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## **Qeeka Home (Cayman) Inc.**

**齊屹科技(開曼)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1739)**

### **ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023**

The Board of Directors of Qeeka Home (Cayman) Inc. (the “**Company**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and PRC Operating Entities (collectively, the “**Group**”) for the year ended 31 December 2023. These results have been audited by the Auditor in accordance with International Standards on Auditing, and have also been reviewed by the Audit and Risk Management Committee.

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

#### **FINANCIAL SUMMARY**

	<b>Year ended 31 December</b>		<b>Year-on-year Change (%)</b>
	<b>2023</b>	<b>2022</b>	
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	
Revenue	<b>1,186,994</b>	875,735	35.5%
Gross Profit	<b>495,458</b>	473,931	4.5%
Gross Margin	<b>41.7%</b>	54.1%	–
Net loss attributable to equity holders of the Company	<b>(96,869)</b>	(126,044)	–
Adjusted net loss attributable to equity holders of the Company <sup>(1)</sup>	<b>(36,033)</b>	(64,179)	–

*Note:*

- (1) Adjusted net loss attributable to equity holders of the Company excludes impairment loss on investments accounted for using the equity method, net fair value change on investment on financial assets at fair value through profit or loss, which exclude wealth management products and others, share-based compensation expenses and impairment loss on goodwill.

## **BUSINESS REVIEW AND OUTLOOK**

### **Business Review**

We are one of the leading marketing solution providers in interior design and construction industry in China, with the mission of “helping users achieve beautiful living scenarios easily, reassuringly and cost-effectively”, and are committed to providing a series of solutions for interior design and construction service providers to meet their diversified needs by promoting the digital upgrading of the interior design and construction industry. Our goal is to provide a SaaS-based mutually beneficial ecosystem for users and interior design and construction service providers, and attract more users by empowering our merchants, so as to achieve a win-win situation for both parties.

In 2023, a new trend emerged in the real estate market, indicating a significant change in the supply-demand relationship. As a company related to the real estate industry, our performance has been under immense pressure. In 2023, our revenue increased by 35.5% year-on-year, reaching RMB1,187.0 million. Our IDC business stood out as a new growth engine, with a year-on-year growth of 111.4%, contributing RMB729.7 million to our revenue. Additionally, in 2023, we continued to implement the operating strategy of cost reduction and efficiency enhancement, narrowing our operating losses.

- ***SaaS and Marketing Service Business***

In 2023, the fluctuations in the real estate market led to a polarization for user’s demands. Users in mega-cities with strong consumption power (such as Beijing and Shanghai) took longer time to make decisions on home renovations due to the price and construction period, resulting in a shift of high price consumption demand towards faster decision-making and low price areas like tourism and catering. On the other hand, users in other cities experienced an increase in the trading scale of the existing housing market due to falling housing prices, with a significant growth in their home renovation demands. However, they were price-sensitive and prioritized cost-effectiveness.

As a result, our number of sales leads increased compared to 2022. The decrease in the number of sales lead from mega-cities offset the increase in the number of sales leads from other cities. As of 31 December 2023, the number of sales leads was 794,761, representing a year-on-year growth of 15.8% compared to 686,092 in 2022.

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Number of sales leads <sup>(1)</sup>	<b>794,761</b>	686,092
Number of recommended users	<b>613,999</b>	581,775
Average revenue from SaaS and Marketing Service per sales lead (RMB) <sup>(2)</sup>	<b>526</b>	697

*Notes:*

- (1) It represents the number of data that identifies someone as a potential demand user of Interior Design and Construction for the year ended 31 December 2023.
- (2) It refers to the average revenue per sales lead, which equals the revenue from SaaS and Marketing Service for the year ended 31 December 2023 divided by the sales leads as of 31 December 2023.

From the user side, we focus on user experience and have a keen understanding of their consumption preferences. Through content marketing such as short videos and live streaming, we educate users on home renovation knowledge and recommend interior design and construction service providers to them. Additionally, we introduce the “Qijiabao” service, which provides users with professional renovation managers offering one-stop consulting services throughout the whole renovation process. This aims to provide users with a reliable and cost-effective renovation service.

From the merchant side, we continuously empower merchants in their operations by optimizing products through merchant stratification and enhancing their operational efficiency, gradually restoring their confidence. Simultaneously, we have launched a series of merchant policies to work together with them to overcome the challenging period in the industry. As a result, our revenue from SaaS and Marketing Service in 2023 amounted to RMB418.1 million, representing a decrease of 12.5% compared to the previous year. This decrease was primarily due to a decline in the average order value, which fell from RMB697 to RMB526.

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

In 2022, we adjusted our strategic direction and took self-operated decoration business as a new growth strategy. In 2023, our self-operated decoration business experienced rapid growth, with a contract value of RMB997.2 million in 2023, an increase of 201.0% year-on-year compared to RMB331.3 million in 2022.

In terms of self-operated home decoration business, we position in providing mid-to-high-end home decoration services, mainly targeting users with high purchasing power in second- and third-tier cities. We are committed to providing users with one-stop home decoration solutions.

We have established showrooms in 6 cities in China. Through offline design and material selection, combined with our independently developed online intelligent management system, we have set up four kind of standard services, providing customers with a easily and cost-effectively service experience.

In terms of public decoration business, we mainly provide interior decoration services for real estate fine decoration housing, hotels, commercial real estate, and office spaces. To mitigate the impact of the real estate market on our performance, we have chosen partners with good credit and abundant cash flow to expand our business. We have increased the proportion of interior decoration services for commercial real estate and accelerated the return of funds. In 2023, the proportion of interior decoration services for real estate fine decoration housing was 39.5%, a decrease of 45 percentage points compared to 84.5% in 2022.

### **Company Business Outlook**

We placed a high priority on acting quickly on such opportunities which we believe would help us better serve our users and merchants, and we are confident that we will be able to derive sustainable value for our shareholders continuously.

### **Shareholder Returns**

We placed a high priority on shareholder returns. In 2023, we announced a dividend payment plan on 23 August 2023 and distributed an interim dividend of approximately RMB29.4 million on 22 September 2023. The Board has recommended the payment of a final dividend of HKD0.0131 per share, in an aggregate of approximately HKD15.0 million for the year ended 31 December 2023, subject to the approval of the shareholders at the 2024 AGM. Leveraging our solid cash reserves and robust financial management capabilities, we aim to create and continuously enhance long-term value for our shareholders through proactive shareholder return plans.

## MANAGEMENT DISCUSSION AND ANALYSIS

*(The following information disclosures were based on financial information prepared in accordance with IFRSs unless otherwise specified)*

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Revenue</b>	<b>1,186,994</b>	875,735
Cost of sales	<u>(691,536)</u>	<u>(401,804)</u>
<b>Gross profit</b>	<b>495,458</b>	473,931
Selling and marketing expenses	(430,047)	(434,243)
Administrative expenses	(75,926)	(87,683)
Research and development expenses	(37,148)	(43,557)
Net impairment losses on financial assets	(9,791)	(15,743)
Other losses – net	<u>(52,582)</u>	<u>(51,396)</u>
<b>Operating loss</b>	<b>(110,036)</b>	(158,691)
Finance income	40,322	21,133
Finance costs	<u>(7,293)</u>	<u>(2,609)</u>
Finance income – net	<b>33,029</b>	18,524
Share of results of investments accounted for using the equity method	<u>(17,907)</u>	<u>3,694</u>
<b>Loss before income tax</b>	<b>(94,914)</b>	(136,473)
Income tax expenses	<u>(4,147)</u>	<u>(3,793)</u>
<b>Loss for the year</b>	<b><u>(99,061)</u></b>	<b><u>(140,266)</u></b>
<b>Loss attributable to:</b>		
Equity holders of the Company	(96,869)	(126,044)
Non-controlling interests	<u>(2,192)</u>	<u>(14,222)</u>
	<b><u>(99,061)</u></b>	<b><u>(140,266)</u></b>
<b>Non-IFRS measure</b>		
Adjusted net loss attributable to equity holders of the Company	<b><u>(36,033)</u></b>	<b><u>(64,179)</u></b>

## Revenue

Total revenue increased by 35.5% from RMB875.7 million for the year ended 31 December 2022 to RMB1,187.0 million for the year ended 31 December 2023, primarily due to the gradual resumption of the businesses to normal in 2023, especially our IDC business which had a positive growth trend this year.

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

	Year ended 31 December			
	2023		2022 (restated)	
	Amount RMB'000	% of total revenue	Amount RMB'000	% of total revenue
SaaS and Marketing Service Business	418,072	35.2%	477,885	54.6%
Interior Design and Construction and others Business	768,922	64.8%	397,850	45.4%
Total	<u>1,186,994</u>	<u>100.0%</u>	<u>875,735</u>	<u>100.0%</u>

*Note:* During the year ended 31 December 2023, the Group has reorganized its business segments to better allocate resources and assess performance of the operating segments. The “Supply chain” segment has been combined with “Innovation and others” segment, which was grouped under “Interior Design and Construction and other Business”. The segment information for the year ended 31 December 2022 has been restated accordingly.

### *SaaS and Marketing Service Business*

Revenue from our SaaS and Marketing Service Business decreased by 12.5% from RMB477.9 million for the year ended 31 December 2022 to RMB418.1 million for the year ended 31 December 2023, the decrease in revenue was due to a decline in the average revenue per sales lead, which decreased from RMB697 to RMB526.

### *Interior Design and Construction and others Business*

#### *– Interior Design and Construction*

We operated three full-service Interior Design and Construction brands, namely “Brausen”, “Jumei” and “Youzi”, which were all operated under the self-operated model but targeting at different customer segments. Revenue from Interior Design and Construction increased by 111.4% from RMB345.2 million for the year ended 31 December 2022 to RMB729.7 million for the year ended 31 December 2023.

The revenue from Interior Design and Construction of our overall decoration brand “Brausen” increased by 60.1% from RMB55.0 million for the year ended 31 December 2022 to RMB88.1 million for the year ended 31 December 2023, primarily due to the expansion in Nanchang, Wuhan, and Hefei, achieving a total contract value of RMB131.8 million, an increase of 87.2% year-over-year.

The revenue from Interior Design and Construction of the brand “Jumei”, which provided customization services for real estate developers and commercial public decorations, increased by 121.2% from RMB284.0 million for the year ended 31 December 2022 to RMB628.3 million for the year ended 31 December 2023. The significant growth was attributed to (i) affected by the low base last year, the recovery of the operation resulting the growth of revenue; (ii) our expansion efforts and the implementation of the gradual transition strategy towards commercial public decoration services, resulting in a significant increase of 764.7% in revenue from commercial public decorations, from RMB44.0 million for the year ended 31 December 2022 to RMB380.5 million for the year ended 31 December 2023. Furthermore, this service achieved total contract value of RMB851.7 million, representing an increase of 243.4% as compared with the same period of last year.

The revenue from Interior Design and Construction of our partial decoration brand “Youzi” increased by 115.9% from RMB6.1 million for the year ended 31 December 2022 to RMB13.3 million for the year ended 31 December 2023. We are still continuously exploring the sustainable development of this business.

– *Innovation and others*

Innovation and others business, mainly includes Supply Chain Service, cross-border e-commerce business and other business, generated revenues of RMB27.4 million, RMB4.6 million and RMB7.2 million respectively for the year. These businesses represent an important part of our diversified revenue streams.

**Cost of sales**

Cost of sales increased by 72.1% to RMB691.5 million for the year ended 31 December 2023, compared to RMB401.8 million for the year ended 31 December 2022, of which Interior Design and Construction Business accounted for the main part.

***SaaS and Marketing Service Business***

Cost from SaaS and Marketing Service Business decreased by 50.4% from RMB21.9 million for the year ended 31 December 2022 to RMB10.9 million for the year ended 31 December 2023, primarily due to the decrease in operating service cost for this segment.

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

– *Interior Design and Construction Business*

Cost from Interior Design and Construction Business increased by 96.9% from RMB327.7 million for the year ended 31 December 2022 to RMB645.2 million for the year ended 31 December 2023. The increase in cost from IDC business was primarily attributable to an increase in the consumption of the raw materials and labor costs resulting from the increase of approximately 111.4% in revenue as compared with that of the corresponding period.

– *Innovation and others*

Cost from Innovation and others decreased by 32.1% from RMB52.2 million for the year ended 31 December 2022 to RMB35.4 million for the year ended 31 December 2023, primarily due to the decrease in material costs for the segment from Supply Chain Service.

**Gross profit and gross profit margin**

As a result of the foregoing, our total gross profit increased by 4.5% from RMB473.9 million for the year ended 31 December 2022 to RMB495.5 million for the year ended 31 December 2023.

Our overall gross profit margin decreased to 41.7% for the year ended 31 December 2023, compared to 54.1% for the year ended 31 December 2022. The primary reason for the decrease in the overall gross profit margin was the year-on-year growth of the revenue from our Interior Design and Construction Business with lower gross margin. Correspondingly, the proportion of this revenue increased to 61.5% for the year ended 31 December 2023, compared to 39.4% in the corresponding period of 2022.

	Year ended 31 December			
	2023		2022	(restated)
	Amount	Gross	Amount	Gross
	RMB'000	Margin	RMB'000	Margin
		%		%
SaaS and Marketing Service Business	407,210	97.4%	455,980	95.4%
Interior Design and Construction and others Business	88,248	11.5%	17,951	4.5%
	<u>495,458</u>	<u>41.7%</u>	<u>473,931</u>	<u>54.1%</u>

***SaaS and Marketing Service Business***

Our gross profit margin from SaaS and Marketing Service Business, which is our core business, still stabilized at approximately 97.4% for the year ended 31 December 2023, as compared to 95.4% for the year ended 31 December 2022.

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

– *Interior Design and Construction*

The gross profit margin from our Interior Design and Construction increased from 5.1% for the year ended 31 December 2022 to 11.6% for the year ended 31 December 2023, primarily due to the recovery in the gross profit margin of the public decoration service.



– *Innovation and others*

The gross profit margin from our Innovation and others increased from 0.9% for the year ended 31 December 2022 to 9.7% for the year ended 31 December 2023.

**Selling and marketing expenses**

Our selling and marketing expenses primarily comprised advertising and promotion expenses, salaries and benefits (including share-based compensation expenses) for sales personnel, labor cost and other expenses associated with our selling and marketing activities. Our selling and marketing expenses as a percentage of revenue decreased from 49.6% for the year ended 31 December 2022 to 36.2% for the year ended 31 December 2023, which was primarily attributed to the strategy of reducing costs and increasing efficiency.

**Administrative expenses**

Our administrative expenses primarily comprised salaries and benefits (including share-based compensation expenses) for our administrative personnel, labor cost, professional fee and other expenses. Our administrative expenses decreased by 13.4% from RMB87.7 million for the year ended 31 December 2022 to RMB75.9 million for the year ended 31 December 2023, mainly attributed to the decrease in the salaries and benefits.

**Research and development expenses**

Our research and development expenses primarily comprised salaries and benefits for research and development personnel, office rental and other expenses associated with our research and development activities. Our research and development expenses decreased by 14.7% from RMB43.6 million for the year ended 31 December 2022 to RMB37.1 million for the year ended 31 December 2023, mainly attributed to the decrease in the salaries and benefits.

**Net impairment losses on financial assets**

Our net impairment losses on financial assets decreased by 37.8% from RMB15.7 million for the year ended 31 December 2022 to RMB9.8 million for the year ended 31 December 2023, primarily due to a decrease in the expected credit loss on receivables and contract assets of the Interior Design and Construction projects as a result of the normalization of payments on some risky projects. After assessment by the management of the Company, net impairment losses on financial assets mainly of Interior Design and Construction business had been provided for RMB9.3 million for the year ended 31 December 2023.

**Other losses – net**

Other net losses were RMB52.6 million for the year ended 31 December 2023. It was mainly due to (i) impairment loss on investments accounted for using the equity method of RMB53.2 million, (ii) impairment loss on goodwill of RMB7.8 million, (iii) government subsidies of RMB5.2 million, and (iv) gain on investment on financial assets at fair value through profit or loss of RMB2.3 million.

### **Finance income – net**

Our finance income for the year ended 31 December 2023 was mainly due to the interest income from our term deposits.

### **Share of net loss of associates accounted for using the equity method**

Our share of net loss of associates accounted for using the equity method for the year ended 31 December 2023 was mainly due to the operating losses picked up from investees.

### **Income tax expenses**

Our income tax expenses for the year ended 31 December 2023 was RMB4.1 million mainly due to the decrease in deferred tax assets.

### **Loss and Non-IFRS measures: adjusted net loss attributable to equity holders of the Company**

As a result of the foregoing, our net loss was RMB99.1 million for the year ended 31 December 2023, as compared to net loss of RMB140.3 million for the year ended 31 December 2022.

To supplement our consolidated financial statements which are presented in accordance with the IFRSs, we also use adjusted net loss attributable to equity holders of the Company as an additional financial measure, which was not required by, or presented in accordance with, IFRSs. We believe that this Non-IFRS measure facilitates comparisons of operating performance by eliminating potential impacts of items, which are unusual, non-recurring, non-cash and/or non-operating 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 loss 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 you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs.

Our adjusted net loss attributable to equity holders of the Company was RMB36.0 million for the year ended 31 December 2023. The adjusted net loss attributable to equity holders of the Company was mainly due to the net profit from our core business, which directly offset the net loss generated by the IDC business.

The following table reconciles our adjusted net loss attributable to equity holders of the Company for the years ended 31 December 2023 and 2022 to the most directly comparable financial measure calculated and presented in accordance with IFRSs:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Net loss attributable to equity holders of the Company for the year	<b>(96,869)</b>	(126,044)
Impairment loss on investments accounted for using the equity method	<b>53,216</b>	49,151
Impairment loss on goodwill	<b>7,796</b>	
Share-based compensation expenses	<b>207</b>	3,945
Net fair value change on investment on financial assets at fair value through profit or loss, which exclude wealth management products and others	<b>(383)</b>	8,769
	<hr/>	<hr/>
<b>Adjusted net loss attributable to equity holders of the Company</b>	<b><u>(36,033)</u></b>	<b><u>(64,179)</u></b>

#### **Liquidity and financial resources**

We had historically funded our cash requirements principally from capital contribution from shareholders and financing through issuance and bank borrowings. We had cash and cash equivalents of RMB259.6 million, term deposits of RMB757.9 million and restricted cash of RMB21.8 million as of 31 December 2023, compared to the balance of cash and cash equivalents, term deposits and restricted cash of RMB445.4 million, RMB569.5 million and RMB23.5 million as of 31 December 2022, respectively. We have maintained a strong cash and other liquid financial resources with a balance of approximately RMB1,039.3 million as of 31 December 2023, which was almost the same compared to the balance of RMB1,038.4 million as of 31 December 2022.

The following table sets forth a summary of our balance of cash and other liquid financial resources for the years indicated:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Cash and cash equivalents	<b>259,612</b>	445,429
Term deposits	<b>757,906</b>	569,523
Restricted cash	<b>21,779</b>	23,474
	<hr/>	<hr/>
<b>Cash and other liquid financial resources</b>	<b><u>1,039,297</u></b>	<b><u>1,038,426</u></b>

Cash and cash equivalents includes cash in hand and deposits held at call with banks. Restricted cash mainly represented temporarily frozen for lawsuits and margin accounts. Term deposits are bank deposits with original maturities over three months and redeemable on maturity. Our cash and cash equivalents, restricted cash and term deposits are denominated in the USD, RMB and HKD.

The following table sets forth our cash flows for the years indicated:

	<b>Year ended 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Net cash used in operating activities	<b>(247,379)</b>	(225,709)
Net cash (used in)/generated from investing activities	<b>(56,526)</b>	97,431
Net cash generated from financing activities	<b>117,625</b>	8,203
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	<b>(186,280)</b>	(120,075)
Effect on exchange rate difference	<b>463</b>	17,487
Cash and cash equivalents at the beginning of the period	<b>445,429</b>	548,017
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	<b>259,612</b>	445,429
	<hr/>	<hr/>

### **Net cash used in operating activities**

For the year ended 31 December 2023, our net cash used in operating activities was RMB247.4 million, which was primarily attributable to our loss before income tax of RMB94.9 million, as adjusted by (i) non-cash items, which primarily comprised depreciation and amortization of RMB23.1 million, provision for bad debt and impairment loss on goodwill and investment in associate of RMB70.8 million, share of loss of investments accounted for using equity method of RMB17.9 million and finance income of RMB40.3 million; and (ii) changes in working capital, which primarily comprised an increase in trade and other receivables of RMB48.4 million, an increase in contract assets of RMB66.8 million, an increase in restricted cash of RMB16.3 million, an increase in trade and other payables and contract liabilities of RMB42.3 million, and an increase in debt investments at fair value through other comprehensive income of RMB143.1 million.

### **Net cash used in investing activities**

For the year ended 31 December 2023, our net cash used in investing activities was RMB56.5 million, which was mainly attributable to proceeds from disposals of financial assets at fair value through profit or loss of RMB408.2 million, cash received from recovering loans from third parties and loan guarantee deposits of RMB46.2 million, interest received from term deposits of RMB27.7 million; partially offset by purchase of financial assets at fair value through profit or loss of RMB360.5 million, net increase in term deposits of RMB173.1 million.

## **Net cash generated from financing activities**

For the year ended 31 December 2023, net cash generated from financing activities was RMB117.6 million, which was mainly attributable to proceeds from borrowings of RMB222.6 million, partially offset by repayment of borrowings of RMB48.0 million, principal and interest elements of lease payments of RMB22.0 million, dividends paid to the company's shareholders of RMB29.3 million and interest paid for short-term borrowings of RMB5.7 million.

## **Trade and other receivables and advances to suppliers**

Trade and other receivables and advances to suppliers decreased by 7.4% from RMB185.9 million as of 31 December 2022 to RMB172.2 million as of 31 December 2023, primarily due to the repayment of a loans from the third parties of RMB50.0 million, which was provided by the Group to an independent third-party individual on 15 January 2022 and recovered in January 2023.

## **Trade and other payables**

Trade and other payables decreased by 2.7% from RMB429.8 million as of 31 December 2022 to RMB418.3 million as of 31 December 2023, primarily due to (i) decrease of deposits payables of RMB28.0 million, which was mainly represent security deposits from users of our escrow payment services, and partially offset (ii) increase of trade payables from building materials suppliers of RMB33.8 million caused by the expansion of the IDC business.

## **Borrowings**

During the reporting period, short-term borrowings are comprised of bank borrowings and other loans, with balance of RMB53.2 million and RMB159.6 million respectively. Borrowings increased by 459.3% from RMB38.0 million as of 31 December 2022 to RMB212.8 million as of 31 December 2023, primarily due to (i) the newly incurred balance of other loans amounting to RMB159.6 million, which were the secured borrowings associated with factoring arrangements of the trade receivables and financial assets at fair value through other comprehensive income with Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd.; and (ii) increased principal amount of bank borrowings by RMB10.0 million and RMB5.0 million respectively for Shanghai Qiyi Information Technology Co., Ltd., and Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd.

As at 31 December 2023, we had total bank borrowings principal of RMB53.0 million and the interest rate of the borrowings was from 2.46% to 4.10% per annum. Among them, (i) RMB10.0 million of which was shared guaranteed by Shanghai Qiyi Information Technology Co., Ltd., Mr. Yang Weihan, who is the non-controlling shareholder of Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd. and Mrs. Zhang Fan, who is the wife of Mr. Yang Weihan, (ii) RMB13.0 million of which was pledged by the property owned by Mrs. Zhang Fan, and (iii) RMB30.0 million of which was guaranteed by Shanghai Qiyi Information Technology Co., Ltd.

## Gearing ratio

Our gearing ratio is calculated as total borrowing divided by total equity attributable to equity holders of the Company. As of 31 December 2023, as the Group had other loans mainly due from discounted financial assets at fair value through other comprehensive income, its gearing ratio was reached 20.6% (as of 31 December 2022: 3.2%).

## Treasury policy

We have adopted a prudent financial management approach towards our treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 December 2023. 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

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Purchase of property and equipment	9,530	4,815
Purchase of intangible assets	885	1,272
<b>Total</b>	<b>10,415</b>	<b>6,087</b>

Our capital expenditures were mainly used for the acquisition of property and equipment such as leasehold improvement, servers and computers and intangible assets.

## Significant Investment Held

As at 31 December 2023, the Group had the following significant investment held with a value of 5 per cent. or more of the Group's total assets which was classified as investment accounted for using the equity method:

Name of the investment	Investment costs RMB'000	Net book value as at 31 December 2023 RMB'000	Number of shares of investment held as at 31 December 2023	Percentage of investment held as at 31 December 2023 (%)	Performance/ Change in share of results of investment accounted for using the equity method for the year ended	Performance/ Change in share of other comprehensive loss for the year ended	Performance/ Change in provision of impairment for the year ended	Size as compared to the Group's total assets as at
					31 December 2023 RMB'000	31 December 2023 RMB'000	31 December 2023 RMB'000	31 December 2023 (%)
Guangzhou Seagull Kitchen and Bath Products Co. Ltd. (廣州海鷗住宅工業股份有限公司, "Seagull")	242,834	158,086	39,720,000	6.15%	(18,007)	45	(53,216)	8.5%

## Description of the investment

In 2014, we made a minority investment in Guangzhou Seagull Kitchen and Bath Products Co. Ltd. ("Seagull"), a PRC company listed on the Shenzhen Stock Exchange (Stock code: 002084) that engages in the production and sale of high-end plumbing equipment and hardware. The investment in Seagull is not held for trading. We believe that we enjoyed strategic and synergic benefits from our investment and consider it as strategic investment. We will review our investment strategy regularly in response to the changes in market situation. The financial performance of this company has stabilized but still fell short of original projection and lowered the expectation to its future profitability and consequently affected the valuation conducted by independent valuer. As of 31 December 2023, except for the aforementioned investment, there were no other investments held with a value of 5% or more of the Group's total assets.

## Financial assets at fair value through profit or loss

As at 31 December 2023, the Group had financial assets at fair value through profit or loss of approximately RMB44.0 million (31 December 2022: approximately RMB71.2 million), mainly comprised (i) investments in wealth management products of approximately RMB27.3 million (31 December 2022: approximately RMB49.4 million), and (ii) investments in listed companies of approximately RMB16.8 million (31 December 2022: approximately RMB17.4 million).

	<b>As at 31 December 2023 RMB'000</b>	As at 31 December 2022 RMB'000
<b>Financial assets at fair value through profit or loss</b>		
<b>Current</b>		
Wealth management products <sup>(1)</sup>	27,282	49,403
Investments in listed companies	<u>16,752</u>	<u>17,358</u>
<b>Subtotal</b>	<u>44,034</u>	<u>66,761</u>
<b>Non-current</b>		
Private equity funds	<u>–</u>	<u>4,451</u>
<b>Total</b>	<u>44,034</u>	<u>71,212</u>

- (1) Wealth management products decreased by 44.8% from RMB49.4 million as at 31 December 2022 to RMB27.3 million as at 31 December 2023, mainly due to the Group purchase of more low-risk term deposits after the wealth management products were redeemed to improve the security of the funds.

#### Long-term investment activities

	<b>Year ended 31 December</b>	
	<b>2023 RMB'000</b>	2022 RMB'000
Investments accounted for using the equity method	162,024	233,102
Financial assets at fair value through other comprehensive income	–	34,926
Financial assets at fair value through profit or loss	<u>–</u>	<u>4,451</u>
<b>Total</b>	<u>162,024</u>	<u>272,479</u>

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 year ended 31 December 2023, the decrease of long-term investment activities came from the decrease in the fair value of our investment company.



## **Foreign exchange risk**

Foreign exchange risk arises when future commercial transactions or recognised 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 at 31 December 2023 and as at 31 December 2022, we did not have any material contingent liabilities.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

		Year ended 31 December	
		2023	2022
	Note	RMB'000	RMB'000
<b>Revenue</b>	3	<b>1,186,994</b>	875,735
Cost of sales	4	<u>(691,536)</u>	<u>(401,804)</u>
<b>Gross profit</b>		<b>495,458</b>	473,931
Selling and marketing expenses	4	(430,047)	(434,243)
Administrative expenses	4	(75,926)	(87,683)
Research and development expenses	4	(37,148)	(43,557)
Net impairment losses on financial assets	9(e)	(9,791)	(15,743)
Other losses – net	5	<u>(52,582)</u>	<u>(51,396)</u>
<b>Operating loss</b>		<b>(110,036)</b>	(158,691)
Finance income	6	<b>40,322</b>	21,133
Finance costs	6	<u>(7,293)</u>	<u>(2,609)</u>
Finance income – net	6	<b>33,029</b>	18,524
Share of results of investments accounted for using the equity method		<u>(17,907)</u>	<u>3,694</u>
<b>Loss before income tax</b>		<b>(94,914)</b>	(136,473)
Income tax expenses	7	<u>(4,147)</u>	<u>(3,793)</u>
<b>Loss for the year</b>		<b><u>(99,061)</u></b>	<b><u>(140,266)</u></b>
<b>Loss attributable to:</b>			
Equity holders of the Company		<b>(96,869)</b>	(126,044)
Non-controlling interests		<u>(2,192)</u>	<u>(14,222)</u>
		<b><u>(99,061)</u></b>	<b><u>(140,266)</u></b>
<b>Loss per share for loss attributable to equity holders of the Company</b>			
Basic loss per share (RMB)	8	<b><u>(0.0863)</u></b>	<u>(0.1125)</u>
Diluted loss per share (RMB)	8	<b><u>(0.0863)</u></b>	<u>(0.1125)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Year ended 31 December	
Note	2023 RMB'000	2022 RMB'000
<b>Loss for the year</b>	<b>(99,061)</b>	<b>(140,266)</b>
<b>Other comprehensive (loss)/income for the year</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive income/(loss) of investments accounted for using the equity method	45	(1,060)
Loss allowance on debt investments at FVOCI	85	–
Exchange differences on translation of foreign operations	146	74
	<b>276</b>	<b>(986)</b>
<i>Items that will not be reclassified to profit or loss:</i>		
Changes in the fair value of equity investments at fair value through other comprehensive income	(35,133)	(16,108)
Exchange differences on translation of foreign operations	8,841	41,528
	<b>(26,292)</b>	<b>25,420</b>
Total other comprehensive (loss)/income for the year, net of tax	<b>(26,016)</b>	<b>24,434</b>
<b>Total comprehensive loss for the year</b>	<b>(125,077)</b>	<b>(115,832)</b>
<b>Total comprehensive loss for the year is attributable to:</b>		
Equity holders of the Company	(122,912)	(101,610)
Non-controlling interests	(2,165)	(14,222)
	<b>(125,077)</b>	<b>(115,832)</b>

## CONSOLIDATED BALANCE SHEET

As at 31 December 2023

		As at 31 December	
		2023	2022
	Note	RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		25,900	23,472
Right-of-use assets		29,340	27,731
Intangible assets		2,353	2,862
Goodwill		2,361	7,796
Deferred tax assets		3,173	6,768
Investments accounted for using the equity method		162,024	233,102
Financial assets at fair value through other comprehensive income (“FVOCI”)	11	–	34,926
Financial assets at fair value through profit or loss (“FVPL”)	10	–	4,451
Term deposits		232,596	103,493
<b>Total non-current assets</b>		<b>457,747</b>	<b>444,601</b>
<b>Current assets</b>			
Inventories		4,506	2,635
Trade and other receivables and prepayments to suppliers	9	172,162	185,867
Contract assets	9	242,014	177,565
Financial assets at fair value through other comprehensive income (“FVOCI”)	11	143,121	–
Financial assets at fair value through profit or loss (“FVPL”)	10	44,034	66,761
Term deposits		525,310	466,030
Restricted cash		21,779	23,474
Cash and cash equivalents		259,612	445,429
<b>Total current assets</b>		<b>1,412,538</b>	<b>1,367,761</b>
<b>Total assets</b>		<b>1,870,285</b>	<b>1,812,362</b>

		<b>As at 31 December</b>	
		<b>2023</b>	2022
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>EQUITY</b>			
Share capital		761	761
Share premium		2,224,710	2,254,288
Other reserves		(267,342)	(241,275)
Treasury shares		(35,575)	(35,987)
Accumulated losses		(890,881)	(794,012)
		<hr/>	<hr/>
<b>Equity attributable to equity holders of the Company</b>		<b>(1,031,673)</b>	1,183,775
<b>Non-controlling interests</b>		<b>(13,236)</b>	(13,242)
		<hr/>	<hr/>
<b>Total equity</b>		<b>1,018,437</b>	1,170,533
		<hr/>	<hr/>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		21,314	15,438
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>21,314</b>	15,438
		<hr/>	<hr/>
<b>Current liabilities</b>			
Short-term borrowings		212,776	38,044
Trade and other payables	14	418,336	429,807
Contract liabilities	14	140,676	89,597
Lease liabilities		11,613	21,597
Income tax liabilities		47,133	47,346
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>830,534</b>	626,391
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>851,848</b>	641,829
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>1,870,285</b>	1,812,362
		<hr/>	<hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1 GENERAL INFORMATION

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

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “**Group**”) are principally engaged in (i) the provision of SaaS based total marketing solution, targeted marketing services, inspection service and others (“**SaaS and marketing service**”); (ii) the provision of interior design and construction service (“**Interior design and construction**”); and (iii) 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.

These consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors on 26 March 2024.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Basis of preparation

- (i) Compliance with IFRS Accounting Standards and HKCO (as defined below)

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards and requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622.

IFRS Accounting Standards comprise the following authoritative literature:

- International Financial Reporting Standards
- International Accounting Standards
- Interpretations developed by the International Institute of Certified Public Accountants.

- (ii) New and amended standards adopted by the Group

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2023:

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – amendments to IAS 8
- International Tax Reform – Pillar Two Model Rules – amendments to IAS 12
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

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

(iii) New and amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as current or non-current	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the related impact of the above standards and amendments to standards which are relevant to the Group's operation. There are no other standards that are not yet effective. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3 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 2023, the Group has reorganized its business segments to better allocate resources and assess performance of the operating segments. The "Supply chain" segment has been combined with "Innovation and others" segment. The segment information for the year ended 31 December 2022 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 and marketing 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 consistent with the Group's gross profit.

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

Segment	Year ended 31 December 2023			Total RMB'000
	SaaS and marketing service RMB'000	Interior design and construction RMB'000	Innovation and others RMB'000	
<b>Revenue</b>				
Segment revenue	452,468	729,671	57,857	1,239,996
Inter-segment sales	(34,396)	–	(18,606)	(53,002)
Revenue from external customers	<u>418,072</u>	<u>729,671</u>	<u>39,251</u>	<u>1,186,994</u>
Timing of revenue recognition				
At a point in time	394,127	2,706	37,554	434,387
Over time	<u>23,945</u>	<u>726,965</u>	<u>1,697</u>	<u>752,607</u>
	<u>418,072</u>	<u>729,671</u>	<u>39,251</u>	<u>1,186,994</u>
<b>Results</b>				
Segment gross profit	<u>407,210</u>	<u>84,438</u>	<u>3,810</u>	<u>495,458</u>
Selling and marketing expenses				(430,047)
Administrative expenses				(75,926)
Research and development expenses				(37,148)
Net impairment losses on financial assets				(9,791)
Other losses – net				(52,582)
Finance income – net				33,029
Share of results of investments accounted for using the equity method				<u>(17,907)</u>
Loss before income tax				<u>(94,914)</u>



	Year ended 31 December 2022			
Segment	SaaS and marketing service <i>RMB'000</i>	Interior design and construction <i>RMB'000</i>	Innovation and others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue</b>				
Segment revenue	483,899	345,508	122,990	952,397
Inter-segment sales	(6,014)	(310)	(70,338)	(76,662)
Revenue from external customers	<u>477,885</u>	<u>345,198</u>	<u>52,652</u>	<u>875,735</u>
Timing of revenue recognition				
At a point in time	423,010	2,929	47,600	473,539
Over time	<u>54,875</u>	<u>342,269</u>	<u>5,052</u>	<u>402,196</u>
	<u>477,885</u>	<u>345,198</u>	<u>52,652</u>	<u>875,735</u>
<b>Results</b>				
Segment gross profit	<u>455,980</u>	<u>17,502</u>	<u>449</u>	<u>473,931</u>
Selling and marketing expenses				(434,243)
Administrative expenses				(87,683)
Research and development expenses				(43,557)
Net impairment losses on financial assets				(15,743)
Other losses – net				(51,396)
Finance income – net				18,524
Share of results of investments accounted for using the equity method				<u>3,694</u>
Loss before income tax				<u>(136,473)</u>

(a) **Revenue**

The revenue for the years ended 31 December 2023 and 2022 are set out as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
SaaS and marketing service	418,072	477,885
Interior design and construction	729,671	345,198
Innovation and others	39,251	52,652
	<u>1,186,994</u>	<u>875,735</u>

(b) **Revenue by geographical markets**

Most revenue of the Group was generated in the PRC during the years ended 31 December 2023 and 2022.

(c) **Information about major customers**

The Group provided the interior design and construction services to Customer A for its 4S stores with more than 10% of the Group's total revenue recognized for the year ended 31 December 2023.

#### 4 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses, administrative expenses and research and development expenses are analysed as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Outsourced labour costs	396,307	251,462
Materials and other consumables used	313,371	175,310
Advertising and promotion expenses	265,691	257,065
Employee benefit expenses	189,783	203,064
Depreciation of right-of-use assets	14,692	15,315
Travelling, entertainment and communication expenses	14,366	13,805
Depreciation of property, plant and equipment	7,019	6,478
Short-term leases and leases of low-valued assets	6,913	9,168
Auditors' remuneration		
– Audit service	3,500	3,500
– Non-audit service	162	162
Professional fee	2,908	5,530
Taxes and levies	2,438	2,205
Bank charges and payment platform processing fees	2,726	4,137
Utilities and electricity expenses	1,756	1,135
Amortisation of intangible assets	1,394	2,599
Impairment loss on slow moving inventories	292	1,160
Miscellaneous	11,339	15,192
	<u>1,234,657</u>	<u>967,287</u>

## 5 OTHER LOSSES – NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
Impairment loss on investments accounted for using the equity method	(53,216)	(49,151)
Impairment loss on goodwill	(7,796)	–
Net (loss)/gain on termination of lease contracts	(88)	7
Net loss on disposal of property, plant and equipment	(36)	(2,543)
Net foreign exchange losses	(6)	(51)
Net loss on disposal of intangible assets	–	(227)
Dividends received from financial assets at FVPL	958	108
Fair value changes of financial assets at FVPL (Note 10)	2,287	(3,548)
Government grants (a)	5,228	4,037
Others	87	(28)
	<u>(52,582)</u>	<u>(51,396)</u>

- (a) Governments grants received during the year primarily comprised the financial subsidies received from local government authorities. There are no unfulfilled conditions or contingencies relating to these incomes.

## 6 FINANCE INCOME – NET

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Finance income:</b>		
Interest income	<u>40,322</u>	<u>21,133</u>
<b>Finance costs:</b>		
Interest expense on borrowings	(1,570)	(1,018)
Interest expense on other loans	(4,244)	–
Interest expense on lease liabilities	<u>(1,479)</u>	<u>(1,591)</u>
	<u>(7,293)</u>	<u>(2,609)</u>
Finance income – net	<u>33,029</u>	<u>18,524</u>

## 7 INCOME TAX EXPENSES

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current tax:</b>		
Current tax for the year	<u>552</u>	<u>232</u>
<b>Deferred income tax:</b>		
Decrease in deferred tax assets	3,595	4,018
Decrease in deferred tax liabilities	<u>–</u>	<u>(457)</u>
Total deferred tax	<u>3,595</u>	<u>3,561</u>
<b>Income tax expenses</b>	<u><b>4,147</b></u>	<u><b>3,793</b></u>

The Group's principal applicable taxes and tax rates are as follows:

**(i) Cayman Islands**

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

**(ii) British Virgin Islands**

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

**(iii) Hong Kong**

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2023 and 2022.

**(iv) PRC corporate income tax ("CIT")**

CIT provision was made on the estimated assessable profits of entities within the Group incorporated 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 year ended 31 December 2023 (2022: 25%).

A subsidiary of the Group in the PRC was qualified as "High and New Technology Enterprise", and accordingly, they were subject to a reduced preferential CIT rate of 15% for the year ended 31 December 2023 (2022: 15%) according to the applicable CIT Law.

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

**(v) 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 of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas – incorporated immediate holding companies. During the year ended 31 December 2023, the Group does not have any profit distribution plan (2022: nil).

## 8 LOSSES PER SHARE

### (a) Basic losses per share

Basic losses per share is calculated by dividing the loss of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year excluding treasury shares.

	Year ended 31 December	
	2023	2022
Losses attributable to equity holders of the Company (RMB'000)	(96,869)	(126,044)
Weighted average number of ordinary shares in issue (thousand)	<u>1,123,156</u>	<u>1,120,728</u>
Losses per share	<u>(0.0863)</u>	<u>(0.1125)</u>

### (b) Diluted losses per share

Diluted losses 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 years ended 31 December 2023 and 2022, the Company had one category of dilutive potential ordinary shares: Restricted Stock Units. For the Restricted Stock Units, 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 rights attached to outstanding shares under RSU Scheme. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the vesting of outstanding shares under RSU Scheme.

As the Group incurred losses for the year ended 31 December 2023 and 2022, the potential ordinary shares were not included in the calculation of diluted losses per share as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the year ended 31 December 2023 and 2022 were the same as basic losses per share.

**9 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS TO SUPPLIERS AND CONTRACT ASSETS**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Notes receivables</b>		
Bank acceptance bills	<u>9,959</u>	–
<b>Trade receivables</b>		
Due from third parties (b)	<b>115,650</b>	93,124
Due from related parties	<u>328</u>	–
Gross trade receivables	<b>115,978</b>	93,124
Less: provision for impairment of trade receivables	<u>(23,679)</u>	(16,725)
Net trade receivables	<u><b>92,299</b></u>	<u>76,399</u>
<b>Other receivables</b>		
Project deposits	<b>10,500</b>	11,030
Staff advances	<b>5,693</b>	2,472
Loans due from third parties (a)	<b>5,465</b>	55,681
Electronic payment platform balance	<b>5,045</b>	2,684
Rental deposits	<b>2,563</b>	2,630
Loans due from related parties	<b>1,230</b>	1,230
Receivables from disposal of subsidiaries	–	5,000
Receivables from disposal of Beijing Rayion	–	250
Others	<u><b>10,456</b></u>	<u>8,747</u>
Gross other receivables	<b>40,952</b>	89,724
Less: provision for impairment of other receivables	<u>(8,546)</u>	(8,539)
Net other receivables	<u><b>32,406</b></u>	<u>81,185</u>
<b>Others</b>		
Prepayments to suppliers and others	<u><b>37,498</b></u>	<u>28,283</u>
<b>Total trade and other receivables and prepayments to suppliers</b>	<u><b>172,162</b></u>	<u>185,867</u>
<b>Contract assets</b>		
Due from third parties	<b>258,328</b>	191,556
Less: provision for impairment of contract assets	<u>(16,314)</u>	(13,991)
Net contract assets	<u><b>242,014</b></u>	<u>177,565</u>

- (a) In January 2022, the Group granted a one-year loan of RMB50,000,000 to an independent third-party individual, with a fixed interest rate of 10% per annum. The loan is pledged by some restricted shares owned by this individual. In September 2022, the Group received RMB4,000,000 loan guarantee deposit from the individual due to the decrease of pledged shares' quoted market price.

In January 2023, the Group received RMB46,000,000 net payment of loans from the individual to fully repay the loan and release the deposit.

- (b) As at 31 December 2023, the carrying amounts of the trade receivables include receivables which are subject to factoring arrangements. Under these arrangements, the Group has transferred the relevant receivables to the factor in exchange for cash, but the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in the consolidated balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

The relevant carrying amounts are as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
Transferred receivables under factoring arrangements	<b>36,216</b>	–
Associated secured borrowing	<b>(36,216)</b>	–

- (c) As at 31 December 2023, the carrying amounts of trade and other receivables and contract assets are primarily denominated in RMB and approximate their fair values at each of the reporting dates.

- (d) The Group grants credit periods to customers ranging from 30 days to 180 days. As at 31 December 2023 and 2022, the aging analysis of the trade receivables based on invoice date were as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
<b>Trade receivables – gross</b>		
Within 1 month	<b>61,099</b>	16,210
Over 1 month and within 1 year	<b>34,361</b>	61,043
Over 1 year and within 2 years	<b>10,948</b>	5,476
Over 2 years	<b>9,570</b>	10,395
	<b>115,978</b>	93,124

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
<b>At the beginning of the year</b>	<b>(16,725)</b>	(8,287)
Increase in impairment	<b>(7,226)</b>	(8,438)
Write-off	<b>272</b>	–
<b>At the end of the year</b>	<b>(23,679)</b>	(16,725)

Movements on the Group's provision for impairment of contract assets are as follows:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>At the beginning of the year</b>	<b>(13,991)</b>	(8,823)
Increase in impairment	<b>(2,323)</b>	(5,168)
	<hr/>	<hr/>
<b>At the end of the year</b>	<b>(16,314)</b>	(13,991)
	<hr/>	<hr/>

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
<b>At the beginning of the year</b>	<b>(8,539)</b>	(11,577)
Increase in impairment	<b>(157)</b>	(2,137)
Write-off	<b>150</b>	5,175
	<hr/>	<hr/>
<b>At the end of the year</b>	<b>(8,546)</b>	(8,539)
	<hr/>	<hr/>

As at 31 December 2023, the Group did not hold any collateral of receivables.

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Net impairment losses on financial assets		
– Trade receivables	<b>(7,226)</b>	(8,438)
– Contract assets	<b>(2,323)</b>	(5,168)
– Other receivables	<b>(157)</b>	(2,137)
	<hr/>	<hr/>
	<b>(9,706)</b>	(15,743)
	<hr/>	<hr/>

Net impairment losses on financial assets at FVOCI was RMB85,000 for the year ended 31 December 2023. Therefore, the total net impairment losses on financial assets was RMB9,791,000 for the year ended 31 December 2023.



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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Non-current:</b>		
Private equity fund	–	4,451
	<u>–</u>	<u>4,451</u>
<b>Current:</b>		
Wealth management products	27,282	49,403
Investment in listed companies	16,752	17,358
	<u>16,752</u>	<u>17,358</u>
	<u>44,034</u>	<u>66,761</u>

(a) The movements of financial assets at FVPL are listed below:

	Year ended 31 December	
	2023	2022
	RMB'000	RMB'000
<b>At the beginning of the year</b>	71,212	639,343
Additions	378,512	588,701
Currency translation difference	10	12,122
Disposals	(407,987)	(1,165,406)
	<u>41,747</u>	<u>74,760</u>
Add: fair value change	2,287	(3,548)
	<u>2,287</u>	<u>(3,548)</u>
<b>At the end of the year</b>	<u>44,034</u>	<u>71,212</u>

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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Non-current:</b>		
Equity investment measured at FVOCI	–	34,926
	<u>–</u>	<u>34,926</u>
<b>Current:</b>		
Debt investment measured at FVOCI		
– Trade receivables under factoring arrangements	123,385	–
– Trade receivables in hand	19,736	–
	<u>19,736</u>	<u>–</u>
	<u>143,121</u>	<u>–</u>

- (a) The movements of financial assets at FVOCI are listed below:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<i><b>RMB'000</b></i>	<i>RMB'000</i>
<b>At the beginning of the year</b>	<b>34,926</b>	48,388
Addition	<b>143,121</b>	–
Currency translation differences	<b>207</b>	2,646
Changes in the fair value	<b>(35,133)</b>	(16,108)
	<hr/>	<hr/>
At the end of the year	<b>143,121</b>	34,926
	<hr/>	<hr/>

## 12 RESTRICTED STOCK UNITS (“RSUs”)

- (a) In 2021, the Group adopted the 2021 RSU Scheme. 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.

On 19 March 2021, 114 employees of the Group were granted RSUs in respect of an aggregate of 28,522,540 ordinary shares of par value of USD0.0001 each of the shares, representing approximately 2.46% of the total issued share capital of the Company as at the date of this announcement. The closing price of the shares on the date of grant was HKD2.06 per share. The RSUs granted have the following vesting dates and shares:

<b>Vesting date</b>	<b>Shares</b>
12 August 2021	4,292,040
31 March 2022	3,435,125
1 June 2022	1,350,000
31 March 2023	3,473,625
1 June 2023	1,575,000
31 March 2024	3,417,625
1 June 2024	1,800,000
31 March 2025	3,354,125
1 June 2025	1,800,000
1 June 2026	4,025,000
	<hr/>
	<b>28,522,540</b>
	<hr/>

On 14 December 2021, the RSUs of the Company representing 7,237,221 ordinary shares with par value of USD0.0001 each of the shares were granted to 8 selected persons under the RSU Scheme. The underlying shares concerned represented 0.63% of the Company as at the date of this announcement. The closing price of the shares on the date of grant was HKD1.2 per share. These RSUs shall vest on 14 January 2022.

The RSUs included certain performance conditions, which required the employees to complete a service period and meet specified performance targets.

The Company has appointed Tricor Trust (Hong Kong) Limited as an independent trustee to assist with the administration and vesting of 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 and partially by on-market purchases of shares by the trustee. The Company will provide sufficient funds to the trustee as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration and vesting of RSUs granted.

- (b) Movements in the number of RSUs outstanding are as follows:

	<b>Number of RSUs</b>	
	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
<b>At the beginning of the year</b>	<b>6,806,375</b>	27,959,721
Issue of shares under RSU scheme	<b>(234,826)</b>	(7,595,307)
Forfeited	<b>(2,780,549)</b>	(13,558,039)
	<u><b>3,791,000</b></u>	<u>6,806,375</u>
<b>At the end of the year</b>	<b>3,791,000</b>	6,806,375

- (c) The total expenses recognised in the consolidated income statement for RSUs are RMB207,000 for the year ended 31 December 2023 (2022: RMB3,945,000).

### 13 DIVIDENDS

Movements of dividends payables are as follows:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	<b>RMB'000</b>
At the beginning of the year	–	–
Dividends declared (a)	<b>29,397</b>	–
Dividends paid (a)	<b>(29,274)</b>	–
	<u><b>123</b></u>	<u>–</u>
At the end of the year	<b>123</b>	–

- (a) An interim dividend of HK\$0.28 per share amounting to RMB29,397,000 were announced on 23 August 2023 to the shareholders of the Company, among which RMB29,274,000 were paid in 2023 and RMB123,000 will be paid in 2024.

## 14 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
<b>Trade payables (c)</b>	<b>212,425</b>	178,623
<b>Other payables</b>		
Quality and performance guarantee deposits	63,440	75,682
Deposits payables (a)	17,232	45,263
Decoration payments collected on behalf of merchants	786	1,075
Dividend payables (Note 13)	123	–
Amount due to related parties	11	56
Loan guarantee deposits	–	4,000
Other accrued expenses and payables	29,207	31,932
Total other payables	110,799	158,008
<b>Others</b>		
Staff salaries and welfare payables	64,256	64,765
Accrued taxes other than income tax	30,856	28,411
<b>Total trade and other payables</b>	<b>418,336</b>	429,807
<b>Contract liabilities (b)</b>	<b>140,676</b>	89,597

- (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.

During the year ended 31 December 2023, RMB76,681,000 of the revenue recognised relates to carried-forward contract liabilities.

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

	As at 31 December	
	2023	2022
	RMB'000	RMB'000
Within 1 month	92,694	87,561
Over 1 month and within 3 months	42,994	40,272
Over 3 months and within 1 year	32,750	33,507
Over 1 year	43,987	17,283
	<b>212,425</b>	178,623

## 15 COMMITMENTS

### (a) Operating lease commitments

The Group leases various offices and stores under non-cancellable operating leases expiring within 1 year to 6 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The Group has recognised right-of-use assets for these leases, except for short-term leases and leases of low-value assets.

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Minimum lease payments under non-cancellable operating leases not recognised in the consolidated financial statements are as follows:		
Within 1 year	<b>901</b>	937

## **OTHER INFORMATION**

### **Purchase, sale or redemption of the company's listed securities**

During the year ended 31 December 2023, the Company had not repurchased Shares on the Stock Exchange.

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

### **Employee and remuneration policy**

As of 31 December 2023, the Group had 1,041 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 incentivize their contributions to our growth and development.

Pursuant to the 2021 RSU Scheme which was adopted on 15 January 2021 and the grant of restricted share units (“RSUs”) as disclosed in the announcement dated 22 March 2021, Tricor Trust (Hong Kong) Limited was appointed as the trustee for the administration of the 2021 RSU Scheme (the “RSU Trustee”). Until the year ended 31 December 2023, the RSU Trustee purchased an aggregate of 31,642,000 shares at a total cash consideration of approximately HK\$63.2 million on-market to hold on trust for the benefit of the participants of the 2021 RSU Scheme (the “RSU Participants”). As of 31 December 2023, RSUs in respect of an aggregate of 3,791,000 Shares (representing approximately 0.3% of the total issued share capital of the Company as at the date of this announcement) granted by the Company under the 2021 RSU Scheme remained outstanding. Further details of the 2021 RSU Scheme, together with, among others, the RSUs granted under the 2021 RSU Scheme, will be set out in the section headed “Report of the Directors” in the Company’s 2023 annual report to be issued in due course.

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

During the year ended 31 December 2023, we did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

## **COMPARATIVE FIGURES**

Certain comparative figures have been restated to conform to the current period's presentation. The new classification of the accounting items are considered to provide a more appropriate presentation of the state of affairs of the Group and provide more relevant information to reflect the Group's nature of assets, liabilities, income and expenses.

### **Compliance with 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.

During the year ended 31 December 2023, the Company has adopted the CG Code as set out in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

### **Compliance with code provision C.2.1 of the CG Code**

Pursuant to code provision C.2.1 of part 2 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. Save as the above, the Company has applied the principles and code provisions as set out in the CG Code for the Reporting Period.

### **Compliance with the Model Code for Securities Transactions by Directors**

The Company has adopted the Model Code as set out in Appendix C3 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 C.1.3 of Part 2 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 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. 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 Group's annual results for the year ended 31 December 2023, 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.

## **Scope of Work of the Company's Auditor**

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, and the related notes thereto for the Reporting Period as set out in this announcement have been agreed by the Group's external auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

## **Final Dividend**

The Board has recommended the payment of a final dividend of HKD0.0131 per Share, in an aggregate of approximately HKD15.0 million (2022: Nil) for the year ended 31 December 2023, subject to the approval of the Shareholders at the 2024 AGM. Such proposed dividend is expected to be payable on or about 17 June 2024 to the Shareholders whose names appear on the register of members of the Company on 30 May 2024. The final dividend will be distributed in Hong Kong dollars and will be calculated based on the benchmark exchange rate of RMB against Hong Kong dollar announced by the People's Bank of China on the date of the Board meeting held on Tuesday, 26 March 2024.

## **Use of Proceeds from the IPO**

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 net proceeds had been used up during the previous Reporting Period. As a result, the balance of unutilized net proceeds was Nil as at 31 December 2023.



## **Important events after Reporting Period**

A final dividend distribution for the year ended 31 December 2023 of approximately HKD15.0 million has been proposed by the Board on 26 March 2024 as disclosed in “Final dividend” section above. Except for this event, there were no other important events after Reporting Period.

## **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.

## **Annual General Meeting**

The forthcoming annual general meeting will be held on 21 May 2024, and its notice and all other relevant documents will be published and despatched to shareholders in April 2024.

## **Closure of Register of Members**

### ***In relation to the AGM***

For determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 16 May 2024 to 21 May 2024, both days inclusive and during which period no transfer of Share will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 14 May 2024.

### ***In relation to the final dividend***

For determining the entitlement of Shareholders to receive the final dividend, the register of members of the Company will be closed from 28 May 2024 to 30 May 2024, both days inclusive, during which period no transfer of Shares will be registered. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 27 May 2024.

## **Publication of 2023 annual results and annual report**

This annual results announcement of the Group for the year ended 31 December 2023 is published on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.geeka.com](http://www.geeka.com). The annual report for the year ended 31 December 2023 containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in April 2024.

## APPRECIATION

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

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

Shanghai, the PRC, 26 March 2024

*As at the date of this announcement, the Board comprises Mr. Deng Huajin, Mr. Tian Yuan and Mr. Gao Wei as executive Directors; Mr. Li Gabriel, Mr. Xiao Yang and Mr. Zhao Guibin as non-executive Directors; and Mr. Zhang Lihong, Mr. Cao Zhiguang and Mr. Wong Man Chung Francis as independent non-executive Directors.*

*This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.*

## DEFINITIONS

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“Audit and Risk Management Committee”	the audit and risk management committee under the Board
“Board”	the board of Directors of our Company
“Brausen”, or “Fujian Brausen”	Brausen (Fujian) Decoration & Engineering Co., Ltd.* (博若森(福建)裝飾工程有限公司), company with limited liability incorporated in PRC on 23 June 2006 and a subsidiary of our Company, and its subsidiaries as the context requires, which were acquired by us on 24 August 2015
“BVI”	the British Virgin Islands
“CEO”	the chief executive officer of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
“Chairman”	the chairman of the Board
“CIT”	corporate income tax
“CODM”	the chief operating decision-maker
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“Contractual Arrangement(s)”	the series of contractual arrangements entered into among Shanghai Qijia, Qijia Network Technology and the shareholders of Shanghai Qijia, details of which are described in the section headed “Contractual Arrangements” of the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of our Company
“EPS”	earnings/(loss) per share
“FVOCI”	Financial assets at fair value through other comprehensive income
“FVPL”	Financial assets at fair value through profit or loss
“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 PRC
“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
“Interior Design and Construction and others Business”	composed of Interior Design and Construction Business and Innovation and others
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)
“Innovation and others”	the provision of other initiative services, mainly including Supply Chain Service, cross-border e-commerce business and other business
“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 30 August 2016

“Listing Date”	12 July 2018, the date on which the Shares were listed on the 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 from 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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“Mr. Deng”	Mr. Deng Huajin, our founder, chairman, executive Director, CEO and our single largest Shareholder
“PRC” or “China”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this prospectus, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Operating Entities”	Shanghai Qijia and its subsidiaries and branches, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
“Prospectus”	the prospectus being issued in connection with the IPO
“Reporting Period”	the year ended 31 December 2023
“RMB”	Renminbi, the lawful currency of PRC
“RSU(s)”	restricted share unit(s)
“RSU Trustee”	Tricor Trust (Hong Kong) Limited was appointed as the trustee for the administration of the 2021 RSU Scheme
“SaaS and Marketing Service Business”	the provision of SaaS based total marketing solution, targeted marketing services, inspection service and others
“Sales lead”	the data that identifies someone as a potential demand user of Interior Design and Construction
“Seagull”	a PRC company listed on the Shenzhen Stock Exchange (Stock code: 002084) that engages in the production and sale of high-end plumbing equipment and hardware

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Qiyu”	Shanghai Qiyu Information Technology Co., Ltd.* (上海齊煜信息科技有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company
“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”	the provision of building and home decoration materials
“USD”	United States dollar, the lawful currency of the United States
“Youzi”	the partial renovation brand of the Company
“%”	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.