	1,174,578,090	117	781	2,300,250
Cancellation of treasury shares (a)	(15,818,500)	(2)	(11)	(30,601)
<b>As of 30 June 2021</b>	1,158,759,590	115	770	2,269,649

#### (a) Treasury shares and cancellation of ordinary shares

During the period ended 30 June 2021, (i) 14,643,500 shares repurchased in 2020 were cancelled in February 2021, (ii) 5,971,500 shares with a nominal value of USD597 (equivalent to RMB3,857) were repurchased (2,300,000 shares were repurchased by Tricor Trust (HongKong) Limited for the newly granted RSUs (Note 18(b)) at an aggregate consideration of HKD11,668,793 (equivalent to RMB9,689,849), 1,175,000 shares were cancelled in February 2021, while the remaining 4,796,500 shares have not been cancelled and accordingly recorded as "treasury shares" of RMB7,545,934 in equity as at 30 June 2021.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 18 OTHER RESERVES

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Currency translation differences RMB'000	Share option reserve RMB'000	RSU reserve RMB'000	FVOCI reserve RMB'000	Others RMB'000	Total RMB'000
<b>At 1 January 2021 (audited)</b>	(188,495)	10,277	(5,984)	13,738	-	(32,372)	(14,772)	(217,608)
Currency translation differences	-	-	(6,727)	-	-	-	-	(6,727)
Fair value change of financial assets at FVOCI	-	-	-	-	-	42,699	-	42,699
Transaction with non-controlling interests (a)	(9,306)	-	-	-	-	-	-	(9,306)
Share-based compensation under ESOP	-	-	-	1,528	-	-	-	1,528
Share-based compensation under RSUs (b)	-	-	-	-	3,397	-	-	3,397
<b>At 30 June 2021 (unaudited)</b>	<b>(197,801)</b>	<b>10,277</b>	<b>(12,711)</b>	<b>15,266</b>	<b>3,397</b>	<b>10,327</b>	<b>(14,772)</b>	<b>(186,017)</b>

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Currency translation differences RMB'000	Share option reserve RMB'000	FVOCI reserve RMB'000	Others (restated) RMB'000	Total (restated) RMB'000
<b>At 1 January 2020 (restated)</b>	(188,495)	10,277	37,196	16,428	(63,794)	(5,011)	(193,399)
Currency translation differences	-	-	9,318	-	-	-	9,318
Fair value change of financial assets at FVOCI	-	-	-	-	(238)	-	(238)
Share of other comprehensive income of investments accounted for using the equity method (Note 12)	-	-	-	-	-	(40)	(40)
Share-based compensation under ESOP	-	-	-	868	-	-	868
<b>At 30 June 2020 (unaudited)</b>	<b>(188,495)</b>	<b>10,277</b>	<b>46,514</b>	<b>17,296</b>	<b>(64,032)</b>	<b>(5,051)</b>	<b>(183,491)</b>

- (a) In January and April 2021, the Group acquired 15.05% equity interests in Brausen (Fujian) Decoration Engineering Co., Ltd and 30% equity interests in Ningde Brausen Decoration Engineering Co., Ltd held by their non-controlling shareholders at a consideration of RMB0 separately. The excess of RMB9,306,000 over the carrying amount of the corresponding non-controlling interests was recorded as "other reserves" in equity.
- (b) On 19 March 2021, the Group has granted RSUs to 114 employees of the Group (collectively, the "Grantees") in respect of an aggregate of 28,496,040 ordinary shares of par value of US\$0.0001 each of the Company (the "Shares"). The closing price of the Shares on the date of grant was HK\$2.06 per Share.

The newly granted RSUs will be vested in batches on vesting dates which from 12 August 2021 to 1 June 2026 and some shall be subject to the Company and the relevant Grantee meeting or satisfying the annual performance target or review immediately preceding such vesting.

Apart from the 11,000,000 RSUs granted to one Grantee which is exercisable at HK\$1.00 per Share, other Grantees of the RSUs are not required to pay for the exercise of the RSUs.

The vesting of the RSUs will be satisfied partially by transfer of Shares by certain senior management members of the Company (who are not connected persons of the Company) at nil consideration to the Trustee (who has been appointed by the Company) and partially by on-market purchases of Shares by the Trustee. The Company will provide sufficient funds to the trustee.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 19 DIVIDENDS

#### (a) Dividends paid for or declared for the period

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

### 20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

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

- (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.

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (continued)

(c) The aging analysis of the trade payables based on invoice date was as follows:

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
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	13,027	16,355
	<b>214,125</b>	163,966

### 21 LEASE LIABILITIES

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
Minimum lease payment due:		
– Within 1 year	17,557	12,099
– Between 1 and 2 years	16,695	11,930
– Between 2 and 5 years	5,109	3,605
	<b>39,361</b>	27,634
Less: future finance charges	<b>(3,271)</b>	(2,767)
	<b>36,090</b>	24,867

### 22 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or other entities.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the six months ended 30 June 2021 and 2020, and balances arising from related party transactions as at 30 June 2021 and 31 December 2020.



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 22 RELATED PARTY TRANSACTIONS (continued)

#### (a) Name and relationship with related parties

Name of related parties	Relationship with the Group
Mr. Deng	Controlling shareholder and executive director of the Company
Mr. Chen Yangui (陳言貴)	Non-controlling shareholder (ceased from 4 January 2021)
Mr. Zuo Hanrong (左漢榮)	Non-controlling shareholder (ceased from 4 January 2021)
Mr. Yang Weihao (楊衛涵)	Non-controlling shareholder
Mr. Zou Jianfeng (鄒劍鋒)	Non-controlling shareholder
Shanghai Qijia E-commerce Co., Ltd. (上海齊家電子商務有限公司, "Qijia E-commerce")	Controlled by Mr. Deng

#### (b) Transactions with related parties

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
<i>i) Repayment of loans from related parties</i>		
Qijia E-commerce	500	–
Mr. Chen Yangui	–	10
	500	10
<i>ii) Loans provided to related parties</i>		
Mr. Zou Jianfeng	10	60
Qijia E-commerce	–	2,000
	10	2,060

Loans provided by the Group were unsecured, interest-free and repayable on demand.

	Unaudited Six months ended 30 June	
	2021 RMB'000	2020 RMB'000
<i>iii) Service income from a related party</i>		
Qijia E-commerce	1,309	–
<i>iv) Advertising service to a related party</i>		
Qijia E-commerce	–	849
<i>v) Lease from a related party</i>		
Qijia E-commerce	208	–

## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 22 RELATED PARTY TRANSACTIONS (continued)

#### (c) Balances with related parties

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
<i>Amounts due from related parties:</i>		
Qijia E-commerce	<b>3,043</b>	3,385
Mr. Yang Weihai	<b>980</b>	980
Mr. Zou Jianfeng	<b>70</b>	60
Mr. Zuo Hanrong	<b>–</b>	467
Mr. Chen Yangui	<b>–</b>	235
	<b>4,093</b>	5,127

	<b>Unaudited 30 June 2021 RMB'000</b>	Audited 31 December 2020 RMB'000
<i>Amounts due to a related party:</i>		
Qijia E-commerce	<b>–</b>	93

Receivables and payables from/(to) the above related parties were unsecured, interest-free and repayable on demand. The amounts due from related parties are neither past due nor impaired. The carrying amounts of the amounts due from/(to) related parties approximate their fair values and are denominated in RMB.

#### (d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	<b>Unaudited Six months ended 30 June 2021 RMB'000</b>	2020 RMB'000
Salaries, wages and bonus	<b>2,064</b>	2,194
Pension cost – defined contribution plan	<b>76</b>	33
Other social security costs, housing benefits and other employee benefits	<b>86</b>	96
Share-based compensation expenses	<b>1,136</b>	334
	<b>3,362</b>	2,657



## Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2021

### 23 CONTINGENT LIABILITIES

As at 30 June 2021 and 31 December 2020, the Group did not have any material contingent liabilities.

### 24 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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 Network”), 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.

## Definition

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Brausen”	Brausen (Fujian) Decoration & Engineering Co., Ltd.* (博若森(福建)裝飾工程有限公司), a company with limited liability incorporated in PRC on June 23, 2006 and a subsidiary of our Company, and its subsidiaries as the context requires, which were acquired by us on August 24, 2015
“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
“Dianshang”	licensed brand specifically targeting smaller, third or fourth-tier cities in China
“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



## Definition

“IAS”	the International Accounting Standards
“IASB”	the International Accounting Standards Board
“IDC” or “Interior Design and Construction Business”	the provision of interior design and construction service and licensing its brand to business partners and others
“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
“Jumei”	Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd.* (齊家居美(蘇州)精裝科技有限公司), a company with limited liability incorporated in PRC on August 30, 2016
“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
“Qeeka Holding”	Qeeka Holding Limited, an exempted company with limited liability incorporated in the BVI on November 18, 2014, which is wholly owned by Mr. Deng



## Definition

“Reporting Period”	the six months ended 30 June 2021
“RMB”	Renminbi, the lawful currency of the 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.