齊屹科技

Interim Report 2018

Qeeka Home (Cayman) Inc.

Stock Code: 1739

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. LI Gabriel
Mr. SHENG Gang
Mr. WU Haifeng

Independent Non-Executive Directors

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

JOINT COMPANY SECRETARIES

Mr. WANG Wenfei
Ms. SO Shuk Yi Betty

AUTHORIZED REPRESENTATIVES

Mr. DENG Huajin
Mr. WANG Wenfei

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

The offices of Sertus Incorporations (Cayman) Limited
Sertus Chambers, Governors Square
Suite # 5-204, 23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS

No.6 Building, 3131 Jinshajiang Road
Jiading District, Shanghai
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai, Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Sertus Incorporations (Cayman) Limited
Sertus Chambers, Governors Square,
Suite # 5-204, 23 Lime Tree Bay Avenue,
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22 Hopewell Centre,
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISERS

As to Hong Kong law and United States law
Kirkland & Ellis
26th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building
Central
Hong Kong

STOCK CODE

1739

COMPANY'S WEBSITE

www.qeeka.com

COMPLIANCE ADVISER

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL BANKERS

Pingan Bank Co., Ltd.
Offshore Banking Department
11/F, Pingan Bank Tower
No. 5047, Road Shennan Dong
Shenzhen, Guangdong, 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

2018 H1 Highlights

RMB275.58 MM
Total revenue increased by 33.8% year on year

117.2%
Year on year revenue growth of the Online platform segment

RMB20.67 MM
Adjusted net profit

46.3 MM
Monthly unique visitors increased by 48.5% year on year

50.0%
Year on year growth of the number recommendations made

37.3%
Year on year growth of average selling price from online platform per recommendation

Key Financial and Operation Data

Key Financial Data

	Six months ended 30 June		
	2018 (RMB'000)	2017 (RMB'000)	Year on year change (%)
Revenue	**275,584**	206,042	33.8%
– Online platform	**160,293**	73,790	117.2%
– Self-operated interior design and construction business and others	**115,291**	132,252	(12.8%)
Gross Profit	**163,555**	102,096	60.2%
– Online platform	**137,466**	62,198	121.0%
– Self-operated interior design and construction business and others	**26,089**	39,898	(34.6%)
Gross Margin	**59.3%**	49.6%	–
– Online platform	**85.8%**	84.3%	–
– Self-operated interior design and construction business and others	**22.6%**	30.2%	–
Adjusted Net Profit/(Loss)(1)	**20,672**	(38,478)	–
Adjusted Net Margin	**7.5%**	(18.7%)	–
Adjusted EPS(2) (expressed in RMB per share)			
– Basic	**0.05**	(0.09)	–
– Diluted	**0.02**	(0.09)	–
Adjusted EBITDA(3)	**16,364**	(39,383)	–
Adjusted EBITDA Margin	**5.9%**	(19.1%)	–

Notes:

(1) For details of adjusted net profit/(loss), please refer to the section headed "Management Discussion and Analysis – Non-IFRS Measures: Adjusted net profit/(loss)".

(2) Adjusted earnings/(loss) per share ("EPS") is calculated by dividing the adjusted net profit/(loss) of the Group attributable to owners of the Company by weighted average number of ordinary shares issued during the interim periods, which exclude fair value gain/(loss) of the preferred shares and convertible liabilities, accretion charge of liabilities components of preferred shares, share-based compensation expenses and Listing expenses.

(3) Adjusted EBITDA represents operating profit, adjusted to exclude share-based compensation expenses, Listing expenses, depreciation and amortisation.

Key Financial and Operation Data

Key Operation Metrics

The table below sets forth our MUVs, the number of users to whom we made recommendations, the number of user recommendations made, and the average revenue from platform services per recommendation during the periods indicated:

	For the six months ended 30 June		
	2018	2017	Year on year change(%)
MUVs (in millions)	**46.3**	31.2	48.5%
Number of recommended users	**155,348**	107,161	45.0%
Number of recommendations made	**344,428**	229,767	50.0%
Average revenue from platform services per recommendation (RMB)	**415**	302	37.3%

During the Period, (i) our MUVs increased by 15.1 million from 31.2 million to 46.3 million compared to the same period last year; (ii) the number of recommended users increased by 45% from 107,161 to 155,348; (iii) the number of recommendations made increased by 50% from 229,767 to 344,428; and (iv) the average revenue from platform services per recommendation increased by 37.3% from RMB302 to RMB415.

We constantly expand our ecosystem of online home-improvement content. Currently we have over 10,000 professional content contributors including designers, experts and key opinion leaders (KOLs) providing over 5,000 professional generated contents (PGCs) daily, consisting of short video clips, real-life case examples and posts.

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I hereby present the interim results of the Group for the six months ended 30 June 2018.

We, as the largest and most renowned online interior design and construction platform in China, have built a thriving ecosystem. In the first half of 2018, we achieved ongoing progress on the promotion of our platform. As of 30 June 2018, we had 8,083 high-quality interior design and construction companies on our platform, representing an increase of approximately 21% as compared with the year end of 2017 and spanning over 308 cities across the PRC. Our traffic had been on a rising trend and we had approximately 46.3 million MUVs in the first half of 2018, up approximately 48.5% as compared with the corresponding period last year. In addition, both recommended users and converted users saw a year-on-year increase of over 45%.

During the first half of 2018, our traffic, users and interior design and construction companies showed a strong growth trend, thereby further underpinning the foundation of our platform and our leading position. More and more users and service providers were attracted to join us through our eye-catching home improvement content, word-of-mouth reputation and ability to match users with interior design and construction companies whose service offerings fit their specific needs.

Online platform service is our core business.

In the first half of 2018, we recorded positive adjusted net profits of RMB20.67 million, compared to an adjusted loss of RMB38.48 million for the same period last year, demonstrating our capability for achieving profits on a large scale.

In the first half of 2018, revenue from our continuing operations was RMB275.58 million, representing a year-on-year increase of approximately 33.8%; and gross profit from continuing operations was RMB163.56 million, representing a year-on-year increase of approximately 60.2%.

For the six months ended 30 June 2018, revenue and gross profit from our platform business amounted to RMB160.29 million and RMB137.47 million, up approximately 117.2% and approximately 121.0% on a year-on-year basis, respectively, which demonstrated rapid growth of our platform business.

In the first half of 2018, revenue from our self-operated interior design and construction business and others amounted to RMB115.29 million, down approximately 12.8% year-on-year, while gross profit was RMB26.09 million, down approximately 34.6% year-on-year. The development of our self-operated brands Brausen and Jumei satisfied management's strategic expectation.

Chairman's Statement

In the first half of 2018, we further optimised organisational structure, expanded our channel development team, strengthened management mechanism, expedited the expansion of offline channel network, and recruited over 100 additional professional business development personnel. As a result, remarkable results were achieved. The number of interior design and construction companies on our platform increased by approximately 21% from 6,680 as of 31 December 2017 to 8,083 as of 30 June 2018, and we expanded geographical coverage by 51 cities. Also, the retention rate of merchants on our platform increased to approximately 84% as of 30 June 2018 from approximately 77% as of 31 December 2017, and the retention rate of quality merchants was further enhanced.

Moreover, we strived to establish our supply chain management team and supply chain system in a bid to further improve the efficiency of supply chain management. Meanwhile, we promoted the further application of a series of services including professional consultation, free third-party inspection services and Qijia Bao escrow payment service. As such, we could provide comprehensive care-free services to interior design and construction service users, better enhance user experience and reinforce our core competitiveness and sustainable development, as our long-term objective.

During the first half of 2018, we made continuous effort to strengthen our data analytics and technological capabilities. Substantial resources were invested in developing our technologies and improving the artificial intelligence engine and automatic matching system. During the Period, we enhanced the accuracy of User Profiles and optimised our intelligent user recommendation algorithm, which allowed us to more precisely predict users' needs for interior design and construction services and match them with local interior design and construction services companies that are most likely to meet those needs. By using our advanced technology, we further promoted the standardisation and streamlining of the interior design and construction services process, in an effort to reform the traditional interior design and construction services industry, improved the overall quality of interior design and construction services, and enhanced user experience in the whole process from the selection of interior design and construction services companies, to design, financing and payment, and to construction and delivery.

In the first half of 2018, we achieved satisfactory progress in our home improvement loan referral services and our material supply chain business in our self-developed ecosystem, which have become our new focus for growth. In light of our users' increasing demand to seek financing for their interior design which is currently underserved and by leveraging our User Profile, we continued to explore ways to address their financing needs, and cooperated with financial institutions to provide diversified loan services to our users at lower costs. Our materials supply chain also saw some progress during the first half of 2018. We adopted a more open-minded and inclusive approach towards the establishment of firm cooperation with materials distributors to further expand our advantage. With the scale effect of our material supply chain business, we could help the interior design and construction service providers on our platform to lower their procurement cost while further ensuring timely delivery of construction work.

Chairman's Statement

We provided diversified content and value-added services.

— DENG HUAJIN

In the first half of 2018, through strengthening our platform foundation and ecosystem, we provided diversified content and value-added services, increasingly attracted more users and service providers, and gradually developed a virtuous cycle. This can provide us with more possibilities to further enhance user experience, optimize business operational efficiency and explore more commercial opportunities in the future.

Looking ahead, as our mission, we will continue to make interior design and construction services more efficient, convenient and transparent, expand our online platform business to attract more quality interior design and construction companies, and provide users with one-stop home improvement services. Our framework for new businesses, such as material supply chain and loan referral services, will develop at a quicker pace to explore our ability to realize value via multi-channels. We are confident to create sustainable and foreseeable value for our Shareholders in the second half of the year.

Appreciation

Lastly, I would like to extend my deepest gratitude to our management and employees for their efforts, responsibility and dedication, to our Board of Directors for its guidance and support, and to our Shareholders and stakeholders for their confidence in Qeeka Home.

Mr. Deng Huajin
Chairman

Hong Kong,
21 August 2018

Management Discussion and Analysis

SIX MONTHS ENDED 30 JUNE 2018 COMPARED TO SIX MONTHS ENDED 30 JUNE 2017

	Unaudited six months ended 30 June 2018 RMB'000	Unaudited six months ended 30 June 2017 RMB'000
Revenue	**275,584**	206,042
Cost of sales	**(112,029)**	(103,946)
Gross profit	**163,555**	102,096
Selling and marketing expenses	**(125,473)**	(99,380)
Administrative expenses	**(34,257)**	(36,951)
Research and development expenses	**(18,042)**	(14,147)
Other gains, net	**5,921**	1,975
Operating Loss	**(8,296)**	(46,407)
Finance income	**29,886**	5,635
Share of net profit of investments accounted for using the equity method	**1,947**	1,618
Fair value gains/(losses) of preferred shares and convertible liabilities	**698,814**	(112,228)
Profit/(loss) before income tax	**722,351**	(151,382)
Income tax credit	**279**	940
Profit/(loss) for the period	**722,630**	(150,442)
Discontinued operation		
Profit/(loss) from discontinued operation	**31,987**	(15,952)
Profit/(loss) for the period	**754,617**	(166,394)
Profit/(loss) attributable to:		
Owners of the Company	**764,294**	(158,246)
Non-controlling interests	**(9,677)**	(8,148)
	754,617	(166,394)
Non-IFRS measure:		
Adjusted net profit/(loss)	**20,672**	(38,478)

Management Discussion and Analysis

Revenue from Continuing Operations

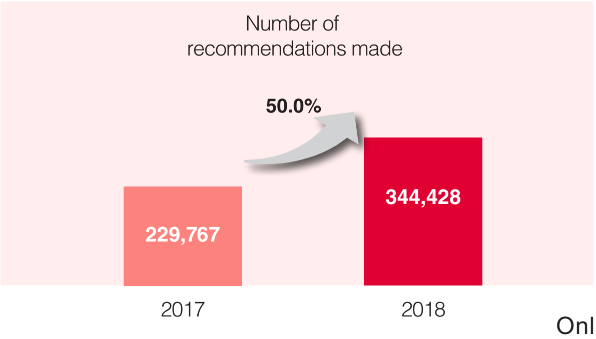
Total revenue from continuing operations increased by 33.8% from RMB206.04 million for the six months ended 30 June 2017 to RMB275.58 million for the six months ended 30 June 2018.

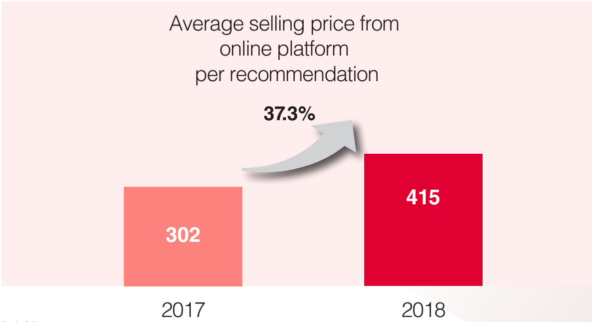
	Six months ended 30 June			
	2018		2017	
		% of total revenues		% of total revenues
	RMB'000		RMB'000	
Online platform	**160,293**	**58.2%**	73,790	35.8%
Self-operated interior design and construction business and others	**115,291**	**41.8%**	132,252	64.2%
Total	**275,584**	**100.0%**	206,042	100.0%

Online platform

	Six months ended 30 June		Year on year change(%)
	2018	2017	
	RMB'000	RMB'000	
Platform services	**142,945**	69,462	105.8%
Materials supply chain	**17,348**	4,328	300.9%
	160,293	73,790	117.2%

Revenues derived from our online platform increased by 117.2% from RMB73.79 million for the six months ended 30 June 2017 to RMB160.29 million for the six months ended 30 June 2018 due to increase in both platform services and material supply chain. The increase in platform services was primarily due to increase in our MUVs and number of user recommendations, as a result of increasing focus on online storefront improvements, enriching our online storefront content and creating further stickiness of service providers to our online storefront, as well as increase in the number and coverage our licensees in second and third-tier cities. This growth was also driven by the increase in our average revenue from platform services per recommendation.





Online Platform

Increase in revenues from our materials supply chain revenues was largely due to our efforts to promote our services to service providers on our platform, as well as requiring our licensees to purchase certain construction materials exclusively from us. We expect to leverage economies of scale and obtain lower prices from the materials manufacturers, thereby achieving greater monetisation potential.

Management Discussion and Analysis

Self-operated design and construction business and others

Revenues derived from our self-operated design and construction business and others decreased by 12.8% from RMB132.25 million for the six months ended 30 June 2017 to RMB115.29 million for the six months ended 30 June 2018, primarily due to the decrease in revenues derived from our self-operated design and construction business during the Period.

	Six months ended 30 June		Year on year
	2018	2017	change(%)
	RMB'000	RMB'000	
Self-operated design and construction business			
– Brausen	**84,891**	56,578	50.0%
– Jumei	**27,955**	6,532	328.0%
– Qiyu	**–**	66,727	(100.0%)
Others	**2,445**	2,415	1.3%
	115,291	132,252	(12.8%)

Revenues derived from our self-operated interior design and construction business decreased by 13.1% from RMB129.84 million for the six months ended 30 June 2017 to RMB112.85 million for the six months ended 30 June 2018. This decrease was primarily due to the integration of our self-operated interior design and construction brands and ceasing use of our Qiyu brand in August 2017, which was offset by robust growth in construction services for real-estate developers and service apartments under our Jumei brand.

Cost of Sales from Continuing Operations

Cost of sales from continuing operations increased slightly by 7.8% from RMB103.95 million for the six months ended 30 June 2017 to RMB112.03 million for the six months ended 30 June 2018, which is mainly due to increase in costs of our online platform, which was partially offset by decrease in costs of sales of our self-operated design and construction business.

Online platform

Cost of sales of our online platform increased by 96.9% from RMB11.59 million in the six months ended 30 June 2017 to RMB22.83 million in the six months ended 30 June 2018, primarily due to increased costs associated with the expansion of our online platform such as costs of third-party inspectors that we hired to evaluate and inspect construction projects.

Self-operated design and construction business and others

Cost of sales of our self-operated interior design and construction business and others decreased by 3.4% from RMB92.35 million in the six months ended 30 June 2017 to RMB89.20 million in the six months ended 30 June 2018, primarily due to ceasing use of our Qiyu brand in August 2017, which was offset by increase in cost of sales of our Brausen brand due to increase in the number of construction sites during the Period.

Gross Profit from Continuing Operations and Gross Profit Margin

As a result of the foregoing, our total gross profit from continuing operations increased by 60.2% from RMB102.10 million for the six months ended 30 June 2017 to RMB163.56 million for the six months ended 30 June 2018. Our overall gross profit margin from continuing operations increased from 49.6% for the six months ended 30 June 2017 to 59.3% for the six months ended 30 June 2018.

	Six months ended 30 June			
	2018		2017	
		Gross profit margin		Gross profit margin
	RMB'000	**%**	RMB'000	%
Online platform	**137,466**	**85.8%**	62,198	84.3%
Self-operated interior design and construction business and others	**26,089**	**22.6%**	39,898	30.2%
Total	**163,555**	**59.3%**	102,096	49.6%

Online platform
Gross profit of our online platform increased by 121.0% from RMB62.20 million in the six months ended 30 June 2017 to RMB137.47 million in the six months ended 30 June 2018.

Our gross profit margin of this segment for the six months ended 30 June 2017 and the six months ended 30 June 2018 was 84.3% and 85.8%. The increase was mainly due to increase in revenues from our materials supply chain business.

Self-operated design and construction business and others
Gross profit of our self-operated interior design and construction business and others decreased by 34.6% from RMB39.90 million in the six months ended 30 June 2017 to RMB26.09 million in the six months ended 30 June 2018.

Our gross profit margin for this segment decreased from 30.2% for the six months ended 30 June 2017 to 22.6% for the six months ended 30 June 2018. The decrease was mainly due to rapid increase in Jumei's operations such as interior design and construction services provided to real-estate developers and serviced apartments, which have a lower gross profit margin compared to providing those services to property owners.

Selling and Marketing Expenses

Our selling and marketing expenses from continuing operations increased by 26.3% from RMB99.38 million for the six months ended 30 June 2017 to RMB125.47 million for the six months ended 30 June 2018, primarily due to increase in advertising and promotion expenses including online promotional advertisements.

Administrative Expenses

Our administrative expenses from continuing operations decreased slightly by 7.3% from RMB36.95 million for the six months ended 30 June 2017 to RMB34.26 million for the six months ended 30 June 2018.

Research and Development Expenses

Our research and development expenses from continuing operations increased by 27.5% from RMB14.15 million for the six months ended 30 June 2017 to RMB18.04 million for the six months ended 30 June 2018, primarily due to hiring of 10 additional research and development staff in order to further enhance our platform.

Other Gains – Net

Other net gains from continuing operations increased by 199.8% from RMB1.98 million for the six months ended 30 June 2017 to RMB5.92 million for the six months ended 30 June 2018. The increase was mainly due to the receipt of a government grant of RMB6.5 million during the Period.

Finance Income

Our finance income from continuing operations increased by 430.4% from RMB5.64 million for the six months ended 30 June 2017 to RMB29.89 million for the six months ended 30 June 2018, mainly due to accretion charge of liabilities components of preferred shares and increase in interest income from our internal funds.

Fair Value Gains/(Losses) of Preferred Shares and Convertible Liabilities

Fair value losses of preferred shares and convertible liabilities for the six months ended 30 June 2017 was RMB112.23 million and fair value gains of preferred shares and convertible liabilities for the six months ended 30 June 2018 was RMB698.81 million, respectively. The gains were mainly due to changes in the valuation conducted by the independent valuer.

Income Tax Expense

Our income tax expenses from continuing operations for the six months ended 30 June 2018 was negative RMB0.28 million, mainly due to increase in deferred tax assets.

Gain for the Period and Non-IFRS Measure: Adjusted Net Profit/(Loss)

As a result of the foregoing, our gain from continuing operations was RMB722.63 million for the six months ended 30 June 2018, as compared to loss from continuing operations of RMB150.44 million for the six months ended 30 June 2017.

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

The following table reconciles our adjusted net profit/(loss) from continuing operations for the six months ended 30 June 2018 and 2017 to the most directly comparable financial measure calculated and presented in accordance with IFRS:

	For the six months ended 30 June	
	2018	2017
	(RMB'000)	(RMB'000)
Net profit/(loss)	**722,630**	(150,442)
Fair value gains/(losses) of preferred shares and convertible liabilities[1]	**(698,814)**	112,228
Accretion charge of liabilities components of preferred shares[2]	**(21,309)**	(1,858)
Share-based compensation expenses	**2,815**	1,594
Listing expenses	**15,350**	–
Adjusted net profit/(loss)	**20,672**	(38,478)

Notes:

(1) We designate the preferred shares as financial liabilities at fair value through profit and loss. Any changes in the fair value of the preferred shares are recorded as "fair value loss of preferred shares and convertible liabilities" in the consolidated income statements.

(2) Accretion charge of liabilities components of preferred shares is the expense created when updating the present value change of liabilities components of preferred shares.

Liquidity, Capital Resources and Gearing

During the Period and up to 30 June 2018, we have funded our cash requirements principally from financing through the issuance and sale of preferred shares and convertible liabilities in private placement transaction and cash generated from our operating activities. We have primarily used cash to develop new operations and support mid-to-long term strategic investments along the value chain in order to better consolidate industry resources. We had cash and cash equivalents of RMB469.9 million as of 30 June 2018. For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

During the Period and as at 30 June 2018, we did not have any borrowings or unutilised banking facilities. Accordingly, gearing ratio is not applicable.

Operating lease commitments

Our Group leases office buildings and showroom under non-cancellable operating lease agreements. The lease terms are between 1 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. As at 30 June 2018 and 31 December 2017, the future aggregate minimum lease payments under non-cancellable operating leases for office and warehouse facilities payable by our Group were as follows:

	As at 30 June 2018 (RMB'000)	As at 31 December 2017 (RMB'000)
Continuing operations:		
No later than 1 year	**14,727**	8,001
Later than 1 year and no later than 5 years	**24,991**	19,659
Later than 5 years	**–**	4,830
	39,718	32,490

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 currency. 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, 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.

Contingent liabilities

As of 30 June 2018, we did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group. Our Directors have confirmed that there has not been any material change in our contingent liabilities since 30 June 2018. Except as aforesaid and apart from intra-group liabilities, as of 30 June 2018, we did not have any other loan issued and outstanding or any loan agreed to be issued, bank overdrafts, loans and other similar indebtedness, liabilities under acceptances or acceptance credits (other than normal trade related bills), debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

Employee Remuneration Policy

As of 30 June 2018, the Group had 1,515 full-time employees in China. The Group remunerates its employees based on their performance, work experience and market rates. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include provident fund, insurance and medical coverage. The Company has adopted the Pre-IPO Share Option Scheme, see the section headed "Share Option Scheme" for details.

Directors' Interests and Short Positions in Shares and Underlying Shares and debentures of the Company or Any of its Associated Corporations

As of 12 July 2018 (i.e. the Listing Date), the interests and short positions of the Directors in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

Interest in Shares of the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximate percentage of the issued voting shares of the Company
Mr. Deng[(1)]	Interest in controlled corporation Interest of spouse	315,937,140	26.11%
Mr. Gao Wei[(2)]	Interest in controlled corporation	28,639,970	2.37%
Mr. Tian Yuan[(3)]	Interest in controlled corporation	6,219,490	0.51%
Mr. Gabriel Li [(4)]	Interest of spouse	100,000,000	8.26%

Notes:

(1) Mr. Deng holds 100% equity interests of Qeeka Holding, which in turn directly holds 302,349,530 Shares. Accordingly, Mr. Deng is deemed to be interested in the 302,349,530 Shares held by Qeeka Holding. Mr. Deng is the spouse of Ms. Sun, and is deemed to be interested in the 13,587,610 Shares of Ms. Sun held through Sunjie Home, representing approximately 1.12% interest in the Company.

(2) Mr. Gao Wei holds 100% equity interests in Josephine Holding, which in turn directly holds 28,639,970 Shares. Accordingly, Mr. Gao Wei is deemed to be interested in the 28,639,970 Shares held by Josephine Holding.

(3) Mr. Tian Yuan holds 100% equity interests of Tianyuan Home, which in turn directly holds 6,219,490 Shares. Accordingly, Mr. Tian Yuan is deemed to be interested in the 6,219,490 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 Orchid Asia. Orchid Asia directly holds 100,000,000 Shares. 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, a company which is indirectly wholly-owned by Ms. Lam. Orchid Asia V Co-Investment Limited is wholly controlled by Ms. Lam.

Save as disclosed above, as of 12 July 2018, 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.

Other Information

Shareholders' Interests and Short Positions in Shares and Underlying Shares

As of 12 July 2018 (i.e. the Listing Date), the following persons (other than the Directors whose interests have been disclosed in this interim report) had an interest or short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholders	Nature of Interest	Number of Shares(1)	Approximate percentage of shareholding in the Company
Qeeka Holding (2)	Beneficial owner	302,349,530 (L)	24.99%
Mr. Deng (2)	Interest in a controlled corporation and interest of spouse	315,937,140 (L)	26.11%
Ms. Sun (3)	Interest in a controlled corporation and interest of spouse	315,937,140 (L)	26.11%
Baidu HK (4)	Beneficial owner	139,333,330 (L)	11.51%
Baidu Holdings Limited (4)	Interest in a controlled corporation	139,333,330 (L)	11.51%
Baidu, Inc. (4)	Interest in a controlled corporation	139,333,330 (L)	11.51%
Hua Yuan International (5)	Beneficial owner	101,912,750 (L)	8.42%
China-Singapore Suzhou Industrial Park Ventures Co., Ltd. (5)	Interest in a controlled corporation	101,912,750 (L)	8.42%
Suzhou Oriza Holdings Co., Ltd (5)	Interest in a controlled corporation	101,912,750 (L)	8.42%
Suzhou Industrial Park Economic Development Co., Ltd. (5)	Interest in a controlled corporation	101,912,750 (L)	8.42%
Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. (5)	Interest in a controlled corporation	101,912,750 (L)	8.42%
Suzhou Industrial Zone Management Committee (5)	Interest in a controlled corporation	101,912,750 (L)	8.42%
Orchid Asia (6)	Beneficial owner	100,000,000 (L)	8.26%
Orchid Asia VI, L.P. (6)	Interest in a controlled corporation	100,000,000 (L)	8.26%
Orchid Asia V Group Management, Limited (6)	Interested in a controlled corporation	100,000,000 (L)	8.26%
Orchid Asia V Group, Limited (6)	Interested in a controlled corporation	100,000,000 (L)	8.26%
Areo Holdings Limited (6)	Interested in a controlled corporation	100,000,000 (L)	8.26%
OAVI Holdings, L.P. (6)	Interest in a controlled corporation	100,000,000 (L)	8.26%
Orchid Asia VI GP, Limited (6)	Interest in a controlled corporation	100,000,000 (L)	8.26%
Lam Lai Ming (6)	Interest in a controlled corporation	100,000,000 (L)	8.26%
Mr. Gabriel Li (6)	Interest of spouse	100,000,000 (L)	8.26%
SIP Oriza (7)	Beneficial owner	83,333,330 (L)	6.89%
SIP Oriza PE Fund Management Co., Ltd. (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
SIP Oriza Jingfeng Equity Investment Management Co., Ltd. (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
Suzhou Oriza Holdings Co., Ltd. (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
Yao Hua (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
Suzhou Industrial Park Economic Development Co., Ltd. (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd. (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%
Suzhou Industrial Zone Management Committee (7)	Interest in a controlled corporation	83,333,330 (L)	6.89%

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 302,349,530 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) Sunjie Home is wholly-owned by Ms. Sun, 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 is the spouse of Mr. Deng and is therefore deemed to be interested in the 302,349,530 Shares which are interested by Mr. Deng under the SFO.

(4) Baidu HK 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). Under the SFO, Baidu, Inc. and Baidu Holdings Limited are deemed to be interested in the Shares held by Baidu HK.

(5) Hua Yuan International 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 70% by Suzhou Industrial Park Economic Development Co., Ltd. and as to 30% by Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd., both of which are wholly-owned by Suzhou Industrial Zone Management Committee. 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. and Suzhou Industrial Zone Management Committee are deemed to be interested in the Shares held by Hua Yuan International.

(6) 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 Orchid Asia. Mr. Gabriel Li is the spouse of Ms. Lam, and is deemed to be interested in the Shares held by Ms. Lam in Orchid Asia.

(7) 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 70% by Suzhou Industrial Park Economic Development Co., Ltd. and as to 30% by Suzhou Industrial Park State-owned Assets Holding Development Co., Ltd., both of which are wholly-owned by Suzhou Industrial Zone Management Committee. 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. and Suzhou Industrial Zone Management Committee are deemed to be interested in the Shares held by SIP Oriza.

Changes to the Directors' Information

One of our independent non-executive Directors, Mr. Wong Man Chung Francis, has resigned as independent non-executive director and the chairman of the audit committee of the board of Kunming Dianchi Water Treatment Co., Ltd. (昆明滇池水務股份有限公司) (stock code: 3768) on 17 August 2018.

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Purchase, Sale or Redemption of the Company's Listed Securities

As shares of the Company were not yet listed on the Stock Exchange for the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the Period.

Other Information

Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

On 28 March 2018, our Group disposed Shanghai Qijia E-commerce Co., Ltd. (上海齊家電子商務有限公司), a wholly-owned subsidiary of our Group. Other than the above, our Group had no material acquisition or disposal of subsidiaries, associated companies or joint ventures during the Period.

Share Option Scheme

An employee share option plan was approved and adopted by the Company in 2011 which was formalised in 2018. The purposes of the plan is to reward the participants defined thereunder for their past contribution to the success of the Group and to provide incentives to them to further contribute to the Group.

The principal terms of the employee share option plan are summarised in the section headed "Statutory and General Information – 11. Pre-IPO Share Option Scheme" in Appendix IV to the Company's prospectus dated 21 June 2018. The terms of the employee share option plan are not subject to the provisions of Chapter 17 of the Listing Rules as the employee share option plan will not involve the grant of options by us to subscribe for Shares subsequent to the Listing of the Company.

As at 30 June 2018, options representing a total of 47,864,680 Shares (taking into account the 1,250,320 options which have lapsed in accordance with the terms of the Pre-IPO Share Option Scheme) are outstanding.

Compliance with the Corporate Governance Code

As the Company was not yet listed on the Stock Exchange during the six months ended 30 June 2018, the Corporate Governance Code as set out in Appendix 14 to the Listing Rules was not applicable to the Company during the Period. After the Listing, the Company has complied with all the code provisions set forth in the Corporate Governance Code, with the exception that the roles of the Chairman and the chief executive officer of our Company have not been segregated as required by code provision A.2.1 of the Corporate Governance Code. The Board shall review the structure from time to time to ensure that the structure facilitates the execution of the Group's business strategies and maximised effectiveness of its operation.

Compliance with the Model Code

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct for Directors' securities transactions. As the Company was not yet listed on the Stock Exchange during the six months ended 30 June 2018, the provisions under the Listing Rules in relation to the compliance with the Model Code by the Directors were not applicable to the Company during the Period. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standards as set out in the Model Code since the listing of the Company on 12 July 2018 up to the date of this interim report.

Other Information

Audit and Risk Management Committee and Review of Financial Statements

An audit and risk management committee of the Company ("Audit and Risk Management Committee") was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The Audit and Risk Management Committee consists of three independent non-executive Directors, namely Mr. Wong Man Chung Francis, Mr. Cao Zhiguang and Mr. Zhang Lihong with Mr. Wong Man Chung Francis appointed as the chairman of the Audit and Risk Management Committee.

The Audit and Risk Management Committee has reviewed the Company's unaudited interim condensed consolidated results for the 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.

The interim results for the Period is unaudited, but has been reviewed by the Auditor, in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity", issued by the International Auditing and Assurance Standards Board ("IAASB").

Interim Dividend

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

Sufficiency of Public Float

Based on the information publicly available to the Company and to the best of the Director's knowledge, information and belief, the Company has maintained sufficient public float as approved by the Stock Exchange and as permitted under the Listing Rules throughout the period from the Listing Date up to the date of this interim report.

Use of Proceeds from the Global Offering

With the shares of the Company listed on the Stock Exchange on 12 July 2018, the net proceeds from the Global Offering (following partial exercise of the Over-allotment Option) was approximately HK$1,133 million, which will be utilised for the purposes as set out in the prospectus of the Company.

Important Events after the Reporting Period

The Company was successfully listed on the Main Board of the Stock Exchange on 12 July 2018. On 12 July 2018, each of the 242,030,000 shares of the Company were issued at the Offer Price by way of the global offering. On 26 July 2018, the Over-allotment Option had been partially exercised by the Joint Global Coordinators (on behalf of the International Underwriters) to require the Company to allot and issue 150,000 additional shares of the Company at the Offer Price. All the above shares of the Company when issued rank pari passu with other shares of the Company in issue in all respects.

Report on Review of Interim Financial Information

To the Board of Directors of Qeeka Home (Cayman) Inc.
(incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 23 to 65, which comprises the interim condensed consolidated balance sheet of Qeeka Home (Cayman) Inc. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2018 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income/(loss), the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Other Matter

The comparative information for the interim condensed consolidated balance sheet is based on the Group's audited consolidated financial statements as at and for the year ended 31 December 2017. The comparative information for the interim condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the six months ended 30 June 2017 has not been audited or reviewed.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 August 2018

Interim Condensed Consolidated Income Statement

For the six months ended 30 June 2018

	Note	Unaudited Six months ended 30 June **2018** **RMB'000**	 2017 RMB'000
Continuing operations			
Revenue	*7*	**275,584**	206,042
Cost of sales	*8*	**(112,029)**	(103,946)
Gross profit		**163,555**	102,096
Selling and marketing expenses	*8*	**(125,473)**	(99,380)
Administrative expenses	*8*	**(34,257)**	(36,951)
Research and development expenses	*8*	**(18,042)**	(14,147)
Other gains – net		**5,921**	1,975
Operating loss		**(8,296)**	(46,407)
Finance income	*9*	**29,886**	5,635
Share of net profit of investments accounted for using the equity method		**1,947**	1,618
Fair value gains/(losses) of preferred shares and convertible liabilities	*18*	**698,814**	(112,228)
Profit/(loss) before income tax		**722,351**	(151,382)
Income tax credit	*10*	**279**	940
Profit/(loss) from continuing operations		**722,630**	(150,442)
Discontinued operation			
Profit/(loss) from discontinued operation	*22*	**31,987**	(15,952)
Profit/(loss) for the period		**754,617**	(166,394)
Profit/(loss) attributable to:			
– Owners of the Company		**764,294**	(158,246)
– Non-controlling interests		**(9,677)**	(8,148)
		754,617	(166,394)
Earnings/(loss) per share from continuing and discontinued operation attributable to owners of the Company			
Basic earnings/(loss) per share (RMB)			
– Continuing operations	*11*	**1.76**	(0.34)
– Discontinued operation		**0.08**	(0.04)
– Total		**1.84**	(0.38)
Diluted earnings/(loss) per share (RMB)	*11*		
– Continuing operations		**0.01**	(0.34)
– Discontinued operation		**0.03**	(0.04)
– Total		**0.04**	(0.38)

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

Interim Condensed Consolidated Statement of Comprehensive Income/(Loss)

For the six months ended 30 June 2018

	Note	Unaudited Six months ended 30 June **2018** **RMB'000**	 2017 RMB'000
Profit/(loss) for the period		**754,617**	(166,394)
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Changes in the fair value of available-for-sale financial assets	*13*	**–**	(379)
Share of other comprehensive loss of investments accounted for using the equity method	*12*	**(194)**	(108)
Exchange difference on translation of foreign operations		**(18,165)**	13,315
		(18,359)	12,828
Items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income	*13*	**683**	–
Effects of changes in credit risk for liabilities designated as at fair value through profit or loss		**(920)**	–
		(237)	–
Other comprehensive (loss)/income for the period, net of tax		**(18,596)**	12,828
Total comprehensive income/(loss) for the period		**736,021**	(153,566)
Total comprehensive income/(loss) for the period attributable to:			
– Owners of the Company		**745,698**	(145,418)
– Non-controlling interests		**(9,677)**	(8,148)
		736,021	(153,566)
Total comprehensive income/(loss) attributable to owners of the Company arising from:			
– Continuing operations		**704,034**	(137,614)
– Discontinued operation		**31,987**	(15,592)
		736,021	(153,566)

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

Interim Condensed Consolidated Balance Sheet

As at 30 June 2018

	Note	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**22,167**	22,954
Intangible assets		**9,512**	8,218
Goodwill		**7,796**	7,796
Deferred tax assets		**11,953**	9,058
Investments accounted for using the equity method	*12*	**198,234**	198,784
Financial assets at fair value through other comprehensive income	*13*	**50,319**	–
Available-for-sale financial assets	*13*	**–**	49,636
Total non-current assets		**299,981**	296,446
Current assets			
Inventories		**15,065**	12,768
Trade and other receivables	*14*	**102,493**	64,133
Amount due from a related party	*23(c)*	**–**	325,315
Amount due from a director	*23(c)*	**–**	5,697
Cash and cash equivalents	*15*	**469,886**	474,617
		587,444	882,530
Assets classified as held for sale	*22*	**–**	41,026
Total current assets		**587,444**	923,556
Total assets		**887,425**	1,220,002
DEFICITS			
Deficits attributable to owners of the Company			
Share capital	*16*	**25**	25
Share premium	*16*	**15,616**	15,616
Other reserves	*17*	**300,589**	144,851
Accumulated losses		**(813,692)**	(1,627,457)
		(497,462)	(1,466,965)
Non-controlling interests		**(34,391)**	(24,565)
Total deficits		**(531,853)**	(1,491,530)

Interim Condensed Consolidated Balance Sheet (continued)

As at 30 June 2018

	Note	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities		**968**	1,047
Preferred shares	*18*	**874,081**	1,593,615
Total non-current liabilities		**875,049**	1,594,662
Current liabilities			
Prepayments from customers, trade and other payables	*20*	**370,010**	498,656
Contract liabilities		**126,337**	–
Amount due to a related party	*23(c)*	**–**	310,090
Convertible liabilities	*18*	**–**	147,897
Current tax liabilities		**44,162**	43,260
Deferred revenue		**3,720**	3,720
		544,229	1,003,623
Liabilities directly associated with assets classified as held for sale	*22*	**–**	113,247
Total current liabilities		**544,229**	1,116,870
Total liabilities		**1,419,278**	2,711,532
Total equity and liabilities		**887,425**	1,220,002

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

Deng Huajin
Director

Tian Yuan
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

		Unaudited					
		Attributable to the owners of the Company					
	Note	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	Non-controlling interests RMB'000	Total deficits RMB'000
As at 1 January 2018		25	15,616	144,851	(1,627,457)	(24,565)	(1,491,530)
Changes on initial application of IFRS 9	*4(b)*	–	–	(50,227)	49,471	–	(756)
Restated balance at 1 January 2018		25	15,616	94,624	(1,577,986)	(24,565)	(1,492,286)
Profit/(loss) for the period		–	–	–	764,294	(9,677)	754,617
Other comprehensive income		–	–	(18,596)	–	–	(18,596)
Total comprehensive income/(loss) for the period ended 30 June 2018		–	–	(18,596)	764,294	(9,677)	736,021
Total transactions with owners, recognised directly in equity							
– Issuance of Series C Preferred Shares	*18(b)*	–	–	59,285	–	–	59,285
– Acquisition of additional equity interest in a subsidiary		–	–	390	–	(1,069)	(679)
– Conversion of convertible liabilities to Series A Preferred Shares	*18(a)*	–	–	161,859	–	–	161,859
– Pre-IPO share option plan		–	–	3,027	–	–	3,027
– Capital contribution from non-controlling interests		–	–	–	–	920	920
		–	–	224,561	–	(149)	224,412
As at 30 June 2018		25	15,616	300,589	(813,692)	(34,391)	(531,853)
As at 1 January 2017		25	15,616	85,036	(802,587)	552	(701,358)
Loss for the period		–	–	–	(158,246)	(8,148)	(166,394)
Other comprehensive income		–	–	12,828	–	–	12,828
Total comprehensive income/(loss) for the period ended 30 June 2017		–	–	12,828	(158,246)	(8,148)	(153,566)
Total transactions with owners, recognised directly in equity							
– Pre-IPO share option plan		–	–	2,024	–	–	2,024
– Capital contribution from non-controlling interests		–	–	–	–	5,267	5,267
		–	–	2,024	–	5,267	7,291
As at 30 June 2017		25	15,616	99,888	(960,833)	(2,329)	(847,633)

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 2018

	Note	Unaudited Six months ended 30 June **2018** **RMB'000**	 2017 RMB'000
Cash flows from operating activities			
– Cash used in operations		**24,077**	(34,812)
– Interest received		**8,602**	3,910
– Income tax paid		**(3,481)**	(14,375)
Net cash generated from/(used in) operating activities		**29,198**	(45,277)
Cash flows from investing activities			
– Purchases of property, plant and equipment		**(6,164)**	(12,261)
– Purchases of intangible assets		**(2,475)**	(248)
– Proceeds from disposal of property, plant and equipment		**514**	94
– Dividends received from investments accounted for using the equity method	*12*	**2,303**	2,303
– Repayments of loans from related parties	*23(b)*	**5,697**	–
– Loans to a related party	*23(b)*	**–**	(36,049)
– Receipt of loans from non-controlling interest	*23(b)*	**–**	1,699
– Disposal of a subsidiary, net of cash disposed		**(92,254)**	–
Net cash used in investing activities		**(92,379)**	(44,462)
Cash flows from financing activities			
– Cash received from capital contributions in subsidiaries from non-controlling interests		**920**	5,267
– Proceeds from issues of Series C Preferred Shares	*18(b)*	**63,095**	–
– Net cash inflow from settlement of receivables and payables with SIP Oriza PE Fund Management Co., Ltd.and SIP Oriza Qijia PE Enterprise (Limited Partnership)	*23(b)*	**4,400**	–
– Listing costs paid		**(24,197)**	–
Net cash generated from financing activities		**44,218**	5,267
Net decrease in cash and cash equivalents		**(18,963)**	(84,472)
Effect on exchange rate difference		**8,212**	(11,891)
Cash and cash equivalents at beginning of the period		**480,637**	612,028
Cash and cash equivalents at end of the period		**469,886**	515,665

The 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 2018

1 General information

The Company (formerly named as "China Home (Cayman) Inc.") 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 Sertus Chambers P.O. BOX 2547, Cassia Court, Camana Bay, Grand Cayman, 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 an online marketplace for building materials sellers and decoration service providers, provision of order recommendation services, provision of advertising and promotion services, licensing its brand to business partners, provision of building material supply chain service and others("Online Platform Business"); (ii) the provision of interior design and construction service ("Self-operated Interior Design and Construction Business"); (iii) operating and managing building materials shopping mall ("Discontinued Business") which was disposed on 28 March 2018. 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 Main Board of the Stock Exchange of Hong Kong on 12 July 2018.

This interim condensed consolidated financial information is presented in Renminbi thousand (RMB'000), unless otherwise stated. This interim condensed consolidated financial information was approved by the board of directors for issue on 21 August 2018.

This interim condensed consolidated financial information has not been audited.

2 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2018 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 Appendix I – Accountant's Report as set out in the prospectus of the Company dated 21 June 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3 Accounting policies

The accounting policies applied are consistent with those of the Appendix I – Accountant's Report as set out in the prospectus of the Company dated 21 June 2018 for the years ended 31 December 2015, 2016 and 2017, except for the adoption of new and amended standards as set out below.

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

3 Accounting policies (continued)

(a) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9 – Financial instruments; and

- IFRS 15 – Revenue from contracts with customers.

The impact of the adoption of these standards and the new accounting policies are disclosed in Note 4 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) New standards and amendments to standards have been issued but are not effective in 2018 and have not been early adopted by the Group:

- IFRS 16 – Lease, effective for the accounting period beginning on or after 1 January 2019;

- IFRIC 23 – Uncertainty over income tax treatments, effective for the accounting period beginning on or after 1 January 2019;

- IFRS 17 – Insurance contracts, effective for the accounting period beginning on or after 1 January 2021; and

- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture, effective for the accounting period to be determined.

The Group has already commence an assessment of the impact of these new or revised standards which are relevant to the Group's operation. Except as described below, the Group considers that the application of amendments to IFRS, amendments to IASs and the new interpretations is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in the future.

The directors expect the adoption of IFRS 16 would result in the recognition of the right-of-use assets and corresponding lease liabilities arising from accounting for operating leases by the Company as a lessee.

3 Accounting policies (continued)

(b) New standards and amendments to standards have been issued but are not effective in 2018 and have not been early adopted by the Group: (continued)

IFRS 16

IFRS 16, "Leases", addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that almost all operating leases will be accounted for on balance sheet for lessees, and the only optional exemptions are for certain short-term leases and leases of low-value assets. The standard replaces IAS 17 "Leases", and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted but only in conjunction with adopting IFRS 15 "Revenue from contracts with customers" at the same time.

The Group is a lessee of various offices, which are currently classified as operating leases. The Group's current accounting policy for such leases under which operating lease payment is accounted for in the consolidated statement of comprehensive income when incurred and the Group's future operating lease commitments are not reflected in the consolidated balance sheet but are disclosed in Note 21. IFRS 16 provides new provisions for the accounting treatment of leases and all long-term leases, including future operating lease commitments, must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's consolidated balance sheet. In the consolidated income statement, leases will be recognised in the future as capital expenditure on the purchasing side and will no longer be recorded as an operating expense.

The new standard will therefore result in an increase in right of use asset and an increase in lease liability in the consolidated balance sheet. As for the financial performance impact in the consolidated statement of comprehensive income, leasing expense will be replaced with straight-line depreciation expense on the right of use asset and interest expense on the lease liability. The combination of straight-line depreciation of the right of use asset and effective interest rate method applied on the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expense during the latter part of the lease term.

The Group does not expect the adoption of IFRS 16 as compared with the current accounting policy would result any significant impact on the total expense to be recognised over the entire lease period and the Group's financial performance but it is expected that the lease commitments will be required to be recognised in the consolidated balance sheet as a right of use asset and a lease liability other than the short-term and low value leases which will be recognised on a straight-line basis as an expense in profit or loss. The adoption of IFRS 16 would not affect total cash flows in respect the lease. The Group is continuing to assess the specific magnitude of the adoption of IFRS 16 to relevant financial statement areas and will conduct a more detailed assessment on the impact as information become available closer to the planned initial date of adoption of 1 January 2019.

4 Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” on the Group’s interim condensed consolidated financial information and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

(a) Impact on the interim condensed consolidated financial information

As a result of the changes in the entity’s accounting policies, prior year financial statements had to be restated. As explained in Note 4(b) below, IFRS 9 and IFRS 15 were generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in the restated balance sheet as at 31 December 2017, but are recognised in the opening balance sheet on 1 January 2018.

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

	As at 1 January 2018		
	As previously stated RMB’000	Adjustments under IFRS 9 and IFRS 15 RMB’000	Restated RMB’000
Interim condensed consolidated balance sheet (extract)			
Non-current assets			
Financial assets at fair value through other comprehensive income (FVOCI)	–	49,636	49,636
Available-for-sale financial assets	49,636	(49,636)	–
Total assets	49,636	–	49,636
Prepayments from customers, trade and other payables	498,656	(115,990)	382,666
Contract liabilities	–	115,990	115,990
Total liabilities	498,656	–	498,656
Other reserves	144,851	(50,227)	94,624
Accumulated losses	(1,627,457)	49,471	(1,577,986)
Total deficits	(1,482,606)	(756)	(1,483,362)

4 Changes in accounting policies (continued)

(b) IFRS 9 "Financial Instruments" – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 "Financial Instruments" from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the interim condensed consolidated financial information. The new accounting policies are set out in Note 4(c) below. In accordance with the transitional provisions in IFRS 9(7.2.15), comparative figures have not been restated.

The total impact on the Group's accumulated losses as at 1 January 2018 is as follows:

	Notes	1 January 2018 RMB'000
Closing accumulated losses 31 December 2017 – IAS 39		(1,627,457)
Reclassify changes in the fair value of the financial liability designated at fair value through profit or loss that is attributable to changes in the credit risk	*(i)*	50,227
Increase in provision for trade receivables	*(ii)*	(34)
Increase in provision for other receivables		(722)
Opening accumulated losses 1 January 2018 – IFRS 9		**(1,577,986)**

(i) Classification and measurement

On 1 January 2018 (the date of initial application of IFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

	IAS 39 Measurement category	IAS 39 Carrying amount RMB'000	IFRS 9 Measurement category	IFRS 9 Carrying amount RMB'000
Available-for-sale financial assets	Available-for-sale financial assets	49,636	N/A	–
Financial assets at fair value through other comprehensive income	N/A	–	Financial assets at fair value through other comprehensive income	49,636
Trade and other receivables (excluding prepayments and value added tax recoverable)	Amortised cost	30,628	Amortised cost	30,628
Cash and cash equivalents	Amortised cost	474,617	Amortised cost	474,617

There were no changes to the classification and measurement of financial liabilities except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

4 Changes in accounting policies (continued)

(b) IFRS 9 "Financial Instruments" – Impact of adoption (continued)

(i) Classification and measurement (continued)

The impact of these changes on the Group's equity is as follows:

		Effect on AFS reserves RMB'000	Effect on FVOCI reserve RMB'000	Effect on accumulated losses RMB'000
Opening balance – IAS 39		(483)	–	(1,627,457)
Reclassify investments from available-for-sale to FVOCI	*(1)*	483	(483)	–
Reclassify changes in the fair value of the financial liability designated at fair value through profit or loss that is attributable to changes in the credit risk	*(2)*	–	(50,227)	50,227
Total impact		483	(50,710)	50,227
Opening balance – IFRS 9		–	(50,710)	(1,577,230)

(1) Equity investments previously classified as available-for-sale

The Group elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, assets with a fair value of RMB49,636,000 were reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value losses of RMB483,000 were reclassified from the available-for-sale financial assets reserve to the FVOCI reserve on 1 January 2018 (Note 17).

(2) Changes in the fair value of the financial liability designated at fair value through profit or loss that is attributable to changes in the credit risk

The Group designated the entire instruments of Series B preferred shares as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated income statement previously.

Upon adoption of IFRS 9, the component of fair value changes relating to the Company's own credit risk is recognised in other comprehensive income. Amounts recorded in OCI related to credit risk are not subject to recycling in profit or loss, but are transferred to accumulated losses when realised. Fair value changes relating to market risk are recognised in profit or loss.

4 Changes in accounting policies (continued)

(b) IFRS 9 "Financial Instruments" – Impact of adoption (continued)

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables for sales of building materials and from the provision of services; and
- other financial assets at amortised cost.

The Group was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's accumulated losses and equity is disclosed in the table in Note 4(b) above.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables.

Other financial assets at amortised cost (other receivables)

Other financial assets at amortised cost include rental deposits, staff advances, prepaid compensation paid on behalf of the merchants, loans due from third parties and others.

Applying the expected credit risk model resulted in the recognition of a loss allowance of RMB722,000 on 1 January 2018 (previous loss allowance was RMB11,750,000) and a further increase in the allowance by RMB136,000 in the six months ended 30 June 2018.

The loss allowances for trade receivables and other financial assets at amortised cost as at 31 December 2017 reconcile to the opening loss allowances on 1 January 2018 as follows:

	Trade receivables RMB'000	**Other financial assets at amortised cost RMB'000**
At 31 December 2017 – calculated under IAS 39	–	(11,750)
Amounts restated through opening accumulated losses	(34)	(722)
Opening loss allowance as at 1 January 2018 – calculated under IFRS 9	(34)	(12,472)

4 Changes in accounting policies (continued)

(c) IFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

(i) Investments and other financial assets

Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

4 Changes in accounting policies (continued)

(c) IFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018 (continued)

(i) Investments and other financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the interim condensed consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the interim condensed consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the interim condensed consolidated income statement. as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4 Changes in accounting policies (continued)

(d) IFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and reclassifications to the amounts recognised in the consolidated financial statements. In accordance with the transition provisions in IFRS 15, the Group has adopted the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in accumulative losses as of 1 January 2018 and that comparatives will not be restated. In summary, the following reclassifications were made to the amounts recognised in the interim condensed consolidated balance sheet at the date of initial application (1 January 2018):

	As at 1 January 2018		
	As previously stated RMB'000	Reclassification under IFRS 15 RMB'000	Restated RMB'000
Interim condensed consolidated balance sheet (extract)			
Prepayments from customers, trade and other payables	498,656	(115,990)	382,666
Contract liabilities	–	115,990	115,990
Total liabilities	498,656	–	498,656

The amount by each financial statements line items affected in the current year and year to date by the application of IFRS 15 as compared to IAS 18 that were previously in effect before the adoption of IFRS 15 is as follows:

	As at 30 June 2018		
	Amounts without the adoption of IFRS 15 RMB'000	Effects of the adoption of IFRS 15 RMB'000	Amounts as reported RMB'000
Interim condensed consolidated balance sheet (extract)			
Prepayments from customers, trade and other payables	495,417	(126,337)	369,080
Contract liabilities	–	126,337	126,337
Total liabilities	495,417	–	495,417

(i) Payments are usually received in advance of the performance under the contracts which are mainly from Online Platform Business and Self-operated Interior Design and Construction Business. The Group changed the presentation of the prepayments from customers in the balance sheet to reflect the terminology of IFRS 15.

(ii) The commission paid for obtaining the contract for the Online Platform Business and Self-operated Interior Design and Construction Business qualify for recognition as a contract asset which are subsequently amortised to profit or loss when the relevant revenue is recognised. As the revenue could be realised in one year, the Group choose to expense the commission as incurred.

4 Changes in accounting policies (continued)

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies applied from 1 January 2018

(i) Revenue recognition

Revenues are recognised when, or as, the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

The progress towards complete satisfaction of performance obligation, depending on the nature of the good and service to be transferred, is measured based on one of the following methods that best depicts the Group's performance in satisfying the performance obligation:

- direct measurements of the value of individual services transferred by the Group to the customer; or
- the Group's efforts or inputs to the satisfaction of the performance obligation.

If contracts involve the sale of multiple goods, goods followed by related services, or multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

Incremental costs incurred to obtain a contract, if recoverable, are capitalised and presented as contract assets and subsequently amortised when the related revenue is recognised. If the amortisation period is one year or less, the Group elected to recognise the costs as an expense when incurred.

4 Changes in accounting policies (continued)

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies applied from 1 January 2018 (continued)

(i) Revenue recognition (continued)

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the a receivable is recorded(whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

The following is a description of the accounting policy for the principal revenue streams of the Group.

Online Platform Business

(1) Order recommendation fees

The Group provides order recommendation services to the merchants. The Group charges the merchants for a fixed fee for each order recommended. Order recommendation fee revenue are recognised upon completion of the acceptance of the order recommendation by the merchants.

Sometimes, the merchants pay for an additional service fee to receive priority in receiving orders from individual customers for a specific period. Such additional service fees are recognised based on straight-line method during the specific service period.

(2) Licence fee

The Group establishes business relationships with design and construction companies in smaller cities throughout China to promote its platform business. The Group enters into license agreements with these design and construction companies, under which, these companies are authorised to operate the platform in smaller cities, provide design and construction services in their designated region by using the Company's brand during the license term. Licence fee income is recognised on a straight-line basis over the relevant licence agreements.

(3) Storefront fees

The Group charges merchants for participating in the Group's online storefronts, where the Group is not the primary obligor, does not bear the inventory risk and does not have the ability to establish the price. The Group charges these merchants a fixed annual fee. Storefronts fee revenues are recognised based on straight-line method during the service period as specified in the contracts, upon all the revenue recognition criteria are met.

4 Changes in accounting policies (continued)

(e) IFRS 15 Revenue from Contracts with Customers – Accounting policies applied from 1 January 2018 (continued)

(i) Revenue recognition (continued)

Online Platform Business (continued)

(4) Inspection service fees

The Group provides third-party inspection services to the individual customers during the interior design and construction projects. The Group charges the interior design and construction service providers a fixed fee for each projects. Inspection service fee revenues are recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

(5) Sales of building materials

Sales of building materials is categorised under Online Platform Business because the traffic is attracted from the Group's platform. Sales of building materials are recognised when a Group entity has delivered products to the customers.

Self-operated Interior Design and Construction Business

Revenue in respect of the self-operated interior design and construction services is recognised using the output method for measuring progress. The excess of cumulative billings to customers over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

Other – fund management fees

One of the Group's PRC subsidiaries participates in an investment fund management, under which, the Group provides administrative services in return for a management fee. The fund management fee is calculated based on certain percentage of the total equity of the investment fund. Revenue is recognised during the period when the management service is provided.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5 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 this 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 applied to the Appendix I – Accountant's Report as set out in the prospectus of the Company dated 21 June 2018 for the years ended 31 December 2015, 2016 and 2017.

6 Financial risk management and financial instruments

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate 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 Appendix I – Accountant's Report as set out in the prospectus of the Company dated 21 June 2018 for the years ended 31 December 2015, 2016 and 2017, and should be read in conjunction with Appendix I – Accountant's Report.

There have been no changes in the risk management policies since year end.

6.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2018.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at fair value through other comprehensive income	–	–	50,319	50,319
Liabilities				
Series B Preferred Shares	–	–	867,330	867,330
Series C Preferred Shares	–	–	2,212	2,212
Total	–	–	869,542	869,542

6 Financial risk management and financial instruments (continued)

6.2 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2017.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Available-for-sale financial assets	–	–	49,636	49,636
Liabilities				
Series B Preferred Shares	–	–	1,568,099	1,568,099
Convertible liabilities	–	–	147,897	147,897
Total	–	–	1,715,996	1,715,996

There were no transfers between Levels 1, 2 and 3 during the period.

There were no other changes in valuation techniques during the period.

The changes in level 3 instruments for the periods ended 30 June 2018 and 2017 are presented in Note 13 and Note 18 respectively.

6.3 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 (except for prepayments);
- Cash and cash equivalents (including term deposits);
- Trade and other payables (except for prepayments from customers and accrued taxes other than income tax);
- The following assets and liabilities within the held-for-sale disposal group:
  - Trade and other receivables (except for prepayments);
  - Cash and cash equivalents (including term deposits);
  - Trade and other payables (except for prepayments from customers and accrued taxes other than income tax);

7 Segment information

The Group's business activities, for which discrete financial statements are 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. As a result of this evaluation, the Group determined that it has operating segments as follows:

- the provision of an online marketplace for the merchants, provision of order recommendation services, licensing services to its business partners, provision of building material supply chain services ("Online Platform Business");

- the provision of interior design and construction services ("Self-operated Interior Design and Construction Services"); and

- the operating and managing offline building materials shopping mall and organising home events in the shopping malls ("Discontinued Business").

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

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

7 Segment information (continued)

	Six months ended 30 June 2018 (Unaudited)				
Segment	Platform Business RMB'000	Self-operated Interior Design and Construction Business RMB'000	Others RMB'000	Total RMB'000	Discontinued Business RMB'000
Revenue					
Segment revenue	249,683	118,316	2,445	370,444	22,666
Inter-segment sales	(89,390)	(5,470)	–	(94,860)	–
Revenue from external customers	160,293	112,846	2,445	275,584	22,666
Timing of revenue recognition					
At a point in time	115,996	7,790	–	123,786	1,618
Over time	44,297	105,056	2,445	151,798	21,048
	160,293	112,846	2,445	275,584	22,666
Results					
Segment gross profit	137,466	26,289	(200)	163,555	3,421
Selling and marketing expenses				(125,473)	
Administrative expenses				(34,257)	
Research and development expenses				(18,042)	
Other gains – net				5,921	
Finance income				29,886	
Share of profit of investments accounted for using equity method				1,947	
Fair value gains of preferred shares and convertible liabilities				698,814	
Profit before income tax				722,351	

7 Segment information (continued)

	Six months ended 30 June 2017 (Unaudited)				
Segment	Platform Business RMB'000	Self-operated Interior Design and Construction Business RMB'000	Others RMB'000	Total RMB'000	Discontinued Business RMB'000
Revenue					
Segment revenue	131,156	142,241	2,415	275,812	121,719
Inter-segment sales	(57,366)	(12,404)	–	(69,770)	–
Revenue from external customers	73,790	129,837	2,415	206,042	121,719
Timing of revenue recognition					
At a point in time	52,407	13,834	–	66,241	14,417
Over time	21,383	116,003	2,415	139,801	107,302
	73,790	129,837	2,415	206,042	121,719
Results					
Segment gross profit	62,198	38,928	970	102,096	55,383
Selling and marketing expenses				(99,380)	
Administrative expenses				(36,951)	
Research and development expenses				(14,147)	
Other gains – net				1,975	
Finance income				5,635	
Share of profit of investments accounted for using equity method				1,618	
Fair value losses of preferred shares and convertible liabilities				(112,228)	
Loss before income tax				(151,382)	

7 Segment information (continued)

(a) Revenue

The revenue from the continuing operations for the six months ended 30 June 2018 and 2017 are set out as follows:

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Platform Business	**160,293**	73,790
– Order recommendation fees	**125,177**	57,432
– Sales of building materials	**17,348**	4,328
– Licence fee	**8,935**	4,380
– Storefront fees	**6,261**	4,713
– Inspection service fee	**2,572**	2,917
Self-operated Interior Design and Construction Business	**112,846**	129,837
– Self-operated Decoration Business	**105,056**	116,003
– Sales of goods	**7,790**	13,834
Others	**2,445**	2,415
	275,584	206,042

(b) Revenue by geographical markets

All the revenue of the Group was generated in the PRC during the six months ended 30 June 2018 and 2017.

(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 2018

8 Expenses by nature

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Employee benefit expenses	**74,907**	64,320
Advertising and promotion expenses	**65,173**	45,558
Cost of construction material	**57,759**	68,662
Labor cost	**24,485**	27,373
Listing expenses	**15,350**	–
Operating lease expenses	**11,027**	9,589
Travelling, entertainment and communication expenses	**5,566**	6,520
Depreciation of property, plant and equipment	**5,314**	4,414
Professional fee	**3,629**	2,723
Taxes and levies	**2,684**	1,894
Supervision charges	**2,347**	2,706
Bank charges and point-of-sale device processing fees	**1,377**	2,491
Amortisation of intangible assets	**1,181**	1,012
Utilities and electricity	**661**	462
Technology development expenses	**535**	421
Transportation and storage	**470**	1,088
Provision for impairment of trade receivables	**21**	3
Miscellaneous	**17,315**	15,188
Total cost of sales, selling and marketing expenses, administrative expenses and research and development expenses	**289,801**	254,424

9 Finance income

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Accretion charge *(Note 18)*	**21,309**	1,858
Interest income	**8,577**	3,777
	29,886	5,635

10 Income tax credit

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Current tax:		
Current tax on profit/(loss) for the period	**(3,897)**	(1,778)
Deferred income tax:		
Increase in deferred tax assets	**2,895**	2,639
Decrease in deferred tax liabilities	**79**	79
Income tax (expense)/credit	**(923)**	940
Income tax (expense)/credit attributable to:		
Profit/(loss) from continuing operations	**279**	940
Profit/(loss) from discontinued operation	**(1,202)**	–
	(923)	940

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial years.

(a) 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.

(b) British Virgin Islands

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

(c) Hong Kong

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

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

CIT provision was made on the estimated assessable profits of entities within the Group incorporated 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 periods ended 30 June 2018 and 2017.

Certain subsidiaries of the Group in the PRC were approved as High and New Technology Enterprise, and accordingly, they were subject to a reduced preferential CIT rate of 15% for the periods ended 30 June 2018 and 2017 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 basis.

(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 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 periods ended 30 June 2018 and 2017, the PRC companies of the Group has incurred net accumulated operating losses and does not have any profit distribution plan.

11 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/loss of the Group attributable to owners of the Company by weighted average number of ordinary shares issued during the interim periods.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the six months ended 30 June 2018 and 30 June 2017 has been retroactively adjusted for the capitalisation of the share premium account arose from the IPO of the Company (Note 25).

	Unaudited Six months ended 30 June	
	2018	2017
Profit/(loss) from continuing operations attributable to owners of the Company (RMB'000)	**732,307**	(142,294)
Weighted average number of Class B ordinary shares in issue (thousand)	**415,109**	415,109
Earnings/(loss) per share from continuing operations (RMB per share)	**1.76**	(0.34)
Profit/(loss) from discontinued operation attributable to owners of the Company (RMB'000)	**31,987**	(15,952)
Weighted average number of Class B ordinary shares in issue (thousand)	**415,109**	415,109
Earnings/(loss) per share from discontinued operation (RMB per share)	**0.08**	(0.04)

(b) Diluted earnings/(loss) per share

The diluted loss per share are same as the losses per share as there was no dilutive potential shares existed for the six months ended 30 June 2017.

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has various categories of dilutive potential ordinary shares, including Series A, Series B and Series C Preferred Shares (collectively, "Preferred Shares") and Pre-IPO share option plan.

The Preferred Shares are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the accretion charge less the tax effect and any exchange and fair value movements. For the six months ended 30 June 2018, the impact of weighted outstanding shares from Preferred Shares on earnings/(loss) per share was dilutive.

For the Pre-IPO share option plan, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

11 Earnings/(loss) per share (continued)

The calculation of the diluted earnings/loss per share six months ended 30 June 2018 was shown as follows:

	Unaudited Six months ended 30 June 2018
Continuing operations	
Profit from continuing operations attributable to owners of the Company (RMB'000)	**732,307**
Adjustments for Preferred Shares	**(720,123)**
Adjusted profit from continuing operations attributable to owners of the Company (RMB'000)	**12,184**
Weighted average number of Class B ordinary shares in issue (thousand)	**415,109**
Adjustments for Pre-IPO share option plan (thousands of shares)	**23,290**
Adjustments for Preferred Shares (thousands of shares)	**524,684**
Weighted average number of ordinary shares for diluted earnings per share (thousands of shares)	**963,084**
Diluted earnings per share from continuing operations (RMB per share)	**0.01**
Discontinued operation	
Profit from discontinued operation attributable to owners of the Company (RMB'000)	**31,987**
Adjustments for Preferred Shares	**–**
Adjusted profit from discontinued operation attributable to owners of the Company (RMB'000)	**31,987**
Weighted average number of Class B ordinary shares in issue (thousand)	**415,109**
Adjustments for Pre-IPO share option plan (thousands of shares)	**23,290**
Adjustments for Preferred Shares (thousands of shares)	**524,684**
Weighted average number of ordinary shares for diluted earnings per share (thousands of shares)	**963,084**
Diluted earnings per share from discontinued operation (RMB per share)	**0.03**

As the Group incurred losses for the six months ended 30 June 2017, the potential ordinary shares were not included in the calculation of dilutive loss per share as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the six months ended 30 June 2017 is the same as basic loss per share.

12 Investments accounted for using the equity method

Investments accounted for using the equity method refer to the associates held by the Group, movements of which are set out as follows.

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
Beginning of the period	**198,784**	188,483
Share of profit of associates	**1,947**	1,618
Dividends received from an associate	**(2,303)**	(2,303)
Share of other comprehensive loss of investments accounted for using the equity method	**(194)**	(108)
End of the period	**198,234**	187,690

(a) The Group invested in Guangzhou Seagull Kitchen And Bath Products Co. Ltd. (廣州海鷗住宅工業股份有限公司, formerly named "廣州海鷗衛浴用品股份有限公司", "Seagull") in 2015, a company listed in Shenzhen Stock Exchange. Since the Group appointed a director to the board of Seagull, which demonstrated the Group was able to exercise significant influence over the board, the investment was accounted for by using equity method.

13 Fair value through other comprehensive income/available-for-sale financial assets

	Unaudited Six months ended 30 June	
	2018	2017
	RMB'000	RMB'000
At the beginning of the period	**49,636**	48,758
Changes in the fair value	**683**	(379)
At the end of the period	**50,319**	48,379

As at 30 June 2018 and 30 June 2017, the equity investments measured at fair value through OCI mainly represents the equity investment in Shanghai Qin Shui Jia Ding Investment LLP (上海欽水嘉丁投資合夥企業(有限合夥), "Qin Shui Jia Ding LLP").

As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques, including discounted cash flows method and back solve method etc. Key assumptions used in the valuation include historical discount rate and volatility.

14 Trade and other receivables

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Trade receivables		
Due from third parties	**8,614**	5,445
Less: provision for impairment of trade receivables	**(49)**	–
Net trade receivables	**8,565**	5,445
Other receivables		
Rental deposits	**11,425**	8,992
Loans due from third parties	**17,683**	17,722
Staff advances	**5,653**	4,145
Prepaid compensation paid on behalf of the merchants	**3**	70
Others	**2,927**	6,004
Gross other receivables	**37,691**	36,933
Less: provision for impairment of other receivables	**(12,481)**	(11,750)
Net other receivables	**25,210**	25,183
Others		
Prepayments to suppliers	**39,835**	26,739
Prepaid listing expenses	**19,493**	2,927
Value-added tax recoverable	**9,390**	3,839
	68,718	33,505
Total	**102,493**	64,133

The fair values of the current portion of trade and other receivables of the Group, except for the prepayments and value-added tax recoverable which are not financial assets, approximated their carrying amounts.

The carrying amounts of trade and other receivables are denominated in RMB.

14 Trade and other receivables (continued)

(a) The Group grants credit periods to customers ranged from up to 90 days. As at 30 June 2018 and 31 December 2017, the ageing analysis of the trade receivables based on invoice date was as follows:

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Trade receivables – gross		
Within 1 month	**1,839**	1,538
Over 1 month and within 3 months	**1,671**	409
Over 3 months and within 1 year	**5,104**	3,498
	8,614	5,445

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

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
At the beginning of the period	**–**	–
Changes on initial application of IFRS 9 *(Note 4(b))*	**(34)**	–
Restated balance at 1 January 2018	**(34)**	–
Provision for impairment for the period	**(15)**	–
At the end of the period	**(49)**	–

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

	Unaudited Six months ended 30 June	
	2018 RMB'000	2017 RMB'000
At the beginning of the period	**(11,750)**	(12,174)
Changes on initial application of IFRS 9 *(Note 4(b))*	**(722)**	–
Restated balance at 1 January 2018	**(12,472)**	(12,174)
Provision for impairment for the period	**(136)**	–
Write-off against uncollectible receivables	**127**	424
At the end of the period	**(12,481)**	(11,750)

15 Cash and cash equivalents

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Cash at bank	**469,722**	472,912
Cash on hand	**164**	1,705
	469,886	474,617

Cash and cash equivalents are denominated in the following currencies:

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
RMB	**185,523**	323,487
U.S. Dollars ("USD")	**283,035**	151,130
Hong Kong Dollars ("HKD")	**1,328**	–
	469,886	474,617

Cash and cash equivalents include the following for the purposes of the consolidated statements of cash flows:

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Cash at bank	**469,722**	472,912
Cash on hand	**164**	1,705
	469,886	474,617
Classified to assets held for sale *(Note 22)*	**–**	6,020
	469,886	480,637

16 Share capital and share premium

	Ordinary shares				Preferred shares			
	Number of ordinary shares	Number of Class A ordinary shares	Number of Class B ordinary shares	Nominal value of ordinary shares US$'000	Number of Series A preferred shares	Number of Series B preferred shares	Number of Series C preferred shares	Nominal value of preferred shares US$'000
Authorised:								
At 1 January 2018 and 30 June 2018	–	404,658,618	42,344,184	45	32,730,531	20,266,667	–	5
At 1 January 2017 and 30 June 2017	–	404,658,618	42,344,184	45	32,730,531	20,266,667	–	5

(a) The Company was incorporated on 20 November 2014. Upon incorporation, the authorised share capital of the Company is US$50,000 divided into 500,000,000 ordinary shares at a par value of US$0.0001 per share. As at 1 January 2015, 1,000,000 ordinary shares were in issue at a par value of US$0.0001 per share. On 30 April 2015, as described in Note 1.2, the Company underwent a Reorganisation, pursuant to which, all the shareholders of Shanghai Qijia, except for CDH entities, became shareholders of the Company through holding Class B ordinary shares and Preferred A shares (Note 19). On 30 April 2015, the Company cancelled the 500,000,000 authorised ordinary shares and also amended its Memorandum and Articles of Association, which re-designated the Company's shares as: (i) 404,658,618 authorised Class A ordinary shares at a par value of US$0.0001 per share; (ii) 42,344,184 authorised Class B ordinary shares at a par value of US$0.0001 per share; (iii) 32,730,531 authorized Series A preferred shares at a par value of US$0.0001 per share; (iv) 20,266,667 authorised Series B preferred shares at a par value of US$0.0001 per share; and (v) 1,134,014 authorized Series C preferred shares at a par value of US$0.0001 per share. Holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to two votes per share on all matters subject to shareholders' vote. Upon the completion of IPO, the super voting rights of Class B ordinary shares will be terminated and all the Class A ordinary shares and Class B ordinary shares issued will be re-designated as ordinary shares immediately.

	Number of ordinary shares	Number of Class A ordinary shares	Number of Class B ordinary shares	Nominal value of ordinary shares US$'000	Equivalent Nominal value of ordinary shares RMB'000	Share premium RMB'000
Issued:						
At 1 January 2018 and 30 June 2018	–	–	41,510,851	4	25	15,616
At 1 January 2017 and 30 June 2017	–	–	41,510,851	4	25	15,616

(b) On 30 April 2015, pursuant to the Reorganisation as described in Note 1.2, the Company issued 42,344,184 Class B ordinary shares in exchange for Mr. Deng and Senior Management Shareholders' equity interests in Shanghai Qijia. After completion of the Reorganisation, net assets value of Shanghai Qijia and its subsidiaries with the amount of RMB15,955,000 was used as the investment cost for investment in subsidiaries on the Company's separate financial statements. Share capital of USD4,234 (equivalent to RMB26,000) and share premium of RMB15,929,000 was recorded on the credit side.

(c) On 30 April 2015, pursuant to a board resolution, the Company repurchased 833,333 Class B ordinary shares from Qeeka Holding Limited at a consideration of USD5,000,000 (equivalent to RMB30,583,000). The difference between the repurchase consideration and share capital of RMB30,582,500 was debit to other reserve.

17 Other reserves

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Preferred shares reserve RMB'000	Currency translation differences RMB'000	Share option reserve RMB'000	FVOCI reserve RMB'000	Others RMB'000	Total RMB'000
At 1 January 2018 (audited)	**(188,495)**	**10,277**	**319,889**	**(2,476)**	**5,713**	**–**	**(57)**	**144,851**
Changes on initial application of IFRS 9	**–**	**–**	**–**	**–**	**–**	**(50,710)**	**483**	**(50,227)**
Restated balance at 1 January 2018	**(188,495)**	**10,277**	**319,889**	**(2,476)**	**5,713**	**(50,710)**	**426**	**94,624**
Acquisition of additional equity interest in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**390**	**390**
Issuance of Series C Preferred Shares	**–**	**–**	**59,285**	**–**	**–**	**–**	**–**	**59,285**
Conversion of convertible liabilities to Series A Preferred Shares	**–**	**–**	**161,859**	**–**	**–**	**–**	**–**	**161,859**
Currency translation differences *(a)*	**–**	**–**	**–**	**(18,165)**	**–**	**–**	**–**	**(18,165)**
Effects of changes in credit risk for liabilities designated as at fair fair value through profit or loss *(Note 13)*	**–**	**–**	**–**	**–**	**–**	**(920)**	**–**	**(920)**
Share of other comprehensive income of investments accounted for using the equity method *(Note 12)*	**–**	**–**	**–**	**–**	**–**	**–**	**(194)**	**(194)**
Financial assets at fair value through other comprehensive income reserve	**–**	**–**	**–**	**–**	**–**	**683**	**–**	**683**
Pre-IPO share option plan	**–**	**–**	**–**	**–**	**3,027**	**–**	**–**	**3,027**
At 30 June 2018 (unaudited)	**(188,495)**	**10,277**	**541,033**	**(20,641)**	**8,740**	**(50,947)**	**622**	**300,589**
At 1 January 2017 (audited)	(188,495)	9,495	319,889	(56,903)	1,666	–	(616)	85,036
Currency translation differences *(a)*	–	–	–	13,315	–	–	–	13,315
Changes in the fair value of available-for-sale financial assets *(Note 13)*	–	–	–	–	–	–	(379)	(379)
Share of other comprehensive income of investments accounted for using the equity method *(Note 12)*	–	–	–	–	–	–	(108)	(108)
Pre-IPO share option plan	–	–	–	–	2,024	–	–	2,024
At 30 June 2017 (unaudited)	(188,495)	9,495	319,889	(43,588)	3,690	–	(1,103)	99,888

(a) Currency translation difference reserve represents the difference arising from the translation of the financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Company and the Group.

18 Preferred shares

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Series A Preferred Shares	**4,539**	25,516
Series B Preferred Shares	**867,330**	1,568,099
Series C Preferred Shares	**2,212**	–
	874,081	1,593,615
Convertible liabilities	**–**	147,897
	874,081	1,741,512

The movements of the liability component of Series A preferred shares, Series B preferred shares, the liability component of Series C preferred shares and convertible liabilities for the period ended 30 June 2018 and 2017 are set out below:

	Series A Preferred Shares RMB'000	Series B Preferred Shares RMB'000	Series C Preferred Shares RMB'000	Convertible liabilities RMB'000	Total RMB'000
At 1 January 2018 (audited)	**25,516**	**1,568,099**	**–**	**147,897**	**1,741,512**
Issuance of Series C Preferred Shares	**–**	**–**	**3,810**	**–**	**3,810**
Accretion charge *(Note 9)*	**(21,309)**	**–**	**–**	**–**	**(21,309)**
Fair value change	**–**	**(716,977)**	**(1,603)**	**19,766**	**(698,814)**
Financial assets at fair value through other comprehensive income reserve	**–**	**920**	**–**	**–**	**920**
Conversion of convertible liabilities to Series A preferred shares	**854**	**–**	**–**	**(162,713)**	**(161,859)**
Currency translation differences	**(522)**	**15,288**	**5**	**(4,950)**	**9,821**
At 30 June 2018 (unaudited)	**4,539**	**867,330**	**2,212**	**–**	**874,081**
At 1 January 2017 (audited)	31,833	998,629	–	57,961	1,088,423
Accretion charge *(Note 9)*	(1,858)	–	–	–	(1,858)
Fair value change	–	101,314	–	10,914	112,228
Currency translation differences	(196)	(24,609)	–	(401)	(25,206)
At 30 June 2017 (unaudited)	29,779	1,075,334	–	68,474	1,173,587

(a) Conversion of convertible liabilities to Series A Preferred Shares

In March 2018, Cachet Special Opportunities SP, an independent investor, was introduced to settle the convertible liabilities held by Beijing CDH Weisen Venture Investment Centre (Limited Partnership) and Beijing CDH Weixin Venture Investment Center L.P (collectively, "CDH entities"). As a result, the convertible liabilities were fully converted into 3,080,050 Series A preferred shares, including RMB854,000 presented as preferred shares in liability side and RMB161,859,000 presented as "other reserve".

18 Preferred shares (continued)

(b) Issuance of Series C Preferred Shares

In March 2018, 1,134,014 Series C Preferred Shares was issued to Cachet Special at a consideration of USD10,000,000 (equivalent to approximately RMB63,095,000).The Series C Preferred Shares contain two components, liability and equity elements. The equity element is presented in equity heading "other reserve". The fair value of the liability component and equity component of RMB3,810,000 and RMB59,285,000 was recognised respectively.

The Company has engaged an independent valuer to determine the total fair value of the preferred shares and convertible liabilities. The discounted cash flow method was used to determine the total equity value of the Company and then equity allocation model was adopted to determine the fair value of the Preferred Shares as of the dates of issuance and at the end of each reporting period.

19 Dividends

No dividend has been paid or declared by the Company or the companies now comprising the Group during each of the periods ended 30 June 2018 and 2017.

20 Prepayments from customers, trade and other payables

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Trade payables	**73,616**	52,610
Other payables		
Deposits payments	**101,729**	135,341
Quality and performance guarantee deposits from customers	**63,383**	52,986
Payables for listing expenses	**19,503**	12,046
Bonus points	**5,705**	–
Payables for purchases of property, plant and equipment	**218**	876
Other accrued expenses and payables	**6,799**	7,674
	197,337	208,923
Others		
Staff salaries and welfare payables	**75,565**	96,787
Prepayments from customers	**–**	115,990
Accrued taxes other than income tax	**23,492**	24,346
	99,057	237,123
	370,010	498,656

20 Prepayments from customers, trade and other payables (continued)

The ageing analysis of the trade payables based on invoice date was as follows:

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Within 1 month	**18,252**	30,918
Over 1 month and within 3 months	**12,075**	3,673
Over 3 months and within 1 year	**38,522**	10,142
Over 1 years	**4,767**	7,877
	73,616	52,610

21 Operating lease commitments

The Group leases office buildings and showroom under non-cancellable operating lease agreements. The lease terms are between 1 and 5 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

As at 30 June 2018 and 31 December 2017, the future aggregate minimum lease payments under non-cancellable operating leases for office and warehouse facilities payable by the Group were as follows:

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Continuing operations:		
No later than 1 year	**14,727**	8,001
Later than 1 year and no later than 5 years	**24,991**	19,659
Later than 5 years	**–**	4,830
	39,718	32,490
Discontinued operation:		
No later than 1 year	**–**	48,999
Later than 1 year and no later than 5 years	**–**	97,960
Later than 5 years	**–**	1,251
	–	148,210
	39,718	180,700

22 Non-current assets held for sale and discontinued operation

(a) Description

In December 2017, pursuant to a board resolution, the Group determined to dispose its Discontinued Business to Mr. Deng at a consideration of RMB18,010,000. The transaction was subsequently completed on 28 March 2018.

The following assets and liabilities (after elimination of the balance with Continuing Business) were reclassified as held for sale in relation to the discontinued operation as at 31 December 2017:

	RMB'000
Assets classified as held for sale	
Property, plant and equipment	18,231
Trade and other receivables	16,775
Cash and cash equivalents	6,020
	41,026
Liabilities directly associated with assets classified as held for sale	
Prepayments from customers, trade and other payables	113,247

22 Non-current assets held for sale and discontinued operation (continued)

(b) Financial performance and cash flow information

The financial performance and cash flow information of the Discontinued Business for the periods ended 30 June 2018 and 2017 was presented below:

	Unaudited Six months ended 30 June 2018 RMB'000	2017 RMB'000
Revenue	**22,666**	121,719
Cost of sales	**(19,245)**	(66,336)
Selling and marketing expenses	**(8,709)**	(43,713)
Administrative expenses	**(1,550)**	(16,418)
Research and development expenses	**(1,729)**	(11,256)
Other gains/(losses)-net	**808**	(81)
Operating loss	**(7,759)**	(16,085)
Finance income	**26**	133
Loss before income tax	**(7,733)**	(15,952)
Income tax	**–**	–
Loss after income tax of discontinued operation	**(7,733)**	(15,952)
Post tax gain on disposal of discontinued operation *(c)*	**39,720**	–
Profit/(loss) from discontinued operation	**31,987**	(15,952)
Profit/(loss) from discontinued operation attributable to:		
– Owners of the Company	**31,987**	(15,952)
– Non-controlling interests	**–**	–
	31,987	(15,952)
Other comprehensive income/(loss) from discontinued operation	**31,987**	(15,952)
Net cash inflow/(outflow) from operating activities	**103,708**	(25,949)
Net cash inflow/(outflow) from investing activities (includes an inflow of RMB18,010,000 from the sale of discontinued operation)	**18,546**	(3)
Net increase/(decrease) in cash generated by the subsidiary	**122,254**	(25,952)

(c) Details of the sale of the subsidiary

	Unaudited Six months ended 30 June 2018 RMB'000
Cash consideration received or receivable:	**18,010**
Carrying amount of net liabilities sold	**(22,912)**
Gain on sale before income tax and reclassification of foreign currency translation reserve	**40,922**
Income tax expense on gain	**(1,202)**
Gain on sale after income tax	**39,720**

23 Related party transactions

Related parties are those parties that have the ability to control, jointly 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 or joint 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 2018 and 2017, and balances arising from related party transactions as at 30 June 2018 and 31 December 2017.

(a) Name and relationship with related parties

Name of related parties	Relationship with the Group
Mr. Deng	Controlling shareholder and executive director of the Company
Mr. Chen Yangui (陳言貴)	Minority shareholder
Mr. Zuo Hanrong (左漢榮)	Minority shareholder
SIP Oriza PE Fund Management Co., Ltd. (蘇州工業園區元禾重元股權投資基金管理有限公司, "SIP Oriza Fund")	One investor of Series B preferred shares
SIP Oriza Qijia PE Enterprise (Limited Partnership) (蘇州工業園區重元齊家股權投資企業（有限合夥), "SIP Oriza")	Onshore company of SIP Oriza Fund
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

* The Group disposed Qijia E-commerce on 31 March 2018. The related party transactions with Qijia E-commerce referred to the transactions after the disposal. Details see Note 22.

23 Related party transactions (continued)

(b) Transactions with related parties

	Unaudited Six months ended 30 June 2018 RMB'000	2017 RMB'000
Repayments to a related party		
SIP Oriza Fund	**310,090**	–
Loans provided by the Group		
Mr. Deng	**–**	36,049
Proceeds from a related party		
SIP Oriza	**314,490**	–
Repayment of loans from related parties		
Mr. Deng	**5,697**	–
Mr. Chen Yangui	**–**	–
Mr. Zuo Hanrong	**–**	1,699
	5,697	1,699

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

(c) Balances with related parties

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Amount due from a related party:		
SIP Oriza	**–**	325,315
Amount due from a director:		
Mr. Deng	**–**	5,697

	Unaudited 30 June 2018 RMB'000	Audited 31 December 2017 RMB'000
Amount due to a related party:		
SIP Oriza Fund	**–**	310,090

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.

23 Related party transactions (continued)

(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	
	2018	2017
	RMB'000	RMB'000
Salaries, wages and bonus	**1,198**	1,325
Pension cost – defined contribution plan	**156**	124
Other social security costs, housing benefits and other employee benefits	**58**	46
Share-based compensation expenses	**152**	173
	1,564	1,668

24 Contingent liabilities

As at 30 June 2018 and 31 December 2017, the Group did not have any material contingent liabilities.

25 Events occurring after the balance sheet date

(a) Pursuant to the written resolutions passed on 4 June, 2018, and subject to the share premium account of the Company being credited as a result of the completion of the IPO, a total of 871,284,681 ordinary shares will be allotted and issued credited as fully paid at par on 12 July 2018 to the holders of Class B Ordinary Shares and the Preferred Shares.

(b) On 12 July 2018, the Company completed its global initial public offering of shares by issuing 242,030,000 ordinary shares at a price of HK$4.85 per share. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on the same date. On 26 July 2018, the Joint Global Coordinators exercised the over – allotment option by issuing additional 150,000 shares at a price of HK$4.85 per share.

(c) On 18 July 2018, pursuant to an approved letter from the relevant government authority, Tianjin Qijia Information Technology Co., Ltd. (天津齊嘉信息科技有限公司), a subsidiary of the Group, was liquidated.

Definitions

"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Baidu HK"	Baidu (Hong Kong) Limited* (百度(香港)有限公司), a company with limited liability incorporated in Hong Kong on 27 November 2007
"Board"	the board of Directors
"Brausen"	Brausen (Fujian) Decoration & Engineering Co., Ltd.* (博若森(福建)裝飾工程有限公司), company with limited liability incorporated in PRC on June 23, 2006 and a subsidiary of our Company, and its subsidiaries as the context requires, which were acquired by us on 24 August 2015
"BVI"	the British Virgin Islands
"Cachet Special"	Cachet Special Opportunities SP, a segregate portfolio under Cachet Multi Strategy Fund SPC established in the Cayman Islands
"CDH Weisen"	Beijing CDH Weisen Venture Investment Center L.P.* (北京鼎暉維森創業投資中心(有限合夥))
"CDH Weixin"	Beijing CDH Weixin Venture Investment Center L.P.* (北京鼎暉維鑫創業投資中心(有限合夥))
"CDH entities"	CDH Weisen and CDH Weixin
"CEO"	the chief executive officer of our Company
"Chairman"	the chairman of the Board
"CIT"	corporate income tax

"Class A Ordinary Share(s)"	the Ordinary Share(s) of the Company designated as Class A ordinary share(s) of US$0.0001 par value per share, representing one vote in respect of each Class A ordinary share, which is authorized but none issued, and is reserved among other things, for the conversion of the Preferred Shares and the Share Option Scheme, and which will be re-designated as Share(s) immediately before the Listing
"Class B Ordinary Shares"	the Ordinary Share(s) of the Company designated as Class B ordinary share(s) of US$0.0001 par value per share, representing two votes in respect of each Class B ordinary share, which will be re-designated as Share(s) immediately before the Listing
"CODM"	chief operating decision-maker
"Company", "our Company", "we" or "us"	Qeeka Home (Cayman) Inc. 齊屹科技(開曼)有限公司 (formerly known as China Home (Cayman) Inc.), an exempted company with limited liability incorporated in the Cayman Islands on 20 November 2014
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Contractual Arrangement(s)"	the series of contractual arrangements entered into among Shanghai Qijia, Qijia Network Technology and the shareholders of Shanghai Qijia, details of which are described in the section headed "Contractual Arrangements" of the Prospectus
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules
"Director(s)"	the director(s) of our Company
"Discontinued Business"	operating and managing building materials shopping mall
"EPS"	earnings/(loss) per share
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group" or "our Group"	the Company, its subsidiaries, and the PRC Operating Entities (the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements) from time to time
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Offer Share(s)"	the new Shares offered for subscription in the Hong Kong Public Offering at the Offer Price
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the terms and subject to the conditions described in the Prospectus
"Hua Yuan International"	Hua Yuan International Limited* (華圓管理諮詢(香港)有限公司), a company with limited liability incorporated in Hong Kong on September 26, 2006
"International Offer Share(s)"	the Shares offered for subscription at the Offer Price under the International Offering together, where relevant, with additional Shares that were issued pursuant to the partial exercise of the Over-allotment Option
"IAASB"	the International Auditing and Assurance Standards Board
"IAS"	the International Accounting Standards
"IASB"	the International Accounting Standards Board
"IFRS"	The International Financial Reporting Standards, amendments and interpretation issued from time to time by the IASB
"International Offering"	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs only in reliance on Rule 144A or any other available exemption from the registration requirement under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering" in the Prospectus
"International Underwriters"	the underwriters of the International Offering
"IPO"	The Company's initial offering of its shares on Main Board of the Stock Exchange of Hong Kong on 12 July 2018
"Joint Global Coordinators"	Goldman Sachs (Asia) L.L.C. and CLSA Limited
"Josephine Holding"	Qeeka Josephine Holding Limited, formerly known as Josephine Holding Limited, an exempted company with limited liability incorporated in the BVI on February 12, 2018, which is wholly owned by GAO Wei
"Jumei"	Qijia Jumei (Suzhou) Refined Construction Technology Co., Ltd.* (齊家居美(蘇州)精裝科技有限公司), a company with limited liability incorporated in PRC on August 30, 2016

Definitions

"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	12 July 2018, the date on which the Shares were listed on the Stock Exchange
"Listing Business"	Online Platform Business, Self-operated Interior Design and Construction Business and Discontinued Business
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified form time to time
"Main Board"	The stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"MUV"	monthly unique visitors
"Mr. Deng"	Mr. Deng Huajin, our founder, chairman of our Board, executive Director, CEO and our single largest Shareholder
"Ms. Sun"	Ms. Sun Jie, our Shareholders and the wife of Mr. Deng
"Offer Price"	HKD4.85
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with additional Shares issued by our Company pursuant to the exercise of the Over-allotment Option
"Online Platform Business"	the provision of an online marketplace for building materials sellers and decoration service providers, provision of order recommendation services, provision of advertising and promotion services, licensing brand to business partners, provision of building material supply chain service and others
"Orchid Asia"	Clinton Global Limited, an exempted company with limited liability incorporated in the Cayman Islands on 3 October 2014

Definitions

"Over-allotment Option"	the option granted by our Company to the International Underwriters, exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters) for up to 30 days from the day following the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue up to 36,304,500 additional new Shares (representing in aggregate 15% of the initial Offer Shares) to, cover over-allocations in the International Offering, if any
"Period"	the six months ended 30 June 2018
"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
"Pre-IPO Investment Agreement(s)"	Preferred Share Purchase Agreement I, Preferred Share Purchase Agreement II, Preferred Share Purchase Agreement III and Preferred Share Purchase Agreement IV entered into, among others, by the Pre-IPO Investors and the Company in connection with the Pre-IPO Investment
"Preferred Shares"	means the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares
"Prospectus"	the prospectus being issued in connection with the Hong Kong Public Offering
"Qeeka Holding"	Qeeka Holding Limited, an exempted company with limited liability incorporated in the BVI on November 18, 2014, which is wholly owned by Mr. Deng
"QIBs"	a qualified institutional buyer within the meaning of Rule 144A
"Qijia Bao Service"	Value-added services provided by our Company, including an escrow payment service and third party inspection services
"Qijia Network Technology"	Qijia (Shanghai) Network Technology Co., Ltd.* (齊家網(上海)網絡科技有限公司), a company with limited liability incorporated in the PRC on 16 April 2015 and a subsidiary of the Company
"Regulation S"	Regulation S under the U.S. Securities Act
"Rule 144A"	Rule 144A under the U.S. Securities Act

"Self-operated Interior Design and Construction Business"	the provision of interior design and construction service
"Series A-1 Investors"	the holder of Series A-1 Preferred Shares, namely Hua Yuan International and its onshore holding vehicle prior to our VIE structure, Cowin Venture Capital Co., Ltd. (凱風創業投資有限公司)
"Series A-2 Investors"	the holders of Series A-2 Preferred Shares, namely Cowin and Guangfa Xinde Capital, and their respective onshore holding vehicle prior to our VIE structure, Huoerguosi Cowin Jinqu Venture Capital Co., Ltd.* (霍爾果斯凱風進取創業投資有限公司) and GF Xinde Investment Management Co., Ltd.* (廣發信德投資管理有限公司)
"Series A-3 Investors"	the holders of Series A-3 Preferred Shares, namely Cachet Special and Qianrong Capital, and the onshore holding vehicle of Qianrong Capital prior to our VIE structure, Suzhou Kunrong Venture Capital Co., Ltd.* (蘇州坤融創業投資有限公司)
"Series A-4 Investors"	the holder of Series A-4 Preferred Shares, namely Baidu HK and its onshore holding vehicle prior to our VIE structure, Beijing Baidu Netcom Science Technology Co., Ltd (北京百度網訊科技有限公司)
"Series A Preferred Share(s)"	the Series A-1 Preferred Share(s), the Series A-2 Preferred Share(s), the Series A-3 Preferred Share(s) and the Series A-4 Preferred Share(s)
"Series A-1 Preferred Share(s)"	the series A-1 convertible preferred share(s) of the Company, par value US$0.0001 per share, 10,191,275 of which are currently in issue and held by the Series A-1 Investors pursuant to the Pre-IPO Investment Agreements
"Series A-2 Preferred Share(s)"	the series A-2 convertible preferred share(s) of the Company, par value US$0.0001 per share, 4,755,882 of which are currently in issue and held by the Series A-2 Investors pursuant to the Pre-IPO Investment Agreements
"Series A-3 Preferred Share(s)"	the series A-3 convertible preferred share(s) of the Company, par value US$0.0001 per share, 3,850,041 of which are currently in issue and held by the Series A-3 Investors pursuant to the Pre-IPO Investment Agreements
"Series A-4 Preferred Share(s)"	the series A-4 convertible preferred share(s) of the Company, par value US$0.0001 per share, 13,933,333 of which are currently in issue and held by the Series A-4 Investors pursuant to the Pre-IPO Investment Agreements
"Shanghai Qijia"	Shanghai Qijia Network Information Technology Co., Ltd.* (上海齊家網信息科技股份有限公司), a company with limited liability incorporated in the PRC on 9 August 2007, and is controlled by our Group through the Contractual Arrangements

Definitions

"Sunjie Home"	Qeeka Sunjie Home Holding Limited, formerly known as Sunjie Home Holding Limited, an exempted company with limited liability incorporated in the BVI on 12 February 2018, which is wholly owned by Ms. Sun
"RMB"	Renminbi, the lawful currency of PRC
"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$0.0001 each
"Shareholder(s)"	holder(s) of the Shares
"SIP Oriza"	SIP Oriza Qijia PE Enterprise (Limited Partnership)* (蘇州工業園區重元齊家股權投資企業(有限合夥)), a limited partnership established under the laws of PRC on 30 April 2015, whose general partner is SIP Oriza Fund
"SIP Oriza Fund"	SIP Oriza PE Fund Management Co., Ltd. (蘇州工業園區元禾重元股權投資基金管理有限公司), a company incorporated in the PRC with limited liability on 16 August 2013
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Tianyuan Home"	Qeeka Tianyuan Home Holding Limited, formerly known as Tianyuan Home Holding Limited, an exempted company with limited liability incorporated in the BVI on 12 February 2018, which is wholly owned by TIAN Yuan
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD" or "US$"	United States dollars, the lawful currency of the United States
"User Profile"	profile of the user's specific needs for interior design and construction services
"%"	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.