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

### **齊屹科技(開曼)有限公司**

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

**(Stock code: 1739)**

## **CONNECTED TRANSACTION ACQUISITION OF 15.0533% EQUITY INTEREST IN BRAUSEN**

### **ACQUISITION OF 15.0533% EQUITY INTEREST IN BRAUSEN**

On December 10, 2019, Shanghai Qiyu (as the purchaser), a wholly owned subsidiary of the Company, entered into the Agreement with Mr. Chen and Mr. Zuo (as the vendors), pursuant to which (i) Shanghai Qiyu agreed to purchase, and Mr. Chen agreed to sell, 5.0377% equity interests in Brausen; and (ii) Shanghai Qiyu agreed to purchase, and Mr. Zuo agreed to sell, 10.0156% equity interests in Brausen for an aggregate consideration of RMB5,775,773.

As at the date of this announcement, the Company, Mr. Chen and Mr. Zuo owns approximately 69.8934%, 10.0754% and 20.0312% equity interests in Brausen. Upon completion of the Acquisition, Brausen shall be owned as to 84.9467%, 5.0377% and 10.0156% by the Company, Mr. Chen and Mr. Zuo, respectively.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, each of Mr. Chen and Mr. Zuo is a substantial shareholder of Brausen, a non-wholly owned subsidiary of the Company, and hence is a connected person of the Company. Accordingly, the Acquisition constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. Since at least one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is above 1% but below 5%, the Acquisition is only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is exempt from circular and the independent shareholders’ approval requirement under the Listing Rules.

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### **PRINCIPAL TERMS OF THE AGREEMENT**

The principal terms of the Agreement are summarized below.

Date: December 10, 2019

Parties: (1) Vendors: Mr. Chen and Mr. Zuo  
(2) Purchaser: Shanghai Qiyu

As at the date of this announcement, the Company, Mr. Chen and Mr. Zuo owns approximately 69.8934%, 10.0754% and 20.0312% equity interests in Brausen. As a result, each of Mr. Chen and Mr. Zuo is a substantial shareholder of Brausen, a non-wholly owned subsidiary of the Company, and hence is a connected person of the Company. Save as disclosed above, each of Mr. Chen and Mr. Zuo is not otherwise connected with the Company.

Subject Matter: Pursuant to the Agreement, Shanghai Qiyu agreed to purchase 5.0377% and 10.0156% equity interests in Brausen from Mr. Chen and Mr. Zuo, respectively, free from any encumbrances together with all rights and benefits therein.

As at the date of this announcement, Brausen has two wholly owned subsidiaries and ten non-wholly owned subsidiaries.

Consideration: The aggregate consideration payable by the Company shall be RMB5,775,773, comprising RMB1,932,951 payable to Mr. Chen and RMB3,842,822 payable to Mr. Zuo.

The consideration for the Sale Interest was arrived at after arm's length negotiation among the parties, and was determined with reference to the fair market value of Brausen's underlying business as valued by an independent valuer.

The consideration will be funded by using the Group's available internal resources.

Payment terms: The consideration shall be settled by Shanghai Qiyu within 30 days upon the conditions precedent being fulfilled (or waived by Shanghai Qiyu as applicable).

- Conditions precedent: Completion is conditional upon the fulfilment (or waiver by Shanghai Qiyu if permitted) of the following conditions:
- a) the due diligence and investigation in respect of the Sale Interest to be carried out by Shanghai Qiyu having been completed to the satisfaction of Shanghai Qiyu;
  - b) Shanghai Qiyu having approved the Acquisition in accordance with its articles of association, all other constitutional documents and relevant laws and regulations;
  - c) warranties given by each of Mr. Chen, Mr. Zuo and Brausen pursuant to the Agreement remaining true and accurate in all material respects at the date of the completion; and
  - d) no government institutions having formulated, issued, promulgated or implemented any laws, regulations, rules or policies that would render the Acquisition illegal or prohibit the Acquisition.

If either one of the acquisitions from Mr. Chen or Mr. Zuo does not proceed, Shanghai Qiyu can unilaterally decide to terminate or proceed with the acquisition from the other party.

Completion: The respective application with the provincial Administration for Industry and Commerce for the change of registered owner of the Sale Interest shall be submitted by the parties within 5 business days upon all the conditions precedent are fulfilled (or waived by the Purchaser as the case may be).

Completion of the Acquisition shall take place on the date on which the business registration with provincial Administration for Industry and Commerce concerning the Acquisition is completed.

## **INFORMATION OF THE PARTIES**

### **Mr. Chen, the vendor**

Mr. Chen was one of the founding members of Brausen and its subsidiaries and has been mainly responsible for the operation of the production facilities of Brausen.

### **Mr. Zuo, the vendor**

Mr. Zuo was one of the founding members of Brausen and its subsidiaries and has been mainly responsible for the overall operation of Brausen.

## Shanghai Qiyu, the purchaser

Shanghai Qiyu is a company established in the PRC with limited liability and a wholly owned subsidiary of the Company, which is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Company is a leading interior design and construction online platform in the PRC.

## Brausen, the target company

Brausen is a company established under the laws of the PRC and as of the date of this announcement, a non-wholly owned subsidiary of the Company. As at the date of this announcement, the Company, Mr. Chen and Mr. Zuo owns approximately 69.8934%, 10.0754% and 20.0312% equity interests in Brausen.

Brausen, together with its two wholly owned subsidiaries and ten non-wholly owned subsidiaries, focused on full-service interior design and construction businesses in the PRC. Brausen and its subsidiaries have recorded a negative net assets value of approximately RMB61.6 million as at October 31, 2019. The audited financial results of Brausen and its subsidiaries for the two years immediately preceding the date of the Agreement were as follows:

	For the years ended	
	31 December	
	2017	2018
	RMB('000)	RMB('000)
	(audited)	(audited)
Revenue	157,233	167,567
Loss before tax	(55,550)	(23,460)
Loss after tax	(57,632)	(23,515)

Upon completion of the Acquisition, Brausen shall be owned as to 84.9467%, 5.0377% and 10.0156% by the Company, Mr. Chen and Mr. Zuo, respectively.

## REASONS FOR THE ACQUISITION

When the Group acquired Brausen in 2015, Mr. Chen and Mr. Zuo retained minority stakes in Brausen and continued to be responsible for the overall operation of Brausen to allow for business continuity and management transition. Since then, the Group has acquired the necessary skills, knowledge and contacts to take over control and run the business operations of Brausen in long term. Upon completion of the Acquisition, the Group will further increase its controlling interest in Brausen to exert a greater influence and consolidate control over the development, operations and management of Brausen and its subsidiaries which is in line with the long term business strategy of the Group. The Directors considered that the Acquisition will provide an opportunity to enhance the Group's financial performance and return to the Shareholders in the long run.

Based on the above, the Directors (including the independent non-executive Directors) consider that the entering into of the Agreement and the terms of the Acquisition, including the consideration, are on normal commercial terms, fair and reasonable and that the Acquisition is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Mr. Chen and Mr. Zuo is a substantial shareholder of Brausen, a non-wholly owned subsidiary of the Company, and hence is a connected person of the Company. Accordingly, the Acquisition constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. Since at least one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition is above 1% but below 5%, the Acquisition is only subject to the reporting, annual review and announcement requirements set out in the Listing Rules but is exempt from circular and the independent shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Acquisition”	the acquisition of in aggregate 15.0533% equity interests in Brausen pursuant to the Agreement
“Agreement”	the equity transfer agreement dated December 10, 2019 entered among Shanghai Qiyu, Mr. Chen and Mr. Zuo pursuant to which (i) Shanghai Qiyu agreed to purchase, and Mr. Chen agreed to sell, 5.0377% equity interests in Brausen; and (ii) Shanghai Qiyu agreed to purchase, and Mr. Zuo agreed to sell, 10.0156% equity interests in Brausen
“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), a company established in the PRC and a non-wholly owned subsidiary of the Company
“Company”	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 November 20, 2014, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1739)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries (including its PRC operating entities the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of the Company by virtue of a series of contractual arrangements)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	CHEN Yangui (陳言貴)
“Mr. Zuo”	ZUO Hanrong (左漢榮)
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	15.0533% equity interests in Brausen to be transferred under the Acquisition
“Shanghai Qiyu”	Shanghai Qiyu Information Technology Co., Ltd.* (上海齊煜信息科技有限公司), a company incorporated in the PRC and a wholly owned subsidiary of the Company
“Shareholders”	holders of the Shares
“Share(s)”	the ordinary share(s) of US\$0.0001 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

\* *The Chinese name of the entities incorporated in the PRC is the official name and the English name is the translation for identification purpose only.*

By order of the Board  
**Qeeka Home (Cayman) Inc.**  
**Deng Huajin**  
*Chairman*

Shanghai, the PRC, December 10, 2019

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