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Qeeka Home (Cayman) Inc.

齊屹科技(開曼)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1739)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Directors of Qeeka Home (Cayman) Inc. (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries and PRC Operating Entities (collectively, the “**Group**”) for the year ended 31 December 2022. These results have been audited by the Auditor in accordance with International Standards on Auditing, and have also been reviewed by the Audit and Risk Management Committee.

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

KEY HIGHLIGHTS

1. Financial Summary

	Year ended 31 December		Year-on-year
	2022	2021	Change
	(RMB'000)	(RMB'000)	(%)
Revenue	875,735	1,106,540	(20.9%)
Gross Profit	473,931	593,423	(20.1%)
Gross Margin	54.1%	53.6%	–
Net (loss)/profit attributable to equity holders of the Company	(126,044)	74,054	N/A
Adjusted net (loss)/profit attributable to equity holders of the Company ⁽¹⁾	(64,179)	2,378	N/A
Adjusted Net Margin	N/A	0.2%	N/A

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, which exclude wealth management products and others, share-based compensation expenses, gains on disposal of subsidiaries and income tax effects.

BUSINESS REVIEW AND OUTLOOK

Business Review

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

In 2022, the change of macro environment, the downturn in the real estate market and the repeated outbreak of the epidemic triggered a series of chain reactions, which brought certain challenges to our business development. Our merchants and suppliers have been affected to varying degrees due to the repeated outbreak of the epidemic.

In 2022, our total revenue reached RMB875.7 million, decreased by 20.9% year-on-year. Among them, revenue from SaaS and Marketing Service Business decreased by 15.8% to RMB477.9 million, and revenue from Interior Design and Construction Business decreased by 24.2% to RMB345.2 million year-on-year.

We continue to promote the digital upgrade of the interior design and construction industry, and provide merchants with a SaaS-based total solutions to meet their different needs by optimizing digital tools, including but not limited to site management, marketing, customer service, material supply, etc., to help them effectively improve operational efficiency, reduce operating costs and enhance customer experience. In the process of empowering merchants, we have also continuously adjusted our business strategies and continuously enhanced our service capabilities.

In response to the strong demand of users for improving the living environment under the epidemic period, we adjusted the strategic direction of the self-operated decoration business, and recreated the mid-to-high-end decoration brand “Brausen” (the “**Brausen**”) and the partial renovation brand “Youzi” (the “**Youzi**”), which has achieved a good reputation among users. As of the year ended 31 December 2022, the Brausen had 3 stores in 2 cities in China, while the Youzi has opened 5 stores in Shanghai since its launch in June 2022, with a contract value of RMB12.9 million.

In addition, with the downturn in the real estate market and the shortage of capital chain of real estate developers, we adjusted the strategic direction of the public decoration brand “Jumei” (the “**Jumei**”) and reduced the bidding of the refined customized service for real estate developers. In 2022, we participated in public decoration services such as Hotel Indigo, Jubao Hotel, and 4S store of BYD (a leading new energy vehicle (NEV) manufacturer in China) , gradually transforming into commercial public decoration services.

- *SaaS and Extended Service Business*

We provide merchants with SaaS-based total solutions to empower and improve their operational efficiency through marketing acquisition, site management, material supply, etc. In 2022, affected by the epidemic, revenue from SaaS and Extended Service Business reached RMB517.6 million, decreased by 18.4% year-on-year, of which revenue from SaaS and Marketing Service decreased by 15.8% to RMB477.9 million year-on-year, and revenue from Supply Chain Service decreased by 40.7% to RMB39.7 million year-on-year.

The following table sets forth the key operation data for this segment:

	Year ended 31 December	
	2022	2021
Number of active paying merchants	4,055	5,799
Number of sales leads ⁽¹⁾	686,092	749,034
Number of recommended users	581,775	624,569
Average revenue from SaaS and Marketing Service per sales lead (RMB) ⁽²⁾	697	757

Notes:

- (1) It represents the number of data that identifies someone as a potential demand user of Interior Design and Construction for the year ended 31 December 2022.
- (2) It refers to the average revenue per sales lead, which equals the revenue of SaaS and Marketing Service for the year ended 31 December 2022 divided by the sales leads as of 31 December 2022.

In 2022, due to the repeated COVID-19 epidemic and lockdown measures in the first half of the year, coupled with the nationwide epidemic repeated outbreak in the fourth quarter, it had a serious impact on both the user side and the merchant side. On the user side, due to the lockdown of the community and the repeated outbreak of the epidemic, the merchants cannot go to the door to measure the room, and the user cannot understand the service of the merchants, so the user's decision-making time for decoration has become longer, which inhibits the user's demand for decoration.

Therefore, the number of sales leads decreased by 8.4% compared with last year to 686,092, and the number of recommended users decreased by 6.9% compared with last year to 581,775; On the merchant side, the community lockdown measures led to the inability to construct the construction site, and the merchant and the user could not communicate the details of the service face-to-face, resulting in a decline in the signing rate, and at the same time, the intermittent shutdown of work led to a cash flow that exceeded its means, inhibiting the merchant's marketing budget, so the number of our active paying merchants decreased by 30.1% to 4,055.

In terms of supply chain, we provide merchants with diversified supply chain solutions. We help merchants coordinate from the sales end to the supply side, reduce inventory costs, improve fulfillment and delivery capabilities, and improve the operation efficiency. In 2022, we also established our private brand, further reduced cost of sales with saving on transaction fees and circulation costs too. Affected by the epidemic, the suspension of production, market demand, poor logistics, peak shifting production and many other factors, resulting in a great impact on both supply and demand transactions, our revenue from Supply Chain Service decreased by 40.7% to RMB39.7 million compared with last year.

- *Interior Design and Construction Business*

Home decoration service

We provide users with interior design and construction solution through the mid-to-high-end decoration brand “Brausen” and the partial renovation brand “Youzi”, create an online and offline integrated digital business through offline chain experience stores + SaaS tools, deeply connect the service from designers and project managers with the needs of users, and provide users with one-stop interior design and construction solution that is cost-saving and efficient.

In 2022, affected by the epidemic, our “Brausen” brand was greatly affected due to the interruption of construction site and other reasons, the contract value reached RMB70.4 million, and the revenue decreased by 5.7% to RMB55.0 million compared to last year.

However, in order to improve the user experience and reduce the spread of the epidemic caused by face-to-face contact during the construction process, we have upgraded the Qijiabao service in the SaaS tool for free for Brausen’s users, and users can monitor the site work online anytime and anywhere through the cloud supervision system throughout the construction project, solving the inconvenience of keeping an eye on the decoration for users.

At the same time, we launched the partial renovation brand “Youzi” in Shanghai to meet the needs of users for partial renovation during the epidemic, taking the community as the service radius to provide users renewal service such as kitchen, bathroom, balcony renovation, wall refreshing, cabinet replacement and other service. As of the year ended 31 December 2022, Youzi has opened 5 stores in Shanghai, achieving a contracted value of RMB12.9 million and revenue of RMB6.1 million.

Public decoration service

We provide corporate users with interior design and construction solution through our public decoration brand “Jumei”. In 2022, due to the impact of the macroeconomic environment and real estate policies, our upstream customer developers of residential real-estate faced the risk of fund shortage, resulting in greater credit risk due to the long ageing of our accounts receivable and contract asset, and we made a provision for bad debts of RMB13.4 million.

We took the initiative to adjust the strategic direction of the brand, reduced the business proportion of refined customized service for real estate developers, and successfully cooperated with hotel operators to participate in the public decoration of Hotel Indigo and Jubao Hotel, and also cooperated with BYD company to participate in the interior decoration services of its 4S stores, we gradually transform from refined customized service for real estate developers to commercial public decoration services. In 2022, our revenue decreased by 28.5% to RMB284.0 million compared with last year.

Company Business Outlook

Looking back on 2022, the COVID-19 epidemic continued to spread at multiple points and the uncertainty of the macroeconomic environment increased significantly. However, under the efficient coordination of the Chinese government, the epidemic prevention and control achieved positive results and stabilized the macroeconomic market.

Stepping into 2023, we have also seen some good trends in the industry. From the demand side, people's lives have gradually returned to normal, and residents' consumption has continued to recover. The demand for interior design and construction industry has grown steadily, firstly, the urbanization process continues to advance, and the replacement of improved housing has brought about the decoration demand for new houses. The second is the renovation demand brought about by the renewal and renovation of existing housing stocks triggered by the epidemic at home. From the supply side, the epidemic has accelerated the digital transformation of the decoration industry, and the industry will pay more attention to the application of digital scenarios to improve efficiency and reduce costs.

In such an environment, we will catch the opportunity, develop our advantages in digital construction, provide refined operation strategies to empower our merchants, and continuously improve operational efficiency and organizational capabilities. Continuously improve the service system, enhance user satisfaction and stickiness.

In the future, we will continue to explore and layout emerging business models, and explore new business opportunities.

MANAGEMENT DISCUSSION AND ANALYSIS

(The following information disclosure was based on financial information prepared in accordance with IFRSs unless otherwise specified)

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Revenue	875,735	1,106,540
Cost of sales	<u>(401,804)</u>	<u>(513,117)</u>
Gross profit	473,931	593,423
Selling and marketing expenses	(434,243)	(492,898)
Administrative expenses	(87,683)	(96,367)
Research and development expenses	(43,557)	(43,140)
Net impairment losses on financial assets	(15,743)	(14,279)
Other (losses)/gains – net	<u>(51,396)</u>	<u>117,086</u>
Operating (loss)/profit	(158,691)	63,825
Finance income	21,133	13,062
Finance costs	<u>(2,609)</u>	<u>(2,758)</u>
Finance income – net	18,524	10,304
Share of results of investments accounted for using the equity method	<u>3,694</u>	<u>6,820</u>
(Loss)/profit before income tax	(136,473)	80,949
Income tax expenses	<u>(3,793)</u>	<u>(9,658)</u>
(Loss)/profit for the year	<u>(140,266)</u>	<u>71,291</u>
(Loss)/profit is attributable to:		
Equity holders of the Company	(126,044)	74,054
Non-controlling interests	<u>(14,222)</u>	<u>(2,763)</u>
	<u>(140,266)</u>	<u>71,291</u>
Non-IFRS measure		
Adjusted net (loss)/profit attributable to equity holders of the Company	<u>(64,179)</u>	<u>2,378</u>

Revenue

Total revenue decreased by 20.9% from RMB1,106.5 million for the year ended 31 December 2021 to RMB875.7 million for the year ended 31 December 2022. It was mainly attributable to the impact of the COVID-19 pandemic in 2022, which was far greater than that of the previous year in terms of scope and duration resulting in a material effect on our merchants and the material suppliers in relation to their operation.

As a result, the COVID-19 pandemic and the slow market environment have led to almost all the revenue by segment of the Group decreasing during the second and fourth quarters of 2022.

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

	Year ended 31 December			
	2022		2021 (restated)	
	Amount <i>RMB'000</i>	% of total revenue	Amount <i>RMB'000</i>	% of total revenue
SaaS and Extended Services Business	517,626	59.1%	634,290	57.3%
Interior Design and Construction and others Business	358,109	40.9%	472,250	42.7%
Total	<u>875,735</u>	<u>100.0%</u>	<u>1,106,540</u>	<u>100.0%</u>

SaaS and Extended Service Business

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

	Year ended 31 December			
	2022		2021 (restated)	
	Amount <i>RMB'000</i>	% of total revenue	Amount <i>RMB'000</i>	% of total revenue
SaaS and Marketing Service	477,885	92.3%	567,314	89.4%
Supply Chain Service	39,741	7.7%	66,976	10.6%
Total	<u>517,626</u>	<u>100.0%</u>	<u>634,290</u>	<u>100.0%</u>

Revenue from SaaS and Extended Business decreased by 18.4% from RMB634.3 million for the year ended 31 December 2021 to RMB517.6 million for the year ended 31 December 2022. Revenue from SaaS and Extended Business included:

– *SaaS and Marketing Service*

Revenue from our SaaS and Marketing Service Business decreased by 15.8% from RMB567.3 million for the year ended 31 December 2021 to RMB477.9 million for the year ended 31 December 2022, the decrease in revenue was due to (i) our number of sales leads decreased from 749,034 for the year ended 31 December 2021 to 686,092 for the year ended 31 December 2022, and (ii) our average revenue from SaaS and Marketing Service per sales lead decreased from RMB757 for the year ended 31 December 2021 to RMB697 for the year ended 31 December 2022.

– *Supply Chain Service*

Revenue from our Supply Chain Service Business decreased by 40.7% from RMB67.0 million for the year ended 31 December 2021 to RMB39.7 million for the year ended 31 December 2022, primarily due to the shutdown of the factory, the suspension of production, the decrease in market demand, poor logistics and many other factors during the epidemic.

Interior Design and Construction and others Business

– *Interior Design and Construction*

Revenue from Interior Design and Construction decreased by 24.2% from RMB455.6 million for the year ended 31 December 2021 to RMB345.2 million for the year ended 31 December 2022, primarily due to the decrease in the public decoration service. With the gradual acceleration of the epidemic in many places in China during the Reporting Period, the available construction sites were decreased and the efficiency of delivery and acceptance of certain projects were delayed.

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 of public decoration service, actively reduced the scale of the business. As a result, the contract value of the public decoration business decreased by 43.9% to RMB248.0 million for the year ended 31 December 2022, compared to RMB441.8 million for the year ended 31 December 2021.

In addition, with the gradual increase in the size of the stock housing and the residents' demand for improving their living conditions, we have launched the new brand "Youzi", which mainly provides the home partial renovation service. The revenue and contract value of this business were RMB6.1 million and RMB12.9 million for the year ended 31 December 2022, respectively.

– *Innovation and others*

Innovation and others business mainly includes “Nola”, a customized integrated furniture brand and shared showroom services for material suppliers. Revenue from Innovation and others decreased by 22.6% from RMB16.7 million for the year ended 31 December 2021 to RMB12.9 million for the year ended 31 December 2022, primarily due to the segment is still at an early stage and yet to contribute sizable revenue.

Cost of sales

Cost of sales decreased by 21.7% to RMB401.8 million for the year ended 31 December 2022, compared to RMB513.1 million for the year ended 31 December 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 32.6% from RMB86.6 million for the year ended 31 December 2021 to RMB58.4 million for the year ended 31 December 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 19.7% from RMB408.0 million for the year ended 31 December 2021 to RMB327.7 million for the year ended 31 December 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 24.2% 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 20.1% from RMB593.4 million for the year ended 31 December 2021 to RMB473.9 million for the year ended 31 December 2022.

Our overall gross profit margin was maintained at 54.1% for the year ended 31 December 2022, compared to 53.6% for the year ended 31 December 2021.

	Year ended 31 December			
	2022		2021	
	Amount	Gross	(restated)	Gross
	RMB'000	Margin	Amount	Margin
		%	RMB'000	%
SaaS and Extended Services Business	459,230	88.7%	547,686	86.3%
Interior Design and Construction and others Business	14,701	4.1%	45,737	9.7%
	473,931	54.1%	593,423	53.6%

SaaS and Extended Service Business

Gross profit from SaaS and Extended Service Business decreased by 16.2% from RMB547.7 million for the year ended 31 December 2021 to RMB459.2 million for the year ended 31 December 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:

	Year ended 31 December			
	2022		2021 (restated)	
	Amount <i>RMB'000</i>	Gross Margin %	Amount <i>RMB'000</i>	Gross Margin %
SaaS and Marketing Service	455,980	95.4%	542,095	95.6%
Supply Chain Service	3,250	8.2%	5,591	8.3%
	<u>459,230</u>	<u>88.7%</u>	<u>547,686</u>	<u>86.3%</u>

Gross profit margin of this segment stabilized at approximately 88.7% for the year ended 31 December 2022, as compared to 86.3% for the year ended 31 December 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 95.4% for the year ended 31 December 2022, as compared to 95.6% for the year ended 31 December 2021.

Interior Design and Construction and others Business

Gross profit from Interior Design and Construction and other Business decreased by 67.9% from RMB45.7 million for the year ended 31 December 2021 to RMB14.7 million for the year ended 31 December 2022, was mainly attributable to (i) the decrease in revenue of this segment, and (ii) the real estate refined decoration from our public decoration services with low gross margin for the year ended 31 December 2022.

Gross profit margin of this segment decreased from 9.7% for the year ended 31 December 2021 to 4.1% for the year ended 31 December 2022, which was mainly attributable to the low margin business of our real estate refined decoration from our public 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 11.9% from RMB492.9 million for the year ended 31 December 2021 to RMB434.2 million for the year ended 31 December 2022, primarily due to (i) the decrease in advertising and promotion expenses, which is in line with the decrease of our revenue from SaaS and Marketing Service, and (ii) the decrease in labor costs, mainly attributable to the Group proactively adopted measures to improve the customer services efficiency and optimize the customer services team to soft the adverse impact of the epidemic.

Administrative expenses

Our administrative expenses decreased by 9.0% from RMB96.4 million for the year ended 31 December 2021 to RMB87.7 million for the year ended 31 December 2022. It was mainly attributable to the staff made unremitting efforts to improve management efficiency and control cost to save the professional fee, travelling, entertainment and communication expenses and other miscellaneous.

Research and development expenses

Our research and development expenses slightly increased by 1.0% from RMB43.1 million for the year ended 31 December 2021 to RMB43.6 million for the year ended 31 December 2022. There was no significant changes during the year.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 10.3% from RMB14.3 million for the year ended 31 December 2021 to RMB15.7 million for the year ended 31 December 2022. With the recurrence of the epidemic and the continuing affected by the overall downturn in the real estate market in 2022, the proportion of bad debt provision was increased by the longer collection cycle of the real estate construction projects, which was finally due to the increase in the expected credit loss on trade receivable and contract assets of the Interior Design and Construction projects. After assessment by the management of the Company, net impairment losses on financial assets mainly of IDC business had been provided for RMB15.6 million for the year ended 31 December 2022.

Other losses – net

Other net losses were RMB51.4 million for the year ended 31 December 2022. It was mainly due to (i) impairment loss on investments accounted for using the equity method of RMB49.2 million, (ii) loss on investment on financial assets at fair value through profit or loss of RMB3.5 million, and (iii) government subsidies of RMB4.0 million. Our adjusted other net gains were RMB6.5 million after the Non-IFRS items of the impairment loss on investments accounted for using the equity method and net fair value change on investment on financial assets at fair value through profit or loss, which exclude wealth management products and others, were deducted.

Finance income – net

Our finance income for the year ended 31 December 2022 was mainly due to the interest income from our term deposits.

Share of net profit of associates accounted for using the equity method

Our share of net profit of associates accounted for using the equity method for the year ended 31 December 2022 was mainly due to the result of profit picked up from investees.

Income tax expenses

Our income tax expenses for the year ended 31 December 2022 was RMB3.8 million mainly due to the decrease in deferred tax assets.

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

As a result of the foregoing, our net loss was RMB140.3 million for the year ended 31 December 2022, as compared to net profit of RMB71.3 million for the year ended 31 December 2021.

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

Our adjusted net loss attributable to equity holders of the Company was RMB64.2 million for the year ended 31 December 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.

The following table reconciles our adjusted net profit attributable to equity holders of the Company for the years ended 31 December 2022 and 2021 to the most directly comparable financial measure calculated and presented in accordance with IFRSs:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Net (loss)/profit attributable to equity holders of the Company for the year	(126,044)	74,054
Impairment loss on investments accounted for using the equity method	49,151	11,584
Net fair value change on investment on financial assets at fair value through profit or loss, which exclude wealth management products and others	8,769	9,343
Share-based compensation expenses	3,945	12,424
Gains on disposal of subsidiaries ⁽¹⁾	–	(112,958)
Income tax effects	–	7,931
	<hr/>	<hr/>
Adjusted net (loss)/profit attributable to equity holders of the Company	(64,179)	2,378
	<hr/>	<hr/>

Note:

- (1) It mainly included the gains in relation to the disposal of entire equity interests in Shanghai Jinjie, Sanming Qijia, Shanghai Zhengyi and Fujian Qiyi of RMB111.7 million for the year ended 31 December 2021.

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 RMB445.4 million, term deposits of RMB569.5 million and restricted cash of RMB23.5 million as of 31 December 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 balance of cash and other liquid financial resources for the years indicated:

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Cash and cash equivalents	445,429	548,017
Term deposits	569,523	–
Restricted cash	23,474	21,734
	<hr/>	<hr/>
Cash and other liquid financial resources	1,038,426	569,751
	<hr/>	<hr/>

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

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Net cash used in operating activities	(225,709)	(190,570)
Net cash generated from/(used in) investing activities	97,431	(82,374)
Net cash generated from/(used in) financing activities	8,203	(65,402)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(120,075)	(338,346)
Effect on exchange rate difference	17,487	(10,991)
Cash and cash equivalents at the beginning of the period	548,017	897,354
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	445,429	548,017
	<hr/>	<hr/>

Net cash used in operating activities

For the year ended 31 December 2022, our net cash used in operating activities was RMB225.7 million, which was primarily attributable to our loss before income tax of RMB136.5 million, as adjusted by (i) non-cash items, which primarily comprised depreciation and amortization of RMB24.4 million, provision for bad debt and impairment loss on investment in associate of RMB64.9 million, share-based payments of RMB3.9 million and loss on disposal of property, plant and equipment of RMB2.5 million; and (ii) changes in working capital, which primarily comprised a decrease in trade and other receivables of RMB43.5 million, an increase in contract assets of RMB23.3 million, a decrease in restricted cash of RMB16.3 million, and a decrease in trade and other payables and contract liabilities of RMB210.2 million.

Net cash generated from investing activities

For the year ended 31 December 2022, our net cash generated from investing activities was RMB97.4 million, which was mainly attributable to proceeds from disposals of financial assets at fair value through profit or loss of RMB1,165.2 million, disposals of subsidiaries of RMB137.2 million, cash received from loan interest and guarantee deposits of RMB8.8 million, partially offset by purchase of financial assets at fair value through profit or loss of RMB606.7 million, net increase in term deposits of RMB554.8 million, and loans provided to a third party of RMB50.0 million.

Net cash generated from financing activities

For the year ended 31 December 2022, net cash generated from financing activities was RMB8.2 million, which was mainly attributable to proceeds from borrowings of RMB38.0 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 RMB11.1 million.

Trade and other receivables and advances to suppliers

Trade and other receivables and advances to suppliers decreased by 45.2% from RMB336.6 million as of 31 December 2021 to RMB184.5 million as of 31 December 2022, primarily due to (i) decrease of receivables from the disposal of subsidiaries of RMB142.0 million, (ii) decrease of trade receivables from third parties of RMB55.2 million, mainly attributable to the decrease in account receivables from real estate developers which returned the relevant funds, 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.

Trade and other payables

Trade and other payables decreased by 29.4% from RMB608.8 million as of 31 December 2021 to RMB429.8 million as of 31 December 2022, primarily due to (i) decrease of deposits payables of RMB137.2 million, which was mainly represent security deposits from users of our escrow payment services, and (ii) decrease of trade payables from third parties of RMB54.5 million, mainly attributable to the decrease in account payables to building materials suppliers caused by the completion of the project.

Borrowings

Borrowings increased by 133.7% from RMB16.3 million as of 31 December 2021 to RMB38.0 million as of 31 December 2022, primarily due to a new borrowing of RMB20.0 million to Shanghai Qiyi Information Technology Co., Ltd..

As at 31 December 2022, we had total borrowings principal of RMB38.0 million and the interest rate of the borrowings was from 3.25% to 4.53% per annum, 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., RMB8.0 million of which was guaranteed by Shanghai Qiyu Information Technology Co., Ltd., Mr. Yang Weihan and Mrs. Zhang Fan, who is the wife of Mr. Yang Weihan, and RMB20.0 million of which was guaranteed by Shanghai Qiyu Information Technology Co., Ltd. and Qijia (Shanghai) Network Technology Co., Ltd..

Gearing ratio

As at 31 December 2022, our gearing ratio, calculated as total borrowing divided by total equity attributable to equity holders of the Company was approximately 3.2%.

Treasury policy

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Purchase of property and equipment	4,815	19,470
Purchase of intangible assets	1,272	1,120
Total	<u>6,087</u>	<u>20,590</u>

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

Significant Investment Held

As at 31 December 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	Net book value as at 31 December 2022	Number of shares of investment held as at 31 December 2022	Percentage of investment held as at 31 December 2022	Performance/	Performance/	Performance/	Size as
					Change in share of results of investment accounted for using the equity method for the year ended 31 December 2022			
	RMB'000	RMB'000		(%)	RMB'000	RMB'000	RMB'000	(%)
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	229,264	39,720,000	6.15%	3,485	(1,060)	(47,888)	12.7%

Description of the investment

In 2014, we made a minority investment in Guangzhou Seagull Kitchen and Bath Products Co. Ltd. (“Seagull”), a PRC company listed on the Shenzhen Stock Exchange (Stock code: 002084) that engages in the production and sale of high-end plumbing equipment and hardware. The investment in Seagull is not held for trading. We believe that we enjoyed strategic and synergic benefits from our investment and consider it as strategic investment. We will review our investment strategy regularly in response to the changes in market situation. The financial performance of this company has stabilized but still fell short of original projection and lowered the expectation to its future profitability and consequently affected the valuation conducted by independent valuer. As of 31 December 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.

Financial assets at fair value through profit or loss

As at 31 December 2022, the Group had current and non-current financial assets at fair value through profit or loss of approximately RMB71.2 million (31 December 2021: approximately RMB639.3 million), mainly comprised (i) investments in wealth management products of approximately RMB49.4 million (31 December 2021: approximately RMB603.0 million); (ii) investments in listed companies of approximately RMB17.4 million (31 December 2021: approximately RMB18.4 million); and (iii) private equity funds of approximately RMB4.5 million (31 December 2021: approximately RMB5.0 million).

	As at 31 December 2022 RMB’000	As at 31 December 2021 RMB’000
Financial assets at fair value through profit or loss		
Current		
Wealth management products ⁽¹⁾	49,403	603,013
Investments in listed companies	17,358	18,432
Financial assets related to redemption rights	–	12,350
Mutual funds	–	548
Subtotal	66,761	634,343
Non-current		
Private equity funds	4,451	5,000
Subtotal	4,451	5,000
Total	71,212	639,343

- (1) Wealth management products decreased by 91.8% from RMB603.0 million as at 31 December 2021 to RMB49.4 million as at 31 December 2022, mainly due to the Group purchase of more low-risk term deposits after the wealth management products were redeemed to improve the security of the funds.

Long-term investment activities

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Investments accounted for using the equity method	233,102	280,069
Financial assets at fair value through other comprehensive income	34,926	48,388
Financial assets at fair value through profit or loss	4,451	5,000
	<hr/>	<hr/>
Total	272,479	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.

For the year ended 31 December 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 recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currencies. Our Company's functional currency is USD. Our Company's primary subsidiaries were incorporated in the PRC and these subsidiaries use RMB as their functional currency. Our Group operates mainly in the PRC with most of the transactions settled in RMB. As a result, management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of our Group are denominated in the currencies other than the respective functional currencies of our Group's entities. Hence, we currently do not hedge or consider necessary to hedge any of these risks.

Contingent liabilities

As at 31 December 2022 and as at 31 December 2021, we did not have any material contingent liabilities.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

		Year ended 31 December	
		2022	2021
	Note	RMB'000	RMB'000
Revenue	4	875,735	1,106,540
Cost of sales	5	<u>(401,804)</u>	<u>(513,117)</u>
Gross profit		473,931	593,423
Selling and marketing expenses	5	(434,243)	(492,898)
Administrative expenses	5	(87,683)	(96,367)
Research and development expenses	5	(43,557)	(43,140)
Net impairment losses on financial assets	9(d)	(15,743)	(14,279)
Other (losses)/gains – net		<u>(51,396)</u>	<u>117,086</u>
Operating (loss)/profit		(158,691)	63,825
Finance income	6	21,133	13,062
Finance costs	6	<u>(2,609)</u>	<u>(2,758)</u>
Finance income – net	6	18,524	10,304
Share of results of investments accounted for using the equity method		<u>3,694</u>	<u>6,820</u>
(Loss)/profit before income tax		(136,473)	80,949
Income tax expenses	7	<u>(3,793)</u>	<u>(9,658)</u>
(Loss)/profit for the year		<u>(140,266)</u>	<u>71,291</u>
(Loss)/profit attributable to:			
Equity holders of the Company		(126,044)	74,054
Non-controlling interests		<u>(14,222)</u>	<u>(2,763)</u>
		<u>(140,266)</u>	<u>71,291</u>
(Losses)/earnings per share for profit attributable to equity holders of the Company			
Basic (losses)/earnings per share (RMB)	8	<u>(0.1125)</u>	<u>0.0648</u>
Diluted (losses)/earnings per share (RMB)	8	<u>(0.1125)</u>	<u>0.0641</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Year ended 31 December	
Note	2022 RMB'000	2021 RMB'000
(Loss)/profit for the year	(140,266)	71,291
Other comprehensive income/(loss) for the year		
<i>Items that may be reclassified to profit or loss:</i>		
Share of other comprehensive loss of investments accounted for using the equity method	(1,060)	(731)
Exchange differences on translation of foreign operations	74	(12,659)
	(986)	(13,390)
<i>Items that will not be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	41,528	–
Changes in the fair value of equity investments at fair value through other comprehensive income	(16,108)	(15,270)
	25,420	(15,270)
Total other comprehensive income/(loss) for the year, net of tax	24,434	(28,660)
Total comprehensive (loss)/income for the year	(115,832)	42,631
Total comprehensive (loss)/income for the year is attributable to:		
Equity holders of the Company	(101,610)	45,394
Non-controlling interests	(14,222)	(2,763)
	(115,832)	42,631

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

		As at 31 December	
		2022	2021
	Note	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		23,472	27,828
Right-of-use assets		27,731	36,156
Intangible assets		2,862	4,416
Goodwill		7,796	7,796
Deferred tax assets		6,768	10,786
Investments accounted for using the equity method		233,102	280,069
Financial assets at fair value through other comprehensive income (“FVOCI”)		34,926	48,388
Other receivables	9	–	5,000
Financial assets at fair value through profit or loss (“FVPL”)	10	4,451	5,000
Term deposits		103,493	–
Total non-current assets		444,601	425,439
Current assets			
Inventories		2,635	2,996
Trade and other receivables and prepayments to suppliers	9	184,528	331,644
Amounts due from related parties		1,339	1,069
Contract assets	9	177,565	159,472
Financial assets at fair value through profit or loss (“FVPL”)	10	66,761	634,343
Term deposits		466,030	–
Restricted cash		23,474	21,734
Cash and cash equivalents		445,429	548,017
Total current assets		1,367,761	1,699,275
Total assets		1,812,362	2,124,714

		As at 31 December	
		2022	2021
	<i>Note</i>	RMB'000	RMB'000
EQUITY			
Share capital		761	767
Share premium		2,254,288	2,262,955
Other reserves		(241,275)	(252,209)
Treasury shares		(35,987)	(46,420)
Accumulated losses		(794,012)	(667,969)
Equity attributable to equity holders of the Company		1,183,775	1,297,124
Non-controlling interests		(13,242)	(11,681)
Total equity		1,170,533	1,285,443
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		–	457
Lease liabilities		15,438	21,501
Total non-current liabilities		15,438	21,958
Current liabilities			
Short-term borrowings		38,044	16,280
Trade and other payables	12	429,751	608,841
Contract liabilities	12	89,597	126,856
Amounts due to related parties		56	–
Lease liabilities		21,597	18,174
Income tax liabilities		47,346	47,162
Total current liabilities		626,391	817,313
Total liabilities		641,829	839,271
Total equity and liabilities		1,812,362	2,124,714

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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, inspection service and others (“**SaaS and Marketing Service**”); (ii) the provision of building and home decoration materials supply chain services (“**Supply Chain Service**”); (iii) the provision of interior design and construction service (“**Interior Design and Construction**”); 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.

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

These consolidated financial statements have been approved for issue by the Board of Directors on 27 March 2023.

2 BASIS OF PREPARATION

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

3 ACCOUNTING POLICIES

(a) Amended standards adopted by the Group

The Group has applied the following amendments or annual improvements for the first time for their annual reporting period commencing 1 January 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3,
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37,
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16,
- Annual Improvements to IFRS Standards 2018-2020, and
- Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendments to IFRS 16 (March 2021) (the “**IFRS 16 Amendment (March 2021)**”)

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

(b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2022 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IFRS 16	Leases on sale and leaseback	1 January 2024
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 SEGMENT INFORMATION

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

During the year ended 31 December 2022, the Group has reorganized its business segments to better allocate resources and assess performance of the operating segments. The segment information for the year ended 31 December 2021 has been restated accordingly.

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

- SaaS and Marketing Service;
- 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.

Segment	Year ended 31 December 2022				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	483,899	54,885	345,508	68,105	952,397
Inter-segment sales	(6,014)	(15,144)	(310)	(55,194)	(76,662)
Revenue from external customers	477,885	39,741	345,198	12,911	875,735
Timing of revenue recognition					
At a point in time	423,010	39,741	2,929	7,859	473,539
Over time	54,875	–	342,269	5,052	402,196
	477,885	39,741	345,198	12,911	875,735
Results					
Segment gross profit/(loss)	455,980	3,250	17,502	(2,801)	473,931
Selling and marketing expenses					(434,243)
Administrative expenses					(87,683)
Research and development expenses					(43,557)
Other losses – net					(51,396)
Finance income – net					18,524
Net impairment losses on financial assets					(15,743)
Share of results of investments accounted for using the equity method					3,694
Loss before income tax					(136,473)

Year ended 31 December 2021 (restated)					
Segment	SaaS and Marketing Service <i>RMB'000</i>	Supply Chain Service <i>RMB'000</i>	Interior Design and Construction <i>RMB'000</i>	Innovation and others <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue					
Segment revenue	573,130	78,631	460,688	60,634	1,173,083
Inter-segment sales	(5,816)	(11,655)	(5,126)	(43,946)	(66,543)
Revenue from external customers	<u>567,314</u>	<u>66,976</u>	<u>455,562</u>	<u>16,688</u>	<u>1,106,540</u>
Timing of revenue recognition					
At a point in time	506,868	66,976	4,510	877	579,231
Over time	<u>60,446</u>	<u>–</u>	<u>451,052</u>	<u>15,811</u>	<u>527,309</u>
	<u>567,314</u>	<u>66,976</u>	<u>455,562</u>	<u>16,688</u>	<u>1,106,540</u>
Results					
Segment gross profit/(loss)	<u>542,095</u>	<u>5,591</u>	<u>47,551</u>	<u>(1,814)</u>	<u>593,423</u>
Selling and marketing expenses					(492,898)
Administrative expenses					(96,367)
Research and development expenses					(43,140)
Other gains – net					117,086
Finance income – net					10,304
Net impairment losses on financial assets					(14,279)
Share of results of investments accounted for using the equity method					<u>6,820</u>
Profit before income tax					<u><u>80,949</u></u>

(a) **Revenue**

The revenue for the years ended 31 December 2022 and 2021 are set out as follows:

	Year ended 31 December	
	2022	2021
	RMB'000	(restated) RMB'000
SaaS and Marketing Service	477,885	567,314
Supply Chain Service	39,741	66,976
Interior Design and Construction	345,198	455,562
Innovation and others	12,911	16,688
	<u>875,735</u>	<u>1,106,540</u>

(b) **Revenue by geographical markets**

All the revenue of the Group was generated in the PRC during the years ended 31 December 2022 and 2021.

(c) **Information about major customers**

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

5 EXPENSES BY NATURE

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Advertising and promotion expenses	257,065	304,458
Outsourced labour costs	251,462	327,612
Employee benefit expenses	203,064	190,409
Materials and other consumables used	175,310	225,422
Depreciation of right-of-use assets	15,315	14,554
Travelling, entertainment and communication expenses	13,805	17,569
Short-term leases and leases of low-valued assets	9,168	12,162
Depreciation of property, plant and equipment	6,478	6,374
Professional fee	5,530	8,170
Bank charges and payment platform processing fees	4,137	6,069
Auditors' remuneration		
– Audit service	3,500	3,500
– Non-audit service	162	140
Amortisation of intangible assets	2,599	3,395
Taxes and levies	2,205	1,336
Impairment loss on slow moving inventories	1,160	–
Utilities and electricity expenses	1,135	1,233
Miscellaneous	15,192	23,119
	<u>967,287</u>	<u>1,145,522</u>

6 FINANCE INCOME – NET

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Finance income:		
Interest income	<u>21,133</u>	<u>13,062</u>
Finance costs:		
Interest expense on borrowings	<u>(1,018)</u>	<u>(1,399)</u>
Interest expense on lease liabilities	<u>(1,591)</u>	<u>(1,359)</u>
	<u>(2,609)</u>	<u>(2,758)</u>
Finance income – net	<u>18,524</u>	<u>10,304</u>

7 INCOME TAX EXPENSES

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Current tax:		
Current tax for the year	<u>232</u>	<u>7,839</u>
Deferred income tax:		
Decrease in deferred tax assets	<u>4,018</u>	<u>1,944</u>
Decrease in deferred tax liabilities	<u>(457)</u>	<u>(125)</u>
Total deferred tax	<u>3,561</u>	<u>1,819</u>
Income tax expenses	<u>3,793</u>	<u>9,658</u>

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

(i) Cayman Islands

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

(ii) British Virgin Islands

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

(iii) Hong Kong

Hong Kong profits tax rate is 8.25% for assessable profits on the first HKD2 million and 16.5% for any assessable profits in excess. No Hong Kong profit tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax during the years ended 31 December 2022 and 2021.

(iv) PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% for the year ended 31 December 2022 (2021: 25%).

A subsidiary of the Group in the PRC was qualified as “High and New Technology Enterprise”, and accordingly, they were subject to a reduced preferential CIT rate of 15% for the year ended 31 December 2022 (2021: 15%) according to the applicable CIT Law.

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

(v) Withholding tax on undistributed profits

According to CIT law, distribution of profits earned by PRC companies since 1 January 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas – incorporated immediate holding companies. During the year ended 31 December 2022, the Group does not have any profit distribution plan (2021:nil).

8 (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 financial year excluding treasury shares.

	Year ended 31 December	
	2022	2021
(Losses)/earnings attributable to equity holders of the Company (RMB'000)	(126,044)	74,054
Weighted average number of ordinary shares in issue (thousand)	1,120,728	1,143,622
(Losses)/earnings per share	<u>(0.1125)</u>	<u>0.0648</u>

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

The calculation of the diluted earnings per share for the year ended 31 December 2021 was shown as follows:

	Year ended 31 December 2021
Earnings attributable to equity holders of the Company (RMB'000)	<u>74,054</u>
Weighted average number of ordinary shares in issue (thousand)	1,143,622
Adjustments for RSUs (thousands of shares)	<u>11,002</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands of shares)	<u>1,154,624</u>
Earnings per share	<u>0.0641</u>

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

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Non-current:		
Other receivables		
Receivables from disposal of subsidiaries	–	5,000
Less: provision for impairment of other receivables	–	–
	<u>–</u>	<u>–</u>
Net other receivables	<u>–</u>	<u>5,000</u>
Current:		
Notes receivables		
	–	1,280
	<u>–</u>	<u>1,280</u>
Trade receivables		
Due from third parties	93,124	139,855
Less: provision for impairment of trade receivables	(16,725)	(8,287)
	<u>76,399</u>	<u>131,568</u>
Net trade receivables	<u>76,399</u>	<u>131,568</u>
Other receivables		
Loans due from third parties (a)	55,681	10,821
Project deposits	11,030	11,104
Receivables from disposal of subsidiaries	5,000	147,000
Electronic commercial bill receivable	2,684	–
Rental deposits	2,630	2,208
Staff advances	2,472	3,314
Receivables from disposal of Beijing Rayion	250	–
Others	8,747	10,192
	<u>88,494</u>	<u>184,639</u>
Gross other receivables	<u>88,494</u>	<u>184,639</u>
Less: provision for impairment of other receivables	(8,539)	(11,577)
	<u>79,955</u>	<u>173,062</u>
Net other receivables	<u>79,955</u>	<u>173,062</u>
Others		
Prepayments to suppliers	22,712	20,240
Value-added tax recoverable	5,462	5,494
	<u>28,174</u>	<u>25,734</u>
Total current trade and other receivables and prepayments to suppliers	<u>184,528</u>	<u>331,644</u>
Contract assets		
Due from third parties	191,556	168,295
Less: provision for impairment of contract assets	(13,991)	(8,823)
	<u>177,565</u>	<u>159,472</u>
Net contract assets	<u>177,565</u>	<u>159,472</u>

- (a) In January 2022, the Group granted a one-year loan of RMB50,000,000 to an independent third-party individual, with a fixed interest rate of 10% per annum. The loan is pledged by some restricted shares owned by this individual.

In September 2022, the Group received RMB4,000,000 loan guarantee deposits from the individual due to the decrease of pledged shares' quoted market price.

The Group received interest from the individual in time. No credit default occurred.

In January 2023, the Group received RMB46,000,000 net repayment of loans from the individual, which contains RMB50,000,000 of the principal and RMB4,000,000 loan guarantee deposits deducted.

- (b) As at 31 December 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.
- (c) The Group grants credit periods to customers ranging from 30 days to 180 days. As at 31 December 2022 and 2021, the aging analysis of the trade receivables based on invoice date were as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables – gross		
Within 1 month	16,210	55,052
Over 1 month and within 1 year	61,043	64,376
Over 1 year and within 2 years	5,476	17,912
Over 2 years	10,395	2,515
	<u>93,124</u>	<u>139,855</u>

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

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	(8,287)	(1,589)
Increase in impairment	(8,438)	(6,814)
Write-off	–	116
	<u>(16,725)</u>	<u>(8,287)</u>

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

	Year ended 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	(8,823)	–
Increase in impairment	(5,168)	(8,823)
	<u>(13,991)</u>	<u>(8,823)</u>

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
At the beginning of the year	(11,577)	(14,452)
(Increase)/decrease in impairment	(2,137)	1,358
Write-off	5,175	1,517
	<u> </u>	<u> </u>
At the end of the year	(8,539)	(11,577)
	<u> </u>	<u> </u>

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
Net impairment loss provision		
– Trade receivables	(8,438)	(6,814)
– Contract assets	(5,168)	(8,823)
– Other receivables	(2,137)	1,358
	<u> </u>	<u> </u>
	(15,743)	(14,279)
	<u> </u>	<u> </u>

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Non-current:		
Private equity funds	4,451	5,000
	<u> </u>	<u> </u>
Current:		
Wealth management products	49,403	603,013
Investment in listed companies	17,358	18,432
Financial assets related to redemption rights	–	12,350
Mutual funds	–	548
	<u> </u>	<u> </u>
	66,761	634,343
	<u> </u>	<u> </u>

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

	Year ended 31 December	
	2022	2021
	RMB'000	RMB'000
At the beginning of the year	639,343	263,615
Additions	588,701	1,137,485
Currency translation difference	12,122	(761)
Disposals	(1,165,406)	(763,923)
	74,760	636,416
Add: fair value change	(3,548)	2,927
At the end of the year	71,212	639,343

11 DIVIDENDS

No dividends were paid or declared by the Company during the years ended 31 December 2022 and 2021.

12 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

	As at 31 December	
	2022	2021
	RMB'000	RMB'000
Trade payables (c)	178,623	233,080
Other payables		
Quality and performance guarantee deposits	75,682	75,834
Deposits payables (a)	45,263	182,470
Loan guarantee deposits (Note 9(a))	4,000	–
Decoration payments collected on behalf of merchants	1,075	1,225
Payables for disposal of subsidiaries	–	9,816
Other accrued expenses and payables	31,932	27,140
Total other payables	157,952	296,485
Others		
Staff salaries and welfare payables	64,765	51,585
Accrued taxes other than income tax	28,411	27,691
Total trade and other payables	429,751	608,841
Contract liabilities (b)	89,597	126,856

- (a) Deposits payables mainly represent security deposits from users of our escrow payment services.
- (b) Contract liabilities represent prepayments made by customers in exchange for goods or services to be provided by the Group in subsequent period, primarily in relation to order recommendation services, interior design and construction services and sales of building materials.

During the year ended 31 December 2022, RMB114,093,000 of the revenue recognised relates to carried-forward contract liabilities.

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

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 month	87,561	164,306
Over 1 month and within 3 months	40,272	25,262
Over 3 months and within 1 year	33,507	18,792
Over 1 year	17,283	24,720
	<u>178,623</u>	<u>233,080</u>

13 COMMITMENTS

(a) **Operating lease commitments**

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

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

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Minimum lease payments under non-cancellable operating leases not recognised in the consolidated financial statements are as follows:		
Within 1 year	<u>937</u>	<u>1,334</u>

(b) **Investment commitments**

Significant investment expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31 December	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss	<u>–</u>	<u>3,000</u>

OTHER INFORMATION

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

During the year ended 31 December 2022, the Company repurchased 8,827,000 Shares on the Stock Exchange at an aggregate consideration (excluding transaction cost) of approximately HKD6.1 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 announcement are as follows:

Months	Number of Shares repurchased	Purchase price per Share		Aggregate consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	8,167,000	0.79	0.62	5,873,324
April	660,000	0.42	0.40	276,480

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

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

Employee and remuneration policy

As of 31 December 2022, the Group had 910 full-time employees, most of whom were based in China, primarily at our headquarters in Shanghai, with the rest based in Beijing, Fuzhou and various other cities in China. The number of employees employed by the Group varies depending on needs and employees are remunerated based on industry practice.

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

Pursuant to the 2021 RSU Scheme which was adopted on 15 January 2021 and the grant of restricted share units (“RSUs”) as disclosed in the announcement dated 22 March 2021, Tricor Trust (Hong Kong) Limited was appointed as the trustee for the administration of the 2021 RSU Scheme (the “RSU Trustee”). Until the year ended 31 December 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 31 December 2022, RSUs in respect of an aggregate of 6,806,375 Shares (representing approximately 0.6% of the total issued share capital of the Company as at the date of this announcement) granted by the Company under the 2021 RSU Scheme remained outstanding. Further details of the 2021 RSU Scheme, together with, among others, the RSUs granted under the 2021 RSU Scheme, will be set out in the section headed “Report of the Directors” in the Company’s 2022 annual report to be issued in due course.

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

During the year ended 31 December 2022, we did not have any material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

COMPARATIVE FIGURES

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

Compliance with CG Code

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

During the year ended 31 December 2022, the Company has adopted 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.

Compliance with code provision C.2.1 of the CG Code

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.

Save as the above, the Company has applied the principles and code provisions as set out in the CG Code for the Reporting Period.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 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 of the Listing Rules and the CG Code. The Audit and Risk Management Committee consists of three independent non-executive Directors, namely Mr. WONG Man Chung Francis, Mr. CAO Zhiguang and Mr. ZHANG Lihong with Mr. WONG Man Chung Francis appointed as the chairman of the Audit and Risk Management Committee.

The Audit and Risk Management Committee has reviewed the Group's annual results for the year ended 31 December 2022, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit and Risk Management Committee has also discussed the auditing, internal control and financial reporting matters.

Scope of Work of the Company's Auditor

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

Final dividend

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2022.

Use of Proceeds from the IPO

The total net proceeds from the issue of new Shares by the Company in its Listing (after deducting the underwriting fees and related expenses) amounted approximately RMB949.8 million, and the net proceeds had been used up during the Reporting Period. As a result, the balance of unutilized net proceeds was Nil as at 31 December 2022.

The net proceeds from the Global Offering have been and will be utilized in accordance with the intended uses as disclosed in the Prospectus of the Company and subsequently revised in the announcement issued by the Company dated 27 March 2020. The table below sets out the intended uses and actual usage of the net proceeds as at 31 December 2022:

Use of proceeds	Revised allocation of usage of net proceeds (RMB million)	Revised Percentage of total net proceeds	Actual usage up to 31 December 2022 (RMB million)	Unutilized net Proceeds as at 31 December 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 self-operated 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	<u>949.8</u>	<u>100.0%</u>	<u>949.8</u>	<u>–</u>

Important events after Reporting Period

Except for the event as disclosed in Note 9(a) to the financial statements, no material subsequent events were noted after Reporting Period.

Public float

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

Annual General Meeting

The forthcoming annual general meeting will be held on 22 May 2023, and its notice and all other relevant documents will be published and despatched to shareholders in April 2023.

Closure of register of members

The register of members of the Company will be closed from 17 May 2023 to 22 May 2023, both days inclusive and during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on 16 May 2023.

Publication of 2022 annual results and annual report

This annual results announcement of the Group for the year ended 31 December 2022 is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.qeeka.com. The annual report for the year ended 31 December 2022 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in April 2023.

APPRECIATION

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

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

Shanghai, the PRC, 27 March 2023

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

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

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
“BVI”	the British Virgin Islands
“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
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “we” or “us”	Qeeka Home (Cayman) Inc. 齊屹科技(開曼)有限公司 (formerly known as China Home (Cayman) Inc.), an exempted company with limited liability incorporated in the Cayman Islands on 20 November 2014
“Contractual Arrangement(s)”	the series of contractual arrangements entered into among Shanghai Qijia, Qijia Network Technology and the shareholders of Shanghai Qijia, details of which are described in the section headed “Contractual Arrangements” of the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of our Company
“EPS”	earnings/(loss) per share
“Group” or “our Group”	the Company, its subsidiaries, and the PRC Operating Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time

“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of PRC
“IAS”	the International Accounting Standards
“IASB”	the International Accounting Standards Board
“IDC” or “Interior Design and Construction Business”	the provision of interior design and construction service
“IFRS”	the International Financial Reporting Standards, amendments and interpretation issued from time to time by the IASB
“Innovation and others”	the provision of other initiative services
“IPO”	the Company’s initial public offering and listing of its shares on Main Board of the Stock Exchange on 12 July 2018
“Listing Date”	12 July 2018, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	The stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“Mr. Deng”	Mr. Deng Huajin, our founder, chairman, executive Director, CEO and our single largest Shareholder
“PRC” or “China”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this prospectus, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“PRC Operating Entities”	Shanghai Qijia and its subsidiaries and branches, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements
“Prospectus”	the prospectus being issued in connection with the IPO
“Reporting Period”	the year ended 31 December 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, inspection service and others
“Sales lead”	the data that identifies someone as a potential demand user of Interior Design and Construction
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Supply Chain Service Business”	the provision of building and home decoration materials
“USD”	United States dollar, the lawful currency of the United States
“%”	per cent

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