



QeeKa Home (Cayman) Inc.

Stock Code:1739



2022 INTERIM REPORT

Contents

2	Corporate Information	31	Interim Condensed Consolidated Statement of Comprehensive Income
4	Key Financial and Operation Data	32	Interim Condensed Consolidated Balance Sheet
6	Chairman's Statement	34	Interim Condensed Consolidated Statement of Changes in Equity
9	Management Discussion and Analysis	36	Interim Condensed Consolidated Statement of Cash Flows
22	Other Information	37	Notes to the Interim Condensed Consolidated Financial Information
30	Interim Condensed Consolidated Income Statement	60	Definition



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 (*resigned on 23 June 2022*)
Mr. ZHAO Guibin
Mr. XIAO Yang (*appointed on 23 June 2022*)

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

5/F, Manulife Place
348 Kwun Tong Road
Kowloon
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
17/F, Far East Finance Centre
16 Harcourt Road
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

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 Financial and Operation Data

KEY FINANCIAL DATA

	Six months ended 30 June	
	2022 (RMB'000)	2021 (RMB'000)
Revenue	431,940	524,391
– SaaS and Marketing Service Business	239,864	281,006
– Supply Chain Service Business	15,828	28,385
– Interior Design and Construction Business	169,904	207,079
– Innovation and others Business	6,344	7,921
Gross Profit	244,994	296,556
– SaaS and Marketing Service Business	231,178	267,744
– Supply Chain Service Business	1,820	3,035
– Interior Design and Construction Business	13,053	25,043
– Innovation and others Business	(1,057)	734
Gross Margin	56.7%	56.6%
– SaaS and Marketing Service Business	96.4%	95.3%
– Supply Chain Service Business	11.5%	10.7%
– Interior Design and Construction Business	7.7%	12.1%
– Innovation and others Business	(16.7%)	9.3%
Net (loss)/profit attributable to equity holders of the Company	(57,080)	12,087
Adjusted net (loss)/profit attributable to equity holders of the Company⁽¹⁾	(20,682)	20,538
Adjusted Net Margin	(4.8%)	3.9%

Note:

- (1) Adjusted net (loss)/profit 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, exclude wealth management products and others and share-based compensation expenses.

Key Financial and Operation Data

KEY OPERATION METRICS

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

	Six months ended 30 June	
	2022	2021
Number of active paying merchants ⁽¹⁾	5,451	5,667
Number of sales leads	344,034	384,216
Number of recommended users	292,353	315,918
Average revenue from SaaS and Marketing Service per sales lead (RMB) ⁽²⁾	697	731

Notes:

- (1) It represents the number of active paying merchants for the trailing twelve months by the ended 30 June 2022.
- (2) It refers to the average revenue per sales lead, which equals the revenue of SaaS and Marketing Service for the six months ended 30 June 2022 divided by the sales leads as of 30 June 2022.

During the Reporting Period, (i) the number of active paying merchants decreased by 3.8% from 5,667 for the six months ended 30 June 2021 to 5,451 for the six months ended 30 June 2022, mainly due to impacts from COVID-19 resurgence and restrictions that resulted in the shutdown of renovation sites from March to May, which has temporarily suppressed the marketing needs of our merchants; (ii) the number of sales leads decreased by 10.5% from 384,216 for the six months ended 30 June 2021 to 344,034 for the six months ended 30 June 2022, the decline of the number of sales leads during the period, mainly concentrated in the first-tier cities with strong consumption power that have been greatly affected by the epidemic; (iii) the number of recommended users decreased by 7.5% from 315,918 for the six months ended 30 June 2021 to 292,353 for the six months ended 30 June 2022, and (iv) the average revenue from SaaS and Marketing Service per sales lead decreased by 4.7% from RMB731 for the six months ended 30 June 2021 to RMB697 for the six months ended 30 June 2022.

Chairman's Statement

Dear Shareholders,

In the first half of 2022, the interior design and construction services industry encountered unprecedented difficulties and challenges. Especially in the second quarter, the repeated domestic epidemic directly led to the shutdown of some core cities for a long time, and has affected the interior design and construction services industry. At the same time, affected by external factors such as macro-control of real estate, the industry is at a low point under multiple blows. Our business was also severely impacted in the first half of the year.

As a digital ecological platform that connects users and business partners which is including not only IDC service providers but also building material suppliers, we have acutely aware that they have all been affected by the epidemic. The protection measures of the epidemic have been seriously affected the decoration demand of users, the door-to-door housing and construction of IDC service providers, and the interruption of logistics has paralyzed the supply chain systems. Due to the combined impacts of a number of unfavorable factors, the results of the Company is under pressure.

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 2022.

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2022, our financial data remained relatively stable as a whole.

- Our total revenue was RMB431.9 million, representing a year-on-year decrease of 17.6%;
- Our overall gross profit margin remained at 56.7%, remaining at the same level as that of 56.6% in the same period of last year;
- The net loss attributable to equity holders of the Company was RMB57.1 million and the net loss was RMB66.3 million. The adjusted net loss attributable to equity holders of the Company was RMB20.7 million, which was mainly attributable to operating losses arising from interior design and construction business and innovation business, which directly offset the net profit arising from our core business.
- Our cash and other liquid financial resources was RMB719.9 million, representing an increase of 26.4% as compared with RMB569.8 million as of 31 December 2021.

Chairman's Statement

BUSINESS REVIEW

We still continue to be based on our SaaS strategy. While empowering the industry, we actively promote the steady development of two major business segments, SaaS and Extended Service Business as well as Interior Design and Construction and others Business. The total revenue was RMB431.9 million, slightly lower than the same period of last year.

SaaS and Extended Service Business

In the first half of the year, SaaS and Extended Service Business generated a revenue of RMB255.7 million, representing a decrease of 17.4% as compared with the same period of last year. Among them, revenue from SaaS and Marketing Service Business was RMB239.9 million. This is mainly related to the epidemic prevention measures in some first-tier and second-tier cities from March to May this year, such as Shenzhen, Suzhou, Shanghai and Beijing. Due to the restrictions of communities, many renovation sites cannot be started, as a result, many merchants reduced their advertising budgets, and the number of active paying merchants decreased by 3.8% to 5,451, but compared with the first half of the 2020, which was also affected by the epidemic, it increased by 28.7%; and due to the impact of epidemic prevention measures, the user's decoration demand have been temporarily suppressed, and the decision-making time has become longer. In the first half of the year, the number of sales leads decreased by 10.5% to 344,034, and increased by 4.2% as compared with the same period in 2020; but meanwhile, the conversion rate from sales leads to recommended users increased to 85.0% from 82.2% of last year, reflecting that our refined operations have achieved remarkable results.

In terms of Supply Chain Service Business, the recurrence of the epidemic has caused a long-term disruption of logistics, which has greatly impacted the upstream manufacturers. Therefore, in the first half of the year, our revenue from Supply Chain Service Business has decreased significantly.

Interior Design and Construction and others Business

In terms of Interior Design and Construction Business, mainly due to the overall macro-policy regulation of the real estate industry and the impact of the epidemic, construction and acceptance efficiency of certain projects was delayed. The revenue in the first half of the year was RMB169.9 million, representing a decrease of 18.0% as compared with the same period of last year.

Our Innovation and others Business represents the Company's development in smart home, soft decoration, new retail, etc., as well as our continuous exploration of diversified monetization. In response to some new changes and trends in the interior design and construction services industry, we started to actively explore more potential business opportunities in the first half of the year to hedge against the adverse impact on the Company caused by the economic environment and the epidemic. We believe that the exploration for the future is necessary and a very valuable input.

OUTLOOK

With the epidemic prevention and control measures gradually becoming more efficient, macro policies are more flexible. In the short term, the consumer market will still be affected by the epidemic prevention and control measures, but in the medium and long term, the increase of urbanization rate in China and the promotion of the common prosperity policy will support China's consumption growth.

In terms of industry, the year-on-year decline in domestic sales area of commercial housing and residential completion area in the first half of the year was still very serious. The downward pressure on the real estate market is relatively large, the market confidence is insufficient, and the relation between supply and demand and real estate transactions have not warmed significantly.

Chairman's Statement

Under this kind of background, our business is still facing great challenges. In response to the changeable economic environment, we will consolidate our core business, accumulate core competence and superior resources, make more effort to stabilize the fundamentals of the company, continue to promote the refined operation strategy, continuously optimize and enhance the overall operational efficiency of the Company, and work with our partners to cope with difficulties and challenges.

We firmly believe that the impact of external factors such as the epidemic is temporary and the difficulties are periodic. New chances and opportunities will still emerge under the challenge. With the gradual increase in the size of the stock housing and the acceleration of the epidemic, residents' demand for improving their living conditions has increased, and the renovation and partial decoration of old houses are showing great potential. While the interior design and construction services industry is in the stage of industry realignment, the competition is more intense, and the industry integration will be more and more concentrated. The Company will adapt to the changes and adjust business strategies in a timely manner, actively explore potential business opportunities in the industry, and explore new growth points for the future results growth of the Company.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to all shareholders, investors, business partners and users for their trust in and support to the Group, I would also like to thank our fellow board members, the management and staffs for their efforts and contributions to the Group. In the future, we will continue to drive the Group's growth and maximize value for our shareholders.

DENG Huajin

Chairman

Shanghai, China
22 August 2022

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The business segments consist of (i) SaaS and Marketing Service; (ii) Supply Chain Service; (iii) Interior Design and Construction; and (iv) Innovation and others. The directors of the Company consider the new presentation for the six months ended 30 June 2022 is more relevant and appropriate for the Group's current development of business. As a result, the corresponding figures are represented.

Business Review

- **SaaS and Extended Service Business**

We are one of the leading providers of SaaS solutions in the Interior Design and Construction industry in the PRC. SaaS and Extended Service mainly include SaaS service, marketing service, value-added service, and supply chain service.

- **SaaS and Marketing Service**

We provide SaaS-based total solutions to our IDC service providers (each we refer to as a merchant). We help IDC service providers set up their digital infrastructure throughout entire business operations, from sales lead generation, and customer acquisition, to construction field management and bookkeeping.

For the six months ended 30 June 2022, the number of active paying merchants declined year-on-year mainly due to impacts from COVID-19 resurgence and restrictions that resulted in the shutdown of renovation sites from March to May, which has temporarily suppressed the marketing needs of our merchants.

In the first half of 2022, the continuous downturn of the real estate market has caused a series of ripple effects, such as a rise in bankruptcy applications in the Interior Design and Construction industry, and the IDC service providers we cooperate with have also been affected. To protect the right and interests of users, we have raised the audit threshold for service providers, and launched Ivy Plan only for excellent IDC service providers, through a series of empowerment measures to help them improve their reputation and operational capabilities to generate income under this challenging environment.

We also make great efforts to improve user experience and rights protection. In addition to the “Qijia Bao” service, we have expanded multiple media channels to share real user cases, write decoration notes for the novice, disseminate decoration knowledge to avoid pits and strengthen users’ trust in our brand.

Due to the negatively impacted of COVID-19, the number of sales leads has also declined during the period, mainly concentrated in the first-tier cities with strong consumption power that have been greatly affected by the epidemic. Usually, the spring season is the best decoration start period, and the consumers’ concerns about epidemic prevention policies extend the decision-making time for decoration.

However, the conversion rate from sales leads to recommended users increased from 82.2% to 85.0%, compared to the same period last year, reflecting the effectiveness of our user operations.

- **Supply Chain Service**

We also provide diversified supply chain integration solutions to IDC service providers, which can reduce their overall material purchase and logistic-related expense while ensuring the quality of the material.

For the six months ended 30 June 2022, the revenue from our Supply Chain Service declined significantly mainly due to the impacts of the epidemic that resulted in factory shutdowns and logistics disruptions from March to May.

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

Through SaaS and Marketing Service Business, we find that the demand structure of marketing is changing, not only on the consumer side, but also on the business side and small business side. We tried to explore more business opportunities that could match the needs of marketing.

We operate three well-known interior design and decoration brands under the self-operation and license model. We believe we can create more value from the operation of this business.

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

Management Discussion and Analysis

Company Financial Highlights

For the six months ended 30 June 2022:

- Total revenue decreased by 17.6% year over year to RMB431.9 million, primarily due to a decline in SaaS and Marketing Service by 14.6% to RMB239.9 million, Supply Chain Service by 44.2% to RMB15.8 million, and Interior Design and Construction by 18.0% to RMB169.9 million, respectively.
- Total gross profit decreased by 17.4% year over year to RMB245.0 million, which is in line with the revenue trend.
- The net loss attributable to equity holders of the Company was RMB57.1 million and net loss was RMB66.3 million. Adjusted net loss attributable to equity holders of the Company was RMB20.7 million, mainly due to the operating loss from our IDC business and innovation business, which directly offset the net profit generated by our core business.
- Cash and other liquid financial resources, including cash and cash equivalents of RMB475.0 million, term deposit of RMB234.2 million, and restricted cash of RMB10.7 million as of 30 June 2022, compared to the cash and cash equivalents of RMB548.0 million and restricted cash of RMB21.7 million, respectively as of 31 December 2021.

Company Business Outlook

In the first half of 2022, we are facing challenges, the international environment has become more complex, the domestic epidemic situation has been sporadic at many place, and the downward pressure on the economy has increased significantly.

According to data from the National Bureau of Statistics, the housing completion area from January to July 2022 was 320.28 million square meters, down 23.3% year-on-year, of which the residential completion area was 232.79 million square meters, down 22.7% year-on-year;

The sales area of commercial housing in China was 78,178 square meters, down 23.1% year-on-year, of which the residential sales area fell by 27.1%.

The downward pressure on the real estate market is relatively large, the market confidence is insufficient, and the impact of the epidemic is superimposed, the relation between supply and demand and transactions of the market have not warmed significantly.

On the other hand, data from the National Bureau of Statistics shows that the per capita residential consumption expenditure is RMB2,807, an increase of 6.0%, accounting for 23.9% of the per capita consumption expenditure, which is the highest proportion of the category except for food, tobacco and alcohol consumption expenditure.

With the recurrence of the epidemic, the structure of residents' consumption expenditure is changing, the demand for improved homes is constantly being released, and the market share dominated by the redecoration of existing houses is gradually expanding.

We believe that the connection between the decoration market and the new housing market will gradually weaken in the future, and the stock real estate redecoration market will become the main force driving the growth of China's decoration industry.

As a leading providers of SaaS solutions in the Interior Design and Construction industry in the PRC, we will adapt to the changes and adjust our business strategies in a timely manner, explore more business opportunities related to Interior Design and Construction industry and improve industry efficiency through diversified products and services to create more value for our shareholders.

Management Discussion and Analysis

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	
	2022 RMB'000	2021 RMB'000
Revenue	431,940	524,391
Cost of sales	(186,946)	(227,835)
Gross profit	244,994	296,556
Selling and marketing expenses	(208,947)	(234,264)
Administrative expenses	(41,287)	(38,501)
Research and development expenses	(20,302)	(22,060)
Net impairment losses on financial assets	(12,965)	(475)
Other (losses)/gains – net	(27,088)	7,895
Operating (loss)/profit	(65,595)	9,151
Finance income	7,314	7,279
Finance costs	(1,159)	(2,910)
Finance income – net	6,155	4,369
Share of results of investments accounted for using the equity method	(3,213)	3,905
(Loss)/profit before income tax	(62,653)	17,425
Income tax expenses	(3,695)	(1,947)
(Loss)/profit for the year	(66,348)	15,478
(Loss)/profit attributable to:		
Equity holders of the Company	(57,080)	12,087
Non-controlling interests	(9,268)	3,391
	(66,348)	15,478
Non-IFRS measure		
Adjusted net (loss)/profit attributable to equity holders of the Company	(20,682)	20,538

Management Discussion and Analysis

REVENUE

Total revenue decreased by 17.6% from RMB524.4 million for the six months ended 30 June 2021 to RMB431.9 million for the six months ended 30 June 2022, primarily due to the impact of continued COVID-19 pandemic in many places in China, which had a material effect on the interior design and construction service providers and the material suppliers about their operation. As a result, almost all the revenue of the Group decreased during the second quarter of 2022.

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

	Six months ended 30 June			
	2022		2021	
	Amount RMB'000	% of total revenue	Amount RMB'000	% of total revenue
SaaS and Extended Service Business	255,692	59.2%	309,391	59.0%
Interior Design and Construction and others Business	176,248	40.8%	215,000	41.0%
Total	431,940	100.0%	524,391	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			
	2022		2021	
	Amount RMB'000	% of total revenue	Amount RMB'000	% of total revenue
SaaS and Marketing Service	239,864	93.8%	281,006	90.8%
Supply Chain Service	15,828	6.2%	28,385	9.2%
Total	255,692	100.0%	309,391	100.0%

Revenue from SaaS and Extended Service Business decreased by 17.4% from RMB309.4 million for the six months ended 30 June 2021 to RMB255.7 million for the six months ended 30 June 2022. Revenue from SaaS and Extended Service Business included:

- SaaS and Marketing Service

Revenue from our SaaS and Marketing Service Business decreased by 14.6% from RMB281.0 million for the six months ended 30 June 2021 to RMB239.9 million for the six months ended 30 June 2022, the decrease in revenue was due to (i) our number of sales leads decreased from 384,216 for the six months ended 30 June 2021 to 344,034 for the six months ended 30 June 2022, and (ii) our average revenue from SaaS and Marketing Service per sales lead decreased from RMB731 for the six months ended 30 June 2021 to RMB697 for the six months ended 30 June 2022.

- Supply Chain Service

Revenue from our Supply Chain Service Business decreased by 44.2% from RMB28.4 million for the six months ended 30 June 2021 to RMB15.8 million for the six months ended 30 June 2022, primarily due to the impacts of the epidemic that resulted in factory shutdowns and logistics disruptions from March to May.

Management Discussion and Analysis

Interior Design and Construction and others Business

– Interior Design and Construction

Revenue from Interior Design and Construction decreased by 18.0% from RMB207.1 million for the six months ended 30 June 2021 to RMB169.9 million for the six months ended 30 June 2022, primarily due to the decrease of available construction sites and delay in the efficiency of delivery and acceptance of certain projects, which were mainly affected by the outbreak of COVID-19 pandemic in many places in China during the Reporting Period.

Due to the downturn in the real estate industry and the shortage of funds for developers, in response to the risk of bad debts in accounts receivable, we adjusted the growth strategy of the real estate decoration business, actively reduced the scale of the business.

– Innovation and others

Revenue from Innovation and others decreased by 19.9% from RMB7.9 million for the six months ended 30 June 2021 to RMB6.3 million for the six months ended 30 June 2022, primarily due to the decrease in the revenue generated by the subsidiary which equity of this subsidiary was transferred to the third party in 2021. Except for the revenue above, revenue from Innovation and others for the six months ended 30 June 2022 increased by 23.5%, compared to the six months ended 30 June 2021, primarily due to increase of new business developed on our platform.

COST OF SALES

Cost of sales decreased by 17.9% to RMB186.9 million for the six months ended 30 June 2022, compared to RMB227.8 million for the six months ended 30 June 2021, of which Interior Design and Construction Business accounted for the main part.

SaaS and Extended Service Business

Cost from SaaS and Extended Service Business decreased by 41.2% from RMB38.6 million for the six months ended 30 June 2021 to RMB22.7 million for the six months ended 30 June 2022, primarily due to the decrease in revenue of this segment.

Interior Design and Construction Business

Cost from Interior Design and Construction Business decreased by 13.8% from RMB182.0 million for the six months ended 30 June 2021 to RMB156.9 million for the six months ended 30 June 2022. The decrease in cost from IDC business was primarily attributable to a decrease in raw materials and labor costs resulting from the decrease of approximately 18.0% in revenue as compared with that of the corresponding period.

GROSS PROFIT AND GROSS PROFIT MARGIN

As a result of the foregoing, our total gross profit decreased by 17.4% from RMB296.6 million for the six months ended 30 June 2021 to RMB245.0 million for the six months ended 30 June 2022.

Our overall gross profit margin was maintained at 56.7% for the six months ended 30 June 2022, compared to 56.6% for the six months ended 30 June 2021.

	Six months ended 30 June			
	2022		2021	
	Amount RMB'000	Gross Margin %	Amount RMB'000	Gross Margin %
SaaS and Extended Service Business	232,998	91.1%	270,779	87.5%
Interior Design and Construction and others Business	11,996	6.8%	25,777	12.0%
	244,994	56.7%	296,556	56.6%

Management Discussion and Analysis

SaaS and Extended Service Business

Gross profit from SaaS and Extended Service Business decreased by 14.0% from RMB270.8 million for the six months ended 30 June 2021 to RMB233.0 million for the six months ended 30 June 2022, primarily due to the decrease in revenue of this segment.

The breakdown of gross profit and gross profit margin of SaaS and Extended Service Business is as follows:

	Six months ended 30 June			
	2022		2021	
	Amount RMB'000	Gross Margin %	Amount RMB'000	Gross Margin %
SaaS and Marketing Service	231,178	96.4%	267,744	95.3%
Supply Chain Service	1,820	11.5%	3,035	10.7%
	232,998	91.1%	270,779	87.5%

Gross profit margin of this segment stabilized at approximately 91.1% for the six months ended 30 June 2022, as compared to 87.5% for the six months ended 30 June 2021, primarily due to the stability of the gross profit margin from SaaS and Marketing Service, which accounted for a larger proportion of the revenue of this segment. Gross profit margin from SaaS and Marketing Service stabilized at approximately 96.4% for the six months ended 30 June 2022, as compared to 95.3% for the six months ended 30 June 2021.

Interior Design and Construction and others Business

Gross profit from Interior Design and Construction and other Business decreased by 53.5% from RMB25.8 million for the six months ended 30 June 2021 to RMB12.0 million for the six months ended 30 June 2022, was mainly attributable to (i) the decrease in revenue of this segment, and (ii) the real estate refined decoration services with low gross margin for the six months ended 30 June 2022.

Gross profit margin of this segment decreased from 12.0% for the six months ended 30 June 2021 to 6.8% for the six months ended 30 June 2022, which was mainly attributable to the low margin business of our real estate refined decoration service, which accounted for a larger proportion of the revenue of this segment.

SELLING AND MARKETING EXPENSES

Our selling and marketing expenses decreased by 10.8% from RMB234.3 million for the six months ended 30 June 2021 to RMB208.9 million for the six months ended 30 June 2022, primarily due to (i) the decrease in advertising and promotion expenses, resulting from the optimization of the marketing channels, and (ii) the decrease in labor costs, mainly attributable to the improvement of the customer services efficiency and optimization of the customer services team.

ADMINISTRATIVE EXPENSES

Our administrative expenses slightly increased by 7.2% from RMB38.5 million for the six months ended 30 June 2021 to RMB41.3 million for the six months ended 30 June 2022. It was mainly due to the increase in labor costs, which was to reserve certain senior managers of the Group for the development of the Interior Design and Construction Business and Innovative and others Business, which partially offset the saving in travelling, entertainment and communication expenses and other miscellaneous.

Management Discussion and Analysis

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses slightly decreased by 8.0% from RMB22.1 million for the six months ended 30 June 2021 to RMB20.3 million for the six months ended 30 June 2022. The decrease in research and development expenses was mainly attributable to the Group's improvement of the research and development efficiency and optimization of the research and development team.

NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Our net impairment losses on financial assets increased from RMB0.5 million for the six months ended 30 June 2021 to RMB13.0 million for the six months ended 30 June 2022, primarily due to the expected credit loss on trade receivables and contract assets of the Interior Design and Construction projects, which was continuing affected by the overall downturn in the real estate market in 2022. After assessment by the management of the Company, net impairment losses on financial assets of IDC business had been provided for RMB12.9 million for the six months ended 30 June 2022.

OTHER LOSSES – NET

Other net losses were RMB27.1 million for the six months ended 30 June 2022. It was mainly due to (i) impairment loss on investments accounted for using the equity method of RMB22.7 million, (ii) loss on investment on financial assets at fair value through profit or loss of RMB5.7 million, and (iii) government subsidies of RMB1.6 million.

FINANCE INCOME – NET

Our finance income for the six months ended 30 June 2022 was mainly due to the interest income from our cash and cash equivalents.

SHARE OF RESULTS OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Our share of results of investments accounted for using the equity method for the six months ended 30 June 2022 was mainly due to the result of profit or losses picked up from investees.

INCOME TAX EXPENSES

Our income tax expenses for the six months ended 30 June 2022 was RMB3.7 million mainly due to the decrease in deferred tax assets.

(LOSS)/PROFIT AND NON-IFRS MEASURES: ADJUSTED NET (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

As a result of the foregoing, our net loss was RMB66.3 million for the six months ended 30 June 2022, as compared to net profit of RMB15.5 million for the six months ended 30 June 2021.

To supplement our unaudited interim results, which is presented in accordance with IFRS, we also use adjusted net (loss)/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 (loss)/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 (loss)/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.

Management Discussion and Analysis

Our adjusted net loss attributable to equity holders of the Company was RMB20.7 million for the six months ended 30 June 2022. The decrease in adjusted net loss attributable to equity holders of the Company was mainly due to the operating loss from our IDC business and innovation business, which directly offset the net profit generated by our core business.

The following table reconciled our adjusted net (loss)/profit attributable to equity holders of the Company for the six months ended 30 June 2022 and 2021 to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net (loss)/profit attributable to equity holders of the Company for the year	(57,080)	12,087
Impairment loss on investments accounted for using the equity method	22,668	–
Share-based compensation expenses	3,504	4,925
Net fair value change on investment on financial assets at fair value through profit or loss, exclude wealth management products and others	10,226	3,526
Adjusted net (loss)/profit attributable to equity holders of the Company	(20,682)	20,538

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 RMB475.0 million, term deposits of RMB234.2 million and restricted cash of RMB10.7 million as of 30 June 2022, compared to the balance of cash and cash equivalents and restricted cash of RMB548.0 million and RMB21.7 million as of 31 December 2021, respectively. The increase in cash and other liquid financial resources was due to the purchase of more low risk term deposits to improve the security of funds.

The following table sets forth a summary of our cash on hand and at bank for the years indicated:

	30 June 2022 RMB'000	31 December 2021 RMB'000
	Cash and cash equivalents	475,036
Term deposits	234,228	–
Restricted cash	10,658	21,734
Cash and other liquid financial resources	719,922	569,751

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

Management Discussion and Analysis

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

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net cash (used in)/generated from operating activities	(134,257)	21,487
Net cash generated from/(used in) investing activities	45,005	(756)
Net cash (used in)/generated from financing activities	(1,281)	17,058
Net (decrease)/increase in cash and cash equivalents	(90,533)	37,789
Effect on exchange rate difference	17,552	(5,657)
Cash and cash equivalents at the beginning of the period	548,017	897,354
Cash and cash equivalents at the end of the period	475,036	929,486

NET CASH USED IN OPERATING ACTIVITIES

For the six months ended 30 June 2022, our net cash used in operating activities was RMB134.3 million, which was primarily attributable to our loss before income tax of RMB62.7 million, as adjusted by (i) non-cash items, which primarily comprised depreciation and amortization of RMB12.4 million, provision for bad debt and impairment loss on investment in associate of RMB35.6 million and share-based payments of RMB3.5 million, fair value losses on investments of RMB8.9 million; and (ii) changes in working capital, which primarily comprised a decrease in trade and other receivables of RMB14.3 million, an increase in contract assets of RMB8.0 million, a decrease in restricted cash of RMB11.1 million, and a decrease in trade and other payables and contract liabilities of RMB145.6 million.

NET CASH GENERATED FROM INVESTING ACTIVITIES

For the six months ended 30 June 2022, our net cash generated from investing activities was RMB45.0 million, which was mainly attributable to proceeds from disposals of subsidiaries of RMB137.2 million and disposals of financial assets at fair value through profit or loss of RMB608.0 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB418.2 million, purchase of term deposits of RMB234.2 million, and loans provided to a third party of RMB50.0 million.

NET CASH USED IN FINANCING ACTIVITIES

For the six months ended 30 June 2022, net cash used in financing activities was RMB1.3 million, which was mainly attributable to proceeds from borrowings of RMB18.0 million and cash received from capital contributions in subsidiaries from non-controlling interests of RMB3.2 million, partially offset by repayment of borrowings of RMB15.0 million, cash paid in the repurchase of treasury shares of RMB5.1 million and payment for lease liabilities of RMB3.2 million.

TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS

Trade and other receivables and advances to suppliers decreased by 33.9% from RMB336.6 million as of 31 December 2021 to RMB222.6 million as of 30 June 2022, primarily due to (i) decrease of receivables from the disposal of subsidiaries of RMB147.0 million, (ii) decrease of trade receivables from third parties of RMB34.7 million about the development of our IDC business, and (iii) increase of the loans due from third parties of RMB50.0 million, attributable to the provision of the loan by the Group to an independent third-party individual on 15 January 2022.

Management Discussion and Analysis

BORROWINGS

As of 30 June 2022, we had total borrowings of RMB19.3 million and the interest rate of the borrowings was from 4.36% to 4.53% per annum, (i) RMB10.0 million of which was pledged by the property owned by Mr. Yang Weihan, who is the non-controlling shareholder of Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd, (ii) RMB8.0 million of which was shared guaranteed by Shanghai Qiyu Information Technology Co., Ltd, Mr. Yang Weihan and Mrs. Zhang Fan, who is the wife of Mr. Yang Weihan, and (iii) discounted and undue commercial acceptance bills of RMB1.3 million represented two notes receivables, which were discounted by the bank with right of recourse.

GEARING RATIO

As of 30 June 2022, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company was approximately 1.5%.

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 2022. 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	
	2022	2021
	RMB'000	RMB'000
Purchase of property and equipment	1,249	6,479
Purchase of intangible assets	89	18
Total	1,338	6,497

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

SIGNIFICANT INVESTMENT HELD

As of 30 June 2022, 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 30 June 2022 RMB'000	Number of shares of investment held as at 30 June 2022	Percentage of investment held as at 30 June 2022 (%)	Performance/ Change in share of results of investment accounted for using the Equity method for the six months ended 30 June 2022 RMB'000	Performance/ Change in share of other comprehensive loss for the six months ended 30 June 2022 RMB'000	Performance/ Change in provision of impairment for the six months ended 30 June 2022 RMB'000	Size as compared to the Group's total assets as at 30 June 2022 (%)
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	247,922	39,720,000	6.12%	(3,245)	(2,106)	(21,454)	12.9%

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 30 June 2022, except for the aforementioned investment, there were no other investments held with a value of 5% or more of the Group's total assets.

Management Discussion and Analysis

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of 30 June 2022, the Group had current and non-current financial assets at fair value through profit or loss of approximately RMB448.7 million (31 December 2021: approximately RMB639.3 million), mainly comprised (i) investments in wealth management products of approximately RMB417.6 million (31 December 2021: approximately RMB603.0 million); (ii) investments in listed companies of approximately RMB17.3 million (31 December 2021: approximately RMB18.4 million); (iii) investments in financial assets related to redemption rights of approximately RMB5.5 million (31 December 2021: approximately RMB12.4 million); and (iv) private equity funds of approximately RMB4.5 million (31 December 2021: approximately RMB5.0 million).

	As at 30 June 2022 RMB'000	As at 31 December 2021 RMB'000
Financial assets at fair value through profit or loss		
Current		
Wealth management products ⁽¹⁾	417,626	603,013
Investments in listed companies	17,273	18,432
Financial assets related to redemption rights	5,500	12,350
Mutual funds	3,832	548
Subtotal	444,231	634,343
Non-current		
Private equity funds	4,451	5,000
Subtotal	4,451	5,000
Total	448,682	639,343

(1) Wealth management products decreased by 30.7% from RMB603.0 million as at 31 December 2021 to RMB417.6 million as at 30 June 2022, mainly due to the Group purchase more low risk term deposit from different banks after the wealth management products was redeemed to improve the security of the funds.

Management Discussion and Analysis

LONG-TERM INVESTMENT ACTIVITIES

	As at 30 June 2022 RMB'000	As at 31 December 2021 RMB'000
Investments accounted for using the equity method	252,082	280,069
Financial assets at fair value through other comprehensive income	38,360	48,388
Financial assets at fair value through profit or loss	4,451	5,000
Total	294,893	333,457

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.

As of 30 June 2022, 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 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 2022, we did not have any material contingent liabilities.

Other Information

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2022, 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 ⁽¹⁾	Interest in controlled corporation and interest of spouse	308,377,140	–	308,377,140	26.93%
Mr. Gao Wei ⁽²⁾	Interest in controlled corporation	2,492,970	2,993,797	5,486,767	0.48%
Mr. Tian Yuan ⁽³⁾	Interest in controlled corporation	4,578,876	–	4,578,876	0.40%
Mr. Gabriel Li ⁽⁴⁾	Interest of spouse	100,000,000	–	100,000,000	8.73%

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 1.19% interest in the Company.
- (2) Mr. Gao Wei holds 100% equity interests in Qeeka Josephine Holding Limited (“**Josephine Holding**”), which in turn directly holds 2,492,970 Shares. Accordingly, Mr. Gao Wei is deemed to be interested in the 2,492,970 Shares held by Josephine Holding. In addition, Mr. Gao Wei was granted a total of 2,993,797 options under the pre-IPO Share Option Scheme on 31 December 2011.
- (3) Mr. Tian Yuan holds 100% equity interests of Qeeka Tianyuan Home Holding Limited (“**Tianyuan Home**”), 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 Home.
- (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 2022, 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 2022, 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 2022, 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 ⁽¹⁾	Approximate percentage of shareholding in the Company
Mr. Deng ⁽²⁾	Interest in a controlled corporation and interest of spouse	308,377,140(L)	26.93%
Ms. Sun ⁽³⁾	Interest in a controlled corporation and interest of spouse	308,377,140(L)	26.93%
Qeeka Holding ⁽²⁾	Beneficial owner	294,789,530(L)	25.75%
Suzhou Oriza Holdings Co., Ltd. ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation	185,246,080(L)	16.18%
Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation	185,246,080(L)	16.18%
Suzhou Industrial Park Economic Development Co., Ltd. ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation	185,246,080(L)	16.18%
Suzhou Industrial Zone Management Committee ⁽⁴⁾⁽⁵⁾	Interest in a controlled corporation	185,246,080(L)	16.18%
Baidu HK ⁽⁶⁾	Beneficial owner	124,981,861(L)	10.92%
Baidu Holdings Limited ⁽⁶⁾	Interest in a controlled corporation	124,981,861(L)	10.92%
Baidu, Inc. ⁽⁶⁾	Interest in a controlled corporation	124,981,861(L)	10.92%
Teng Yue Partners GP, LLC ⁽⁷⁾	Interest in a controlled corporation	105,186,500(L)	9.19%
Teng Yue Partners Holdings GP, LLC ⁽⁷⁾	Interest in a controlled corporation	105,186,500(L)	9.19%
Teng Yue Partners Holdings, LLC ⁽⁷⁾	Interest in a controlled corporation	105,186,500(L)	9.19%
Teng Yue Partners Master Fund, L.P. ⁽⁷⁾	Beneficial owner	105,186,500(L)	9.19%
Teng Yue Partners, L.P. ⁽⁷⁾	Investment manager	105,186,500(L)	9.19%
Mr. Li Tao ⁽⁷⁾	Interest in a controlled corporation	105,186,500(L)	9.19%
Hua Yuan International ⁽⁴⁾	Beneficial owner	101,912,750(L)	8.90%
China-Singapore Suzhou Industrial Park Ventures Co., Ltd. ⁽⁴⁾	Interest in a controlled corporation	101,912,750(L)	8.90%

Other Information

Name of Shareholders	Nature of interest	Number of shares ⁽¹⁾	Approximate percentage of shareholding in the Company
Clinton Global Limited ⁽⁶⁾	Beneficial owner	100,000,000(L)	8.73%
Areo Holdings Limited ⁽⁶⁾	Interested in a controlled corporation	100,000,000(L)	8.73%
Mr. Gabriel Li ⁽⁶⁾	Interest of spouse	100,000,000(L)	8.73%
Ms. Lam Lai Ming ⁽⁶⁾	Interest in a controlled corporation	100,000,000(L)	8.73%
OAVI Holdings, L.P. ⁽⁶⁾	Interest in a controlled corporation	100,000,000(L)	8.73%
Orchid Asia V Group Management, Limited ⁽⁶⁾	Interested in a controlled corporation	100,000,000(L)	8.73%
Orchid Asia V Group, Limited ⁽⁶⁾	Interested in a controlled corporation	100,000,000(L)	8.73%
Orchid Asia VI GP, Limited ⁽⁶⁾	Interest in a controlled corporation	100,000,000(L)	8.73%
Orchid Asia VI, L.P. ⁽⁶⁾	Interest in a controlled corporation	100,000,000(L)	8.73%
SIP Oriza ⁽⁵⁾	Beneficial owner	83,333,330(L)	7.28%
Mr. Yao Hua ⁽⁵⁾	Interest in a controlled corporation	83,333,330(L)	7.28%
SIP Oriza PE Fund Management Co., Ltd. ⁽⁵⁾	Interest in a controlled corporation	83,333,330(L)	7.28%
SIP Oriza Jingfeng Equity Investment Management Co., Ltd. ⁽⁵⁾	Interest in a controlled corporation	83,333,330(L)	7.28%

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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company has repurchased 8,827,000 shares on the Stock Exchange at an aggregate consideration (excluding transaction cost) of approximately HKD6.2 million. The highest price paid was HKD0.79, and the lowest price paid was HKD0.40.

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 2022	8,167,000	0.79	0.62	5,873,324
April 2022	660,000	0.42	0.40	276,480

The 222,500 shares repurchased in 2021 and 8,827,000 shares repurchased in 2022 were both cancelled on 28 June 2022.

For details of the shares purchased by the RSU Trustee (as defined below) for the purpose of the post-IPO Restricted Share Unit Scheme (the “**2021 RSU Scheme**”) during the Reporting Period, please refer to the section headed “EMPLOYEE, REMUNERATION AND PENSION SCHEME” below.

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

2021 RSU SCHEME

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.

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. Tricor Trust (Hong Kong) Limited was appointed as the Trustee for the administration of the 2021 RSU Scheme (the “**RSU Trustee**”). 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 2022 are as follows:

Grantee	Date of grant	Balance as at 01/01/2022	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Balance as at 30/06/2022	Vesting period of RSUs
Employee								
Employee (in aggregate) ⁽¹⁾	19/03/2021	20,722,500	-	-	-	13,032,289	7,690,211	by 2026 ⁽²⁾
Employee (in aggregate)	14/12/2021	4,243,424	-	-	-	-	4,243,424	2022 ⁽³⁾
Director								
GAO Wei	14/12/2021	2,993,797	-	-	-	-	2,993,797	2022 ⁽³⁾
Total		27,959,721	-	-	-	13,032,289	14,927,432	

Other Information

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.
- (3) The details as disclosed in announcement issued by the Company dated 14 December 2021.

EMPLOYEE, REMUNERATION AND PENSION SCHEME

As of 30 June 2022, the Group had 870 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.

Until the six months ended 30 June 2022, 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**”). Such shares will be used as awards for relevant RSU Participants upon the grant and vesting of RSUs. As of 30 June 2022, RSUs in respect of an aggregate of 14,927,432 shares (representing approximately 1.3% 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, are set out in the section headed “2021 RSU SCHEME” above.

The Company participates in the national pension plans as defined by the laws of the PRC in which it has operations. Subsidiaries within the Group which are established and operate in China are required to provide certain staff pension benefits to their employees under existing regulations of the PRC (the “**PRC Pension Plan**”), whereby the Company is required to make contributions to the PRC Pension Plan based on certain percentages of the eligible employees’ salaries. The Company’s contributions to the PRC Pension Plan are vested fully with the employees upon the contributions are made and hence no forfeited contributions arise when the employees leave the respective plan. Accordingly, no forfeited contribution was utilised during the year ended 30 June 2022, and as at 30 June 2022, there was no forfeited contribution available which may be used to reduce the Group’s existing level of contributions to the retirement benefit plans (2021: nil).

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 part 2 of Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices during the Reporting Period.

Save for code provision C.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 C.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 C.1.3 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 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 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 net proceeds had been used up during the Reporting Period. As a result, the balance of unutilized net proceeds was Nil as at 30 June 2022.

The net proceeds from the Global Offering have been 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 2022:

Use of proceeds	Revised allocation of usage of net proceeds (RMB million)	Revised Percentage of total net proceeds	Actual usage up to 30 June 2022 (RMB million)	Unutilized net proceeds as at 30 June 2022 (RMB million)
Marketing expense	379.9	40.0%	379.9	–
Development of supply chain management business	135.0	14.2%	135.0	–
Development of Loan referral business	20.0	2.1%	20.0	–
Development of our Interior Design and Construction business	50.0	5.3%	50.0	–
Investment in our technology infrastructure and system	162.5	17.1%	162.5	–
Additional strategic investments and acquisitions	95.0	10.0%	95.0	–
Development of our new business	40.0	4.2%	40.0	–
General working capital	67.4	7.1%	67.4	–
Total	949.8	100.0%	949.8	–

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed, there were no other material subsequent events during the period from 30 June 2022 to the approval date of these financial statements by the Board of Directors on 22 August 2022.

SUFFICIENCY OF 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 report, which was in line with the requirement under the Listing Rules.

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2022

	Note	Unaudited	
		Six months ended 30 June	
		2022	2021
		RMB'000	RMB'000
Revenue	6	431,940	524,391
Cost of sales	7	(186,946)	(227,835)
Gross profit		244,994	296,556
Selling and marketing expenses	7	(208,947)	(234,264)
Administrative expenses	7	(41,287)	(38,501)
Research and development expenses	7	(20,302)	(22,060)
Net impairment losses on financial assets	15(d)	(12,965)	(475)
Other (losses)/gains – net	8	(27,088)	7,895
Operating (loss)/profit		(65,595)	9,151
Finance income	9	7,314	7,279
Finance costs	9	(1,159)	(2,910)
Finance income – net	9	6,155	4,369
Share of results of investments accounted for using the equity method	12	(3,213)	3,905
(Loss)/profit before income tax		(62,653)	17,425
Income tax expenses	10	(3,695)	(1,947)
(Loss)/profit for the period		(66,348)	15,478
(Loss)/profit attributable to:			
– Equity holders of the Company		(57,080)	12,087
– Non-controlling interests		(9,268)	3,391
		(66,348)	15,478
(Losses)/earnings per share for (loss)/profit attributable to equity holders of the Company			
Basic (losses)/earnings per share (RMB)	11	(0.0510)	0.0104
Diluted (losses)/earnings per share (RMB)	11	(0.0510)	0.0104

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

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2022

	Note	Unaudited	
		2022	2021
		RMB'000	RMB'000
(Loss)/profit for the period		(66,348)	15,478
Other comprehensive income for the period			
<i>Items that may be reclassified to profit or loss:</i>			
Share of other comprehensive loss of investments accounted for using the equity method	12	(2,106)	–
Exchange differences on translation of foreign operations		22,396	(6,043)
		20,290	(6,043)
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	13	1,616	(684)
Changes in the fair value of equity investments at fair value through other comprehensive income	13	(11,644)	42,699
		(10,028)	42,015
Total other comprehensive income for the period, net of tax		10,262	35,972
Total comprehensive (loss)/income for the period		(56,086)	51,450
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(46,818)	48,059
Non-controlling interests		(9,268)	3,391
		(56,086)	51,450

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

Interim Condensed Consolidated Balance Sheet

As at 30 June 2022

	Note	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		25,440	27,828
Right-of-use assets		29,946	36,156
Intangible assets		3,066	4,416
Goodwill		7,796	7,796
Deferred tax assets		7,053	10,786
Investments accounted for using the equity method	12	252,082	280,069
Financial assets at fair value through other comprehensive income ("FVOCI")	13	38,360	48,388
Financial assets at fair value through profit or loss ("FVPL")	14	4,451	5,000
Other receivables	15	5,000	5,000
Total non-current assets		373,194	425,439
Current assets			
Inventories		3,731	2,996
Trade and other receivables and prepayments to suppliers	15	217,552	331,644
Amounts due from related parties	22(c)	1,077	1,069
Contract assets	15	157,995	159,472
Financial assets at fair value through profit or loss ("FVPL")	14	444,231	634,343
Term deposits	16	234,228	–
Restricted cash	16	10,658	21,734
Cash and cash equivalents	16	475,036	548,017
Total current assets		1,544,508	1,699,275
Total assets		1,917,702	2,124,714
EQUITY			
Share capital	17	761	767
Share premium	17	2,257,706	2,262,955
Other reserves	18	(238,476)	(252,209)
Treasury shares	17	(45,360)	(46,420)
Accumulated losses		(725,049)	(667,969)
Equity attributable to equity holders of the Company		1,249,582	1,297,124
Non-controlling interests		(17,681)	(11,681)
Total equity		1,231,901	1,285,443

Interim Condensed Consolidated Balance Sheet

As at 30 June 2022

	Note	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		395	457
Lease liabilities	21	14,981	21,501
Total non-current liabilities		15,376	21,958
Current liabilities			
Short-term borrowings		19,280	16,280
Trade and other payables	20	457,772	608,841
Contract liabilities	20	122,218	126,856
Amounts due to related parties	22(c)	266	–
Lease liabilities	21	23,732	18,174
Income tax liabilities		47,157	47,162
Total current liabilities		670,425	817,313
Total liabilities		685,801	839,271
Total equity and liabilities		1,917,702	2,124,714

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 2022

	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	
At 31 December 2021 (audited)		767	2,262,955	(252,209)	(46,420)	(667,969)	(11,681)	1,285,443
Loss for the period		-	-	-	-	(57,080)	(9,268)	(66,348)
Other comprehensive income		-	-	10,262	-	-	-	10,262
Total comprehensive loss for the six months ended 30 June 2022		-	-	10,262	-	(57,080)	(9,268)	(56,086)
Transactions with owners:								
- Repurchase, cancellation and sale of treasury shares	17	(6)	(5,249)	-	1,060	-	-	(4,195)
- Share-based compensation under Restricted Stock Units (RSUs)	18	-	-	3,504	-	-	-	3,504
- Capital contribution from non-controlling shareholders		-	-	-	-	-	3,235	3,235
- Transaction with non-controlling interests	18(a)	-	-	(33)	-	-	33	-
Transactions with owners for the six months ended 30 June 2022		(6)	(5,249)	3,471	1,060	-	3,268	2,544
At 30 June 2022 (unaudited)		761	2,257,706	(238,476)	(45,360)	(725,049)	(17,681)	1,231,901

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	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		
At 31 December 2020 (audited)		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
Total comprehensive income for the six months ended 30 June 2021		-	-	35,972	-	12,087	3,391	51,450
Transactions with owners:								
- Repurchase and cancellation of treasury shares		(11)	(30,601)	-	20,922	-	-	(9,690)
- Share-based compensation under Employee Stock Ownership Plans (ESOP)	18	-	-	1,528	-	-	-	1,528
- Share-based compensation under Restricted Stock Units (RSUs)	18	-	-	3,397	-	-	-	3,397
- Capital contribution from non-controlling shareholders		-	-	-	-	-	433	433
- Transaction with non-controlling interests	18	-	-	(9,306)	-	-	9,306	-
- Disposal of a subsidiary		-	-	-	-	-	1,114	1,114
Transactions with owners for the six months ended 30 June 2021		(11)	(30,601)	(4,381)	20,922	-	10,853	(3,218)
At 30 June 2021 (unaudited)		770	2,269,649	(186,017)	(7,546)	(730,371)	(4,018)	1,342,467

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

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Note	Unaudited Six months ended 30 June	
		2022 RMB'000	2021 RMB'000
Cash flows from operating activities			
Cash (used in)/generated from operations		(137,488)	16,316
Interest received		3,260	6,267
Income tax paid		(29)	(1,096)
Net cash (used in)/generated from operating activities		(134,257)	21,487
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,249)	(6,479)
Proceeds from disposal of property, plant and equipment		68	15
Purchase of intangible assets		(89)	(18)
Net increase in term deposits	16	(234,228)	(22,514)
Interest received from term deposits		1,078	322
Purchases of financial assets at FVPL	14(a)	(418,221)	(321,034)
Dividends received from financial assets at FVPL	8	96	181
Proceeds from disposal of financial assets at FVPL	14(a)	608,023	348,969
Increase in investments measured at FVOCI	13(a)	–	(5,000)
Purchases of financial assets at amortised cost		(19,702)	–
Principal and interest received from financial assets at amortised cost		19,716	–
Net proceeds from disposal of subsidiaries	15(b)	137,184	4,312
Loans provided to a third party	15(a)	(50,000)	–
Interest received from loans		2,329	–
Loans provided to a related party	22(b)	–	(10)
Repayment of loans from a related party	22(b)	–	500
Net cash generated from/(used in) investing activities		45,005	(756)
Cash flows from financing activities			
Proceeds from borrowings		18,000	48,000
Interest paid for borrowings		(363)	(1,979)
Repayment of borrowings		(15,000)	(7,500)
Repayment of equity transfer amount		–	(6,099)
Cash paid in repurchase of treasury shares	17(a)(i)	(5,070)	(9,690)
Cash received from sale of treasury shares	17(a)(ii)	875	–
Payment for lease liabilities (including interest component)		(3,207)	(6,107)
Cash received from capital contributions in a subsidiary from non-controlling interests		3,235	433
Loan from a related party	22(b)	249	–
Net cash (used in)/generated from financing activities		(1,281)	17,058
Net (decrease)/increase in cash and cash equivalents		(90,533)	37,789
Effect on exchange rate difference		17,552	(5,657)
Cash and cash equivalents at the beginning of the period	16	548,017	897,354
Cash and cash equivalents at the end of the period	16	475,036	929,486

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

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

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 and inspection service (“SaaS and Marketing Service”); (ii) the provision of interior design and construction service and licensing its brand to business partners and others (“Interior Design and Construction”); (iii) the provision of building and home decoration materials supply chain services (“Supply Chain Service”); and (iv) 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 22 August 2022.

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 2022 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 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 and any public announcements made by the Company during the interim reporting period.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those annual financial statements.

(a) New and amended standards adopted by the Group

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Amendments to AG5 Merger Accounting for Common Control Combinations

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.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

3 ACCOUNTING POLICIES (continued)

(b) New Standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group for the reporting period are as follows:

	New standards, amendments	Effective for annual periods beginning on or after
IFRS 17	Insurance contracts and related Amendments	January 1, 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IFRS 4	Extension of the temporary exemption from applying IFRS 9	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
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 and that are expected to have a material impact on the Group's financial performance and position.

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 2021.

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 2021.

There have been no changes in the risk management policies since 31 December 2021.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

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.

The following table presents the Group's financial assets that are measured at fair value at 30 June 2022 and 31 December 2021.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2022 (unaudited)				
Financial assets at FVPL (Note 14)	21,105	–	427,577	448,682
Financial assets at FVOCI (Note 13)	–	–	38,360	38,360
	21,105	–	465,937	487,042
As at 31 December 2021 (audited)				
Financial assets at FVPL (Note 14)	18,980	–	620,363	639,343
Financial assets at FVOCI (Note 13)	–	–	48,388	48,388
	18,980	–	668,751	687,731

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 2022 and 31 December 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 2022

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 2022 and 2021 (unaudited):

	Financial assets at FVPL				
	Financial assets at FVOCI RMB'000	Financial assets related to redemption rights RMB'000	Private equity funds RMB'000	Wealth management products and others RMB'000	Total RMB'000
As at 1 January 2022	48,388	12,350	5,000	603,013	668,751
Acquisitions	–	–	–	409,000	409,000
Changes in fair value	(11,644)	(6,850)	(549)	3,754	(15,289)
Currency translation differences	1,616	–	–	4,823	6,439
Disposals	–	–	–	(602,964)	(602,964)
As at 30 June 2022	38,360	5,500	4,451	417,626	465,937
Net unrealised (losses)/gains	(11,644)	(6,850)	(549)	548	(18,495)

	Financial assets at FVPL				
	Financial assets at FVOCI RMB'000	Financial assets related to redemption rights RMB'000	Private equity funds RMB'000	Wealth management products and others RMB'000	Total RMB'000
As at 1 January 2021	64,565	11,056	–	229,070	304,691
Acquisitions	5,000	–	–	320,380	325,380
Changes in fair value	42,699	–	–	1,998	44,697
Currency translation differences	(684)	–	–	(386)	(1,070)
Disposals	–	–	–	(348,969)	(348,969)
As at 30 June 2021	111,580	11,056	–	202,093	324,729
Net unrealised gains/(losses)	42,699	–	–	(443)	42,256

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

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
- Financial assets at amortised cost
- Cash and cash equivalents, term deposits and restricted cash
- 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

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.

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;
- 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 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.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

6 SEGMENT INFORMATION (continued)

Segment	Six months ended 30 June 2022 (unaudited)				Total RMB'000
	SaaS and Marketing Service RMB'000	Supply Chain Service RMB'000	Interior Design and Construction RMB'000	Innovation and others RMB'000	
Revenue					
Segment revenue	242,800	21,535	170,191	44,165	478,691
Inter-segment sales	(2,936)	(5,707)	(287)	(37,821)	(46,751)
Revenue from external customers	239,864	15,828	169,904	6,344	431,940
Timing of revenue recognition					
At a point in time	164,338	15,828	1,553	3,814	185,533
Over time	75,526	–	168,351	2,530	246,407
	239,864	15,828	169,904	6,344	431,940
Results					
Segment gross profit/(loss)	231,178	1,820	13,053	(1,057)	244,994
Selling and marketing expenses					(208,947)
Administrative expenses					(41,287)
Research and development expenses					(20,302)
Net impairment losses on financial assets					(12,965)
Other losses – net					(27,088)
Finance income – net					6,155
Share of results of investments accounted for using the equity method					(3,213)
					(62,653)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

6 SEGMENT INFORMATION (continued)

Segment	Six months ended 30 June 2021 (unaudited)				Total RMB'000
	SaaS and Marketing Service RMB'000	Supply Chain Service RMB'000	Interior Design and Construction RMB'000	Innovation and others RMB'000	
Revenue					
Segment revenue	282,725	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	281,006	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	92,313	–	204,089	5,617	302,019
	281,006	28,385	207,079	7,921	524,391
Results					
Segment gross profit	267,744	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 2022

6 SEGMENT INFORMATION (continued)

(a) Revenue

The revenue for the six months ended 30 June 2022 and 2021 are set out as follows:

	Unaudited Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
SaaS and Marketing Service	239,864	281,006
Supply Chain Service	15,828	28,385
Interior Design and Construction	169,904	207,079
Innovation and others	6,344	7,921
	431,940	524,391

(b) Revenue by geographical markets

All the revenue of the Group was generated in the PRC during the six months ended 30 June 2022 and 2021.

(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 2022

7 EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Outsourced labour costs	147,721	159,676
Advertising and promotion expenses	121,816	142,145
Employee benefit expenses	92,812	85,295
Materials and other consumables used	59,541	94,908
Depreciation of right-of-use assets	7,676	6,008
Travelling, entertainment and communication expenses	5,899	8,180
Short-term leases and leases of low-valued assets	4,792	7,212
Depreciation of property, plant and equipment	3,324	2,195
Professional fee	2,116	3,259
Auditor's remuneration		
– Audit service	1,750	1,600
– Non-audit service	70	70
Bank charges and point-of-sale device processing fees	1,742	2,884
Amortization of intangible assets	1,439	1,746
Taxes and levies	1,208	120
Utilities and electricity expenses	243	384
Miscellaneous	5,333	6,978
	457,482	522,660

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

8 OTHER (LOSSES)/GAINS – NET

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Impairment loss on investments accounted for using the equity method (a)	(22,668)	–
Fair value changes of financial assets at FVPL (Note 14(a))	(5,703)	(1,528)
Net loss on disposal of property, plant and equipment	(245)	(27)
Net foreign exchange losses	(110)	–
Gains on disposal of a subsidiary	–	1,264
Waved payables due to third parties	–	3,297
Net gain on termination of lease contracts	7	–
Interest received from financial assets at amortised cost	14	–
Dividends received from financial assets at FVPL	96	181
Government grants (b)	1,584	3,874
Others	(63)	834
	(27,088)	7,895

(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 at 30 June 2022 if any impairment indicator noted. Based on the result of test, an impairment loss of RMB22,668,000 was recognised for the six months ended 30 June 2022.

(b) Governments grants received during the period primarily comprised the tax return and financial subsidies received from local government authorities. There are no unfulfilled conditions or contingencies relating to these incomes.

9 FINANCE INCOME – NET

	Unaudited	
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Finance income:		
Interest income	7,314	7,279
Finance costs:		
Interest expenses on borrowings	(363)	(1,979)
Interest expenses on lease liabilities	(796)	(931)
	(1,159)	(2,910)
Finance income – net	6,155	4,369

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

10 INCOME TAX EXPENSES

	Unaudited Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
Current tax:		
Current tax for the period	24	360
Deferred income tax:		
Decrease in deferred tax assets	3,733	1,649
Decrease in deferred tax liabilities	(62)	(62)
Total deferred tax	3,671	1,587
Income tax expenses	3,695	1,947

(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

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 six months ended 30 June 2022 and 2021.

(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 2022 and 2021.

A subsidiary of the Group in the PRC was qualified as "High and New Technology Enterprises", and accordingly, it was subject to a reduced preferential CIT rate of 15% for the six months ended 30 June 2022 and 2021 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 2022 and 2021, 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 2022

11 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

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

	Unaudited Six months ended 30 June	
	2022	2021
(Losses)/earnings attributable to equity holders of the Company (RMB'000)	(57,080)	12,087
Weighted average number of ordinary shares in issue (thousand)	1,118,925	1,157,839
(Losses)/earnings per share (RMB per share)	(0.0510)	0.0104

(b) Diluted (losses)/earnings per share

Diluted (losses)/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 2022 and 2021, 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 six months ended 30 June 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 six months ended 30 June 2022 were the same as basic losses per share.

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

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

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

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 the six months ended 30 June 2022 and 2021 are set out as follows.

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
At the beginning of the period – carrying amount	307,854	301,765
Share of results of associates	(3,213)	3,905
Share of other comprehensive loss of investments accounted for using the equity method (Note 18)	(2,106)	–
At the end of the period – carrying amount	302,535	305,670
Less: provision of impairment	(50,453)	(16,201)
	252,082	289,469

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited	Audited
	30 June 2022 RMB'000	31 December 2021 RMB'000
Non-current:		
Equity investment measured at FVOCI	38,360	48,388

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

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
At the beginning of the period	48,388	64,565
Additions	–	5,000
Changes in the fair value (Note 18)	(11,644)	42,699
Currency translation differences	1,616	(684)
At the end of the period	38,360	111,580

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Non-current:		
Private equity funds	4,451	5,000
Current:		
Wealth management products and others	417,626	603,013
Investment in listed companies	17,273	18,432
Financial assets related to redemption rights	5,500	12,350
Mutual funds	3,832	548
	444,231	634,343

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

	Unaudited Six months ended 30 June 2022 RMB'000	2021 RMB'000
At the beginning of the period	639,343	263,615
Additions	418,221	321,034
Currency translation difference	4,844	(387)
Disposals	(608,023)	(348,969)
	454,385	235,293
Add: fair value change (Note 8)	(5,703)	(1,528)
At the end of the period	448,682	233,765

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

15 TRADE AND OTHER RECEIVABLES AND ADVANCES TO SUPPLIERS

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Non-current:		
Other receivables		
Receivables from disposal of subsidiaries	5,000	5,000
Less: provision for impairment of other receivables	–	–
Net other receivables	5,000	5,000
Current:		
Notes receivables	1,280	1,280
Trade receivables		
Due from third parties	107,665	139,855
Less: provision for impairment of trade receivables	(10,844)	(8,287)
Net trade receivables	96,821	131,568
Other receivables		
Loans due from third parties (a)	60,206	10,206
Project deposits	10,425	11,104
Staff advances	4,648	3,314
Rental deposits	3,099	2,208
Interest receivable	874	227
Receivables from disposal of subsidiaries (b)	–	147,000
Others	15,646	10,580
Gross other receivables	94,898	184,639
Less: provision for impairment of other receivables	(12,491)	(11,577)
Net other receivables	82,407	173,062
Others		
Prepayments to suppliers	31,699	20,240
Value-added tax recoverable	5,345	5,494
Total current trade and other receivables and prepayments to suppliers	217,552	331,644
Contract assets		
Due from third parties	176,312	168,295
Less: provision for impairment of contract assets	(18,317)	(8,823)
Net contract assets	157,995	159,472

(a) On 15 January 2022, the Group granted a 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.

(b) During the year ended 31 December 2021, the Group disposed 100% equity interests in Shanghai Jinjie Furniture and Decorations Co., Ltd., Shanghai Zhengyi Information Technology Co., Ltd, Fujian Qiyi Information Technology Co., Ltd., and Sanming Qijia Network Information Technology Co., Ltd. Receivables of RMB147,000,000 from disposal of subsidiaries were received in January 2022. Payables of RMB9,816,000 for disposal of subsidiaries were paid in January 2022 (Note 20).

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

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

- (c) As at 30 June 2022, 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.

The Group grants credit periods to customers ranging from 30 days to 180 days. As at 30 June 2022, the aging analysis of the trade receivables based on invoice date were as follows:

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Trade receivables – gross		
Within 1 month	46,016	55,052
Over 1 month and within 1 year	46,899	64,376
Over 1 year and within 2 years	9,557	17,912
Over 2 years	5,193	2,515
	107,665	139,855

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

	Unaudited Six months ended 30 June 2022 RMB'000	2021 RMB'000
At the beginning of the period	(8,287)	(1,589)
Increase in impairment	(2,557)	(467)
Write-off	–	3
At the end of the period	(10,844)	(2,053)

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

	Unaudited Six months ended 30 June 2022 RMB'000
At the beginning of the period	(8,823)
Increase in impairment	(9,494)
At the end of the period	(18,317)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

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

(c) (continued)

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

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
At the beginning of the period	(11,577)	(14,452)
Increase in impairment	(914)	(8)
Write-off	–	1,567
At the end of the period	(12,491)	(12,893)

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

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Net impairment loss provision		
– Trade receivables	(2,557)	(467)
– Contract assets	(9,494)	–
– Other receivables	(914)	(8)
	(12,965)	(475)

16 CASH AND CASH EQUIVALENTS

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
	Cash at bank	719,846
Cash on hand	76	60
	719,922	569,751
Less: term deposits with initial term of over three months (a)	(234,228)	–
Less: restricted cash (b)	(10,658)	(21,734)
	475,036	548,017

(a) Term deposits with initial terms of over three months were neither past due nor impaired and approximated to their fair value.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

16 CASH AND CASH EQUIVALENTS (continued)

- (b) Restricted cash mainly represented margin account as at 30 June 2022. The Group considered it with no impairment risk. Therefore, no further provisions were provided.

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

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
RMB	371,257	297,818
U.S. dollars ("USD")	334,941	253,444
Hong Kong dollars ("HKD")	13,724	18,489
	719,922	569,751

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

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Cash at bank	474,960	547,957
Cash on hand	76	60
	475,036	548,017

17 SHARE CAPITAL, SHARE PREMIUM

	Ordinary shares Number of ordinary shares	Nominal value of ordinary shares US\$'000
Authorised:		
As of 30 June 2022 and 31 December 2021	2,000,000,000	200

	Number of ordinary shares	Nominal value of ordinary shares US\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
Issued:				
As of 31 December 2021	1,154,060,590	115	767	2,262,955
Cancellation of treasury shares (a)	(9,049,500)	(1)	(6)	(5,249)
As of 30 June 2022	1,145,011,090	114	761	2,257,706

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

17 SHARE CAPITAL, SHARE PREMIUM (continued)

(a) Treasury shares

	Treasury shares	
	Number of treasury shares	Value of treasury shares RMB'000
As at 31 December 2021	28,048,893	46,420
Repurchase of treasury shares (i)	8,827,000	5,070
Cancellation of treasury shares	(9,049,500)	(5,255)
Sale of treasury shares (ii)	(2,277,500)	(875)
As at 30 June 2022	25,548,893	45,360

(i) During the period ended 30 June 2022, 8,827,000 shares with a nominal value of USD883 (equivalent to RMB5,924) were repurchased at HKD6,195,969 (equivalent to RMB5,070,000).

(ii) During the period ended 30 June 2022, 2,277,500 shares with a nominal value of USD228 (equivalent to RMB1,529) were sold at HKD1,033,910 (equivalent to RMB875,000).

18 OTHER RESERVES

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Currency translation differences RMB'000	Share option reserve RMB'000	RSUs reserve RMB'000	FVOCI reserve RMB'000	Others RMB'000	Total RMB'000
At 1 January 2022 (audited)	(199,756)	9,842	(18,643)	15,309	4,184	(47,642)	(15,503)	(252,209)
Transaction with non-controlling interests (a)	(33)	-	-	-	-	-	-	(33)
Currency translation differences	-	-	24,012	-	-	-	-	24,012
Share-based compensation under RSUs	-	-	-	-	3,504	-	-	3,504
Fair value change of financial assets at FVOCI (Note 13(a))	-	-	-	-	-	(11,644)	-	(11,644)
Share of other comprehensive loss of investments accounted for using the equity method (Note 12)	-	-	-	-	-	-	(2,106)	(2,106)
At 30 June 2022 (unaudited)	(199,789)	9,842	5,369	15,309	7,688	(59,286)	(17,609)	(238,476)

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

18 OTHER RESERVES (continued)

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

- (a) The Group liquidated Luoyuan Brausen Decoration Engineering Co., Ltd. in January 2022. The Group and non-controlling shareholders succeeded the corresponding assets and liabilities of them and no cash inflow or outflow was derived from the liquidation. The liquidation procedures were completed in January 2022. The excess of RMB33,000 over the carrying amount of the corresponding non-controlling interests was recorded as "other reserves" in equity.

19 DIVIDENDS

No dividends were paid or declared by the Company during the six months ended 30 June 2022 and 2021.

20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Trade payables (a)	194,683	233,080
Other payables		
Deposits payables (b)	87,816	182,470
Quality and performance guarantee deposits from customers	77,793	75,834
Payables for disposal of subsidiaries (Note 15(b))	-	9,816
Decoration payments collected on behalf of merchants	1,138	1,225
Other accrued expenses and payables	22,880	27,140
Total other payables	189,627	296,485
Others		
Staff salaries and welfare payables	47,024	51,585
Accrued taxes other than income tax	26,438	27,691
Total trade and other payables	457,772	608,841
Contract liabilities (c)	122,218	126,856

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

20 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (continued)

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

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Within 1 month	79,668	164,306
Over 1 month and within 3 months	21,425	25,262
Over 3 months and within 1 year	57,999	18,792
Over 1 year	35,591	24,720
	194,683	233,080

(b) Deposits payables mainly represent security deposits from users of our escrow payment services.

(c) 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.

21 LEASE LIABILITIES

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
Minimum lease payment due:		
– Within 1 year	24,506	19,459
– Between 1 and 2 years	7,943	11,832
– Between 2 and 5 years	8,077	9,385
– More than 5 years	360	850
	40,886	41,526
Less: future finance charges	(2,173)	(1,851)
	38,713	39,675

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 2022 and 2021, and balances arising from related party transactions as at 30 June 2022 and 31 December 2021.

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

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. 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 the controlling shareholder
Suzhou Jiangmen Enterprise Management Consulting Center (Limited Partnership) (蘇州將門企業管理諮詢中心(有限合夥), "Suzhou Jiangmen")	Non-controlling shareholder

(b) Transactions with related parties

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
i) <i>Repayment of loans from a related party</i> Qijia E-commerce	–	500
ii) <i>Loans provided to a related party</i> Mr. Zou Jianfeng	–	10

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

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
iii) <i>Loans received from a related party</i> Suzhou Jiangmen	249	–

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

	Unaudited Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
iv) <i>Service income from a related party</i> Qijia E-commerce	943	1,309
v) <i>Lease from a related party</i> Qijia E-commerce	283	208
vi) <i>Received capital increase from a non-controlling shareholder</i> Suzhou Jiangmen	1,635	433

Notes to the Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2022

22 RELATED PARTY TRANSACTIONS (continued)

(c) Balances with related parties

	Unaudited 30 June 2022 RMB'000	Audited 31 December 2021 RMB'000
<i>Amounts due from related parties:</i>		
Mr. Yang Weihai	980	980
Mr. Zou Jianfeng	70	70
Qijia E-commerce	27	19
	1,077	1,069
<i>Amounts due to related parties:</i>		
Suzhou Jiangmen	249	–
Qijia E-commerce	17	–
	266	–

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:

	Unaudited Six months ended 30 June 2022 RMB'000	2021 RMB'000
Salaries	2,826	1,938
Discretionary bonuses	926	126
Pension cost – defined contribution plans	131	76
Other social security costs, housing benefits and other employee benefits	144	86
Share-based compensation expenses	1,358	1,136
	5,385	3,362

23 CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, the Group did not have any material contingent liabilities.

Definition

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Auditor”	PricewaterhouseCoopers, the independent auditor of the Company
“Board”	the board of Directors of our Company
“CEO”	the chief executive officer of our Company
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
“Chairman”	the chairman of the Board
“CIT”	corporate income tax
“Company”, “our Company”, “we” or “us”	Qeeka Home (Cayman) Inc. 齊屹科技 (開曼) 有限公司 (formerly known as China Home (Cayman) Inc.), an exempted company with limited liability incorporated in the Cayman Islands on 20 November 2014
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Contractual Arrangement(s)”	the series of contractual arrangements entered into among Shanghai Qijia, Qijia Network Technology and the shareholders of Shanghai Qijia, details of which are described in the section headed “Contractual Arrangements” of the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of our Company
“EPS”	earnings/(loss) per share
“Group” or “our Group”	the Company, its subsidiaries, and the PRC Operating Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“IAS”	the International Accounting Standards
“IASB”	the International Accounting Standards Board
“IDC” or “Interior Design and Construction Business”	the provision of interior design and construction service and licensing it brand to business partners and others
“IFRS”	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the IASB

Definition

“Innovation and others”	the provision of other initiative services
“IPO”	the Company’s initial public offering and listing of its shares on Main Board of the Stock Exchange on 12 July 2018
“Listing Date”	12 July 2018, the date on which the Shares were listed on Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified 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 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 18 November 2014, which is wholly owned by Mr. Deng
“Reporting Period”	the six months ended 30 June 2022
“RMB”	Renminbi, the lawful currency of PRC
“RSU(s)”	restricted share unit(s)
“SaaS and Marketing Service Business”	the provision of SaaS based total marketing solution, targeted marketing services and inspection service
“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

Definition

“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 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.