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)

CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus issued by Qeeka Home (Cayman) Inc. (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") dated June 21, 2018 (as supplemented by the supplemental prospectus dated July 3, 2018) (the "**Prospectus**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Prospectus.

USE OF PROCEEDS

The net proceeds from the Listing received by the Company, after deducting underwriting commissions and related expenses in connection with the Listing, amounted to approximately RMB949.8 million (the "**IPO Proceeds**").

It was disclosed under the section headed "Future Plans and Use of Proceeds" in the Prospectus that the Group intended to use the IPO Proceeds (adjusted on a pro-rata basis according to the net proceeds) for the following purposes:

i. approximately RMB379.9 million (representing 40% of the net proceeds) is expected to be used for the Group's online platform marketing expenses to enhance brand recognition and for the expansion of user base;

ii. approximately RMB95.0 million (representing 10% of the net proceeds) is expected to be used for investment in the Group's supply chain management business;

iii. approximately RMB95.0 million (representing 10% of the net proceeds) is expected to be used for the expansion of the Group's loan referral business;

iv. approximately RMB95.0 million (representing 10% of the net proceeds) is expected to be used for the development of the Group's self-operated interior design and construction business;

v. approximately RMB142.5 million (representing 15% of the net proceeds) is expected to be used for investment in the Group's technology infrastructure and system;

vi. approximately RMB95.0 million (representing 10% of the net proceeds) is expected to be used for making additional strategic investments and acquisitions in cash alone or in combination with equity; and

vii. approximately RMB47.4 million (representing 5% of the net proceeds) is expected to be used as general working capital.

As at the date of this announcement, approximately RMB653.6 million of the IPO Proceeds remain unutilized.

CHANGE IN USE OF PROCEEDS

For reasons set out in the paragraph headed "Reasons for Change in Use of Proceeds" of this announcement, the board of the directors of the Company (the "**Board**") has resolved to change the use of the remaining unutilized IPO Proceeds. An analysis of the utilization of the IPO Proceeds up to the date of this announcement and the proposed change of use of the remaining IPO Proceeds (the "**Proposed Change**") are summarized as follows:

		Proposed use of IPO Proceeds as disclosed in the Prospectus	Utilized IPO Proceeds up to the date of this announcement	Unutilized IPO Proceeds as at the date of this announcement	Proposed change of unutilized IPO Proceeds	Revised allocation of utilized and unutilized IPO Proceeds
		RMB million Approximate	*RMB million Approximate*	*RMB million Approximate*	*RMB million Approximate*	*RMB million Approximate*
i.	Development of online platform – marketing expense	379.9	125.5	254.4	254.4	379.9
ii.	Development of supply chain management business	95.0	42.5	52.5	92.5	135.0
iii.	Development of loan referral business	95.0	–	95.0	20.0	20.0
iv.	Development of self-operated interior design and construction business	95.0	36.0	59.0	14.0	50.0
v.	Investment in technology infrastructure and system	142.5	57.2	85.3	105.3	162.5

		Proposed use of IPO Proceeds as disclosed in the Prospectus *RMB million* *Approximate*	Utilized IPO Proceeds up to the date of this announcement *RMB million* *Approximate*	Unutilized IPO Proceeds as at the date of this announcement *RMB million* *Approximate*	Proposed change of unutilized IPO Proceeds *RMB million* *Approximate*	Revised allocation of utilized and unutilized IPO Proceeds *RMB million* *Approximate*
vi.	Additional strategic investments and acquisitions	95.0	13.0	82.0	82.0	95.0
vii.	General working capital	47.4	22.0	25.4	45.4	67.4
viii.	Development of new business	–	–	–	40.0	40.0
		949.8	296.2	653.6	653.6	949.8

Save for the aforesaid changes, there are no other changes in the use of the IPO Proceeds.

REASONS FOR CHANGE IN USE OF PROCEEDS

The major reasons for the Proposed Change are as follows:

i. Increase of allocation of the IPO Proceeds for the development of the Group's supply chain management business

Since 2018, while maintaining the market leadership of the online platform business, the Group has also strategically stepped up investment in the materials supply chain business. For instance, the Group has strategically cooperated with well-known brands in the field of home furnishing, including Youpon Ceiling (友邦吊頂), ZBOM (志邦家居) and Holike (好萊客), and deepened the partnerships with well-known material suppliers including Meida Integrated Stove (美大集成灶) and CIMIC TILES (斯米克磁磚). By establishing long-term cooperation with leading companies in various market segments of the materials supply chain, the Group can obtain lower prices from these materials manufacturers and also leverage on economies of scale of collective purchase. This can help lowering the purchase costs of interior design and construction service providers on the Group's platform, which in turns attract more high quality service providers and increase their loyalty to the Group's platform. The Board resolves to increase the allocation of the IPO Proceeds to continue the expansion of the supply chain management business and establish strategic cooperation with other leading companies in the interior design and construction service verticals to promote a further integrated ecosystem to create long-term values.

ii. Reduction of allocation of the IPO Proceeds to the development of the Group's loan referral business

As disclosed in the Prospectus, the Group originally planned to expand its loan referral business by establishing relationships with additional banks or other financial institutions and improve the accuracy of its internal risk control mechanism. However, given the tightening of regulations on lending institutions in China, the Group has resolved to maintain its existing loan referral business principally through collaboration with licensed banks (rather than other financial institutions) to reduce regulatory risks. The Group can also utilize the licensed banks' risk control mechanism, thereby reducing the investment in the Group's internal risk control mechanism and related personnel. As a result, the Board has resolved to scale back on investment in its loan referral business and reallocate part of the IPO Proceeds to other uses.

iii. Decrease of allocation of the IPO Proceeds to the development of the Group's self-operated interior design and construction business

As disclosed in the Prospectus, the Group originally planned to expand Brausen's and Jumei's operations into up to 10 new provinces and 2 new municipalities in China. However, after ongoing review and evaluation of the self-operated interior design and construction business of the Group, the Board has decided to shift the Group's focus to improve operational efficiencies and strengthen the strategic synergies of Brausen and Jumei with the overall platform business rather than sales volume growth. Since 2018, by scaling down Brausen's operations at locations with sustained losses, the Group achieved improvements in profit margin of the self-operated interior design and construction business. The Group will continue to optimise operational efficiencies of Brausen's operations and focus on real estate refined decoration services offered by Jumei, and as a result resolve to reallocate part of the IPO Proceeds to other uses.

iv. Increase of allocation of the IPO Proceeds for investment in the Group's technology infrastructure and system

In order to capture strategic opportunities for the interior design and construction industry brought by Internet and cloud applications in the long run, the Group plans to provide service providers with Platform-as-a-Service, commonly known as PaaS, as well as strengthen the integration of all kinds of software systems with services related to interior design and construction industry. This can provide an integrated services platform to interior design and construction verticals, effectively lower the operating costs of service providers as well as increase platform users loyalty. As such, the Group resolves to increase the allocation of the IPO Proceeds to the Group's technology investment for new systems development and recruitment of technology engineers.

v. Allocation of the IPO Proceeds to new products or businesses

As a market leader in the online interior design and construction industry, the Group continues to expand its services portfolio to enhance its monetization capabilities. For instance, the Group will explore the possibility to introduce live streaming and video marketing services to platform services. These possible monetization channels will help diversify the Group's revenue streams and enable it to generate more revenue by leveraging its extensive user base. As a result, the Board resolves to allocate part of the IPO Proceeds for the research and development of new products or business, as well as recruitment of the relevant personnel.

vi. Increase of allocation of the IPO Proceeds to general working capital

The Group also resolves to increase the allocation of the IPO Proceeds to its general working capital to support its general and day-to-day operations in view of the increasingly challenging economic and market environment and the expansion into new businesses by the Group.

The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and considered that the proposed change in the use of the IPO Proceeds will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

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

Shanghai, the PRC, March 27, 2020

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 Ms. Ping Xiaoli as non-executive Directors; and Mr. Zhang Lihong, Mr. Cao Zhiguang and Mr. Wong Man Chung Francis as independent non-executive Directors.