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**Qi-House Holdings Limited**  
**齊家控股有限公司**

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

**(Stock code: 8395)**

**DISCLOSEABLE TRANSACTION — ACQUISITION OF 15% EQUITY INTEREST OF THE TARGET COMPANY INVOLVING POTENTIAL ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

**THE ACQUISITION**

On 26 July 2024, Hefei Qijia, an indirect wholly-owned subsidiary of the Company, the Target Company, the Existing Shareholders and the Guarantor entered into the Investment Agreement, pursuant to which Hefei Qijia conditionally agreed to acquire the Equity Interest in the Target Company at the Closing Consideration of RMB0.63 million. Subject to the fulfilment of the performance target of the Target Company for the financial year ending 31 December 2024, Hefei Qijia has agreed to pay the Additional Consideration of approximately RMB1.291 million or RMB5.69 million.

Pursuant to the terms and conditions of the Investment Agreement, subject to the fulfilment of the performance target of the Target Company for the financial year ending 31 December 2024, Hefei Qijia shall have the right to unilaterally decide that whether the Additional Consideration shall be settled by allotment and issue of Consideration Shares at the issue price of HK\$0.686 per Consideration Share pursuant to the General Mandate to be granted by the Shareholders to the Directors.

Upon Completion, the financial results of the Target Company will not be consolidated into the accounts of the Group.

## **GEM LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition is 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. Accordingly, the Acquisition is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

**As the Acquisition is subject to the fulfillment (or waiver by Hefei Qijia) of the conditions precedent under the Investment Agreement, the Acquisition may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

## **THE INVESTMENT AGREEMENT**

The principal terms of the Investment Agreement are set out below:

### **Date**

26 July 2024

### **Parties**

- (1) Hefei Qijia, an indirect wholly-owned subsidiary of the Company;
- (2) The Target Company;
- (3) The Existing Shareholders; and
- (4) The Guarantor

To the best knowledge of the Directors, having made reasonable enquiry, the Target Company, the Existing Shareholders, the Guarantor and the ultimate controller of the Target Company are independent of and not connected with the Company and its connected persons.

### **Assets to be acquired**

Hefei Qijia conditionally agreed to acquire the Equity Interest in the Target Company, pursuant to the terms and conditions of the Investment Agreement.

## Consideration

Pursuant to the Investment Agreement, the Consideration comprises (i) the Closing Consideration of RMB0.63 million and (ii) Additional Consideration to be determined in respect of the 2024 Net Profit (as defined below) of approximately RMB1.291 million or RMB5.69 million.

The Consideration will be financed by internal resources of the Group. The Consideration will be determined and settled as follows:

### *Closing Consideration*

The Closing Consideration is RMB0.63 million, which shall be payable in one lump sum in cash within 15 business days from the fulfilment (or waiver by Hefei Qijia) of all the conditions precedent under the Investment Agreement.

### *Additional Consideration*

The amount and payment of the Additional Consideration will be subject to the fulfilment of the performance target, namely the audited or reviewed consolidated net profit after taxation to be achieved by the Target Company for the financial year ending 31 December 2024 (the “**2024 Net Profit**”). The Additional Consideration shall be determined on 31 May 2025 as follows:

<b>The 2024 Net Profit</b>	<b>Amount of Additional Consideration payable</b>	<b>Settlement method</b>
Not less than RMB1.2 million	RMB5.69 million	(i) In cash by 31 May 2025 or (ii) by allotment and issue of Consideration Shares at the issue price of HK\$0.686 per Consideration Share by 31 May 2025 or the date on which a legal red chip structure has been established by the Target Company, whichever the later
Below RMB1.2 million or net loss after taxation	approximately RMB1.291 million	In cash by 31 May 2025

The amount of the Additional Consideration will be determined in accordance with the 2024 Net Profit. The performance target of the 2024 Net Profit of RMB1.2 million is determined with reference to the consolidated net profit of the Target Company after taxation for the financial year ended 2023, which is approximately RMB1.2 million. The Board considers that this will better align the Company's settlement obligations with the Target Company's actual earning capability and provide the Company with a longer period to assess the financial performance of the Target Company, thus providing additional protection to the Company in terms of payment.

### **Consideration Shares**

Pursuant to the terms and conditions of the Investment Agreement, Hefei Qijia shall have the right to unilaterally decide that whether the Additional Consideration of RMB5.69 million shall be settled by allotment and issue of Consideration Shares to the Target Company at the issue price of HK\$0.686 per Consideration Share pursuant to the General Mandate to be granted by the Shareholders to the Directors. The issue price was arrived at after arm's length negotiations between the parties to the Investment Agreement after taking into account the prevailing market price of the Shares.

In case the Consideration Shares will be issued at the issue price of HK\$0.686 per Consideration Share, which:

- (i) represents a discount of 0.58% over the closing price of HK\$0.69 per share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) represents a premium of 1.48% over the average closing price of HK\$0.676 per Share for the last five trading days up to and including the Last Trading Day.

The number of the Consideration Shares would be 8,929,078 Shares, when allotted and issued, which represent approximately:

- (i) 0.564% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) 0.561% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming no change in the share capital other than the issue and allotment of the Consideration Shares).

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares (if applicable). The Consideration Shares, when allotted and issued, shall rank *pari passu* with the Shares in issue.

The issue of Consideration Shares will be subject to the satisfaction of all the following conditions:

- (1) The Shareholders having granted the General Mandate to Directors at the last annual general meeting prior to the payment of Additional Consideration and the relevant General Mandate being available for allotment and issue of Consideration Shares;
- (2) The approval for listing of, and permission to deal in, the Consideration Shares by the Stock Exchange having been obtained by the Company;
- (3) A legal red chip structure has been established by the Target Company;
- (4) The issue and allotment of the Consideration Shares would not constitute a connected transaction of the Company under the Listing Rules.

Pursuant to the Investment Agreement, the Target Company agreed that upon the issue and allotment of the Consideration Shares, the holding company under the red chip structure of the Target Company (i) is, without the prior written consent of Hefei Qijia, prohibited from transferring, selling or creating any encumbrance or other rights in respect of the Consideration Shares for a period of one year from the date of issuance of the Consideration Shares and (ii) shall enter into a deed of lock-up undertaking in the form and substance reasonably satisfactory to the Company.

The Company will issue further announcement(s) as and when appropriate according to the Listing Rules in relation to the issue and allotment of the Consideration Shares.

### **Basis of determination of the Consideration**

The Consideration was determined and arrived at after arm's length negotiations between Hefei Qijia and the Target Company having regard to the unaudited net asset value of the Target Company as at 30 June 2024 in an amount of approximately RMB42.1 million and the registered capital of the Target Company. In case the 2024 Net Profit is not less than RMB1.2 million, the Consideration shall be RMB6.3 million which is equivalent to 15% of the net asset value of the Target Company. In case the 2024 Net Profit is below RMB1.2 million, the Consideration shall be RMB1.9 million which is equivalent to 15% of the enlarged registered capital of the Target Company.

In view of the above, the Directors consider that the Consideration of the Investment Agreement is fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion of the Acquisition is subject to the fulfillment (or waiver by Hefei Qijia) of the following conditions:

- (1) the Investment Agreement and other related transaction documents (if any) having been signed by the relevant parties;
- (2) Hefei Qijia has completed and is satisfied with the results of due diligence on the financial, legal and business aspects of the Target Company and there is no material misrepresentation in the information disclosed by the Target Company and Existing Shareholders;
- (3) all necessary approvals and authorisation by the parties to the Investment Agreement and other relevant parties (if any) having been obtained and have not been revoked at the time of Completion;
- (4) The transactions under the Investment Agreement having been approved by the Stock Exchange or other regulatory authorities (if necessary), and the relevant approval has not been revoked or withdrawn before the date of Completion; and
- (5) The representations and warranties of the Existing Shareholders made in the Investment Agreement remaining true and accurate in all respects until the Completion and are not misleading in any respect, and that the Target Company having no potential significant liabilities before and at the time of the Completion, and there are no major changes to the existing management of the Target Company and the management of the Target Company has not taken any actions that would have a significant adverse impact on the business, assets, financial status, operations and prospects of the Target Company.

## **Completion**

Completion will take place on the date of payment of the Closing Consideration by Hefei Qijia.

Upon Completion, the financial results of the Target Company will not be consolidated into the accounts of the Group.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Director's knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect of allotment and issue of the Consideration Shares (if applicable) on the shareholding structure of the Company upon the allotment and issue of all Consideration Shares is set out below:

Name of Shareholder	As at the date of this announcement		Immediately after the allotment and issue of all Consideration Shares (Note 1)	
	<i>Approximate</i> <i>% of number of</i> <i>No. of Shares</i>	<i>Approximate</i> <i>% of number of</i> <i>Shares in issue</i>	<i>Approximate</i> <i>% of number of</i> <i>No. of Shares</i>	<i>Approximate</i> <i>% of number of</i> <i>Shares in issue</i>
Tiptop Honour Limited (Note 2)	745,860,000	47.09	745,860,000	46.82
Mr. Tong Tang Joseph (Note 2)	61,900,000	3.91	61,900,000	3.89
Wuxing Hehe Holding Group Co., Limited	133,240,000	8.41	133,240,000	8.36
Mr. Xu Qiang	115,660,000	7.30	115,660,000	7.26
The holding company under the red chip structure of the Target Company	—	—	8,929,078	0.56
Other public shareholders	527,340,000	33.29	527,340,000	33.11
<b>Total</b>	<b><u>1,584,000,000</u></b>	<b><u>100.00</u></b>	<b><u>1,592,929,078</u></b>	<b><u>100.00</u></b>

*Notes:*

1. Assuming the Acquisition is completed and Consideration Shares are allotted, and there is no other change in total issued share capital of the Company other than allotment and issue of all Consideration Shares.
2. Tiptop Honour Limited is wholly-owned by Mr. Tong Tang Joseph, the chairman, chief executive officer and executive Director of the Company. Together with his personal interest of 61,900,000 Shares, Mr. Tong Tang Joseph holds 807,760,000 Shares, equivalent to approximately 50.99% interest of the Company.

## INFORMATION OF THE PARTIES

### Information of the Target Company

The Target Company is a company established in the PRC. The Target Company is held as to approximately 21.1%, 16.4%, 46.5% and 16.0% by Hefei Riyuexing, Hefei Jinkun, Hefei Shengwei and Hefei Jiuhu, respectively. The ultimate controller of the Target Company is Mr. Yu Quansheng (余權勝). He holds approximately 73.3% equity interests of the Target Company and is an executive director of Life Concepts Holdings Limited (Stock code: 8056).

The Target Company is principally engaged in the provision of a comprehensive automation equipment solution, particularly in display modules and assembly solutions for smart device. It independently develops and innovates a comprehensive series of film lamination, bonding, detection, and integrated visual bonding products for various display technologies and applications.

### Financial information of the Target Company

Set out below are the financial information of the Target Company for the year ended 31 December 2022 and 2023 respectively:

	<b>For the year ended 31 December 2023 RMB'000 (audited)</b>	For the year ended 31 December 2022 RMB'000 (audited)
Revenue	<b>84,605</b>	111,623
Net profit before taxation	<b>1,195</b>	10,933
Net profit after taxation	<b>1,195</b>	10,482

As at 30 June 2024, the unaudited net asset value of the Target Company was approximately RMB42.1 million.

## **Information of the Group and Hefei Qijia**

The Group is principally engaged in the sale, distribution and rental of furniture and home accessories, distribution and licencing of intellectual property rights, the provision of styling, consulting and furniture agency services, the operation of a café.

Hefei Qijia is a wholly-foreign owned entered established under the PRC law and is a wholly-owned subsidiary of the Company. It is principally engaged in the provision of software and information technology services.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group has been actively exploring various opportunities for investment projects and to broaden the scope of investment according to the market conditions. The Board considers investment in the Target Company is conducive to the further development of the Group's core business of the provision of software and information technology services and will benefit the Group in capturing the vast business opportunities created by the exponential growth of the demand of automation and its related solutions in the PRC.

In addition, the Target Company is the customer of Hefei Human Vision Technology Co., Ltd, an indirect wholly-owned subsidiary of the Group, which is engaged in the provision of software and information technology services. The Acquisition will also benefit the Group for fostering the relationship with our customer for more sales and business opportunities.

## **GEM LISTING RULES IMPLICATIONS**

As the highest of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition is 5% or more but less than 25%, the Acquisition constitutes a discloseable transaction for the Company. Accordingly, the Acquisition is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Consideration Shares, if any, will be issued under the General Mandate.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“2024 Net Profit” has the meaning given to it in the section headed “Additional Consideration” in this announcement

“Acquisition”	the acquisition of Equity Interest in the Target Company by Hefei Qijia pursuant to the Investment Agreement
“Additional Consideration”	the additional consideration to be determined in respect of the 2024 Net Profit
“Closing Consideration”	the closing consideration of RMB0.63 million
“Company”	Qi-House Holdings Limited (Stock Code: 8395), an exempted company incorporated in the Cayman Islands with limited liability on 9 March 2016, the issued Shares of which are listed on GEM of the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Investment Agreement
“Consideration”	the consideration for the Acquisition under the Investment Agreement, which comprises the Closing Consideration and the Additional Consideration
“Consideration Shares”	new Shares to be allotted and issued by the Company credited as fully paid for the purpose of settlement of the Additional Consideration
“Director(s)”	the director(s) of the Company
“Equity Interest”	the 15% equity interest in the Target Company
“Existing Shareholders”	Hefei Riyuexing, Hefei Jinkun, Hefei Shengwei and Hefei Jiuhu, which are the existing shareholders of the Target Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate to be granted to the Directors at the last annual general meeting of the Company prior to the payment of Additional Consideration
“Group”	the Company and its subsidiaries

“Guarantor”	Mr. Xu Jijie (徐吉傑), the legal representative of the Target Company
“Hefei Jinkun”	Hefei Jinkun Equity Investment Partnership (Limited Partnership)* (合肥金坤股權投資合夥企業(有限合夥)), a company established under the laws of the PRC with limited liability, which owned approximately 16.4% equity interests of the Target Company before Completion
“Hefei Jiuhu”	Hefei Jiuhu Enterprise Management Partnership (Limited Partnership)* (合肥九琥企業管理合夥企業(有限合夥)), a company established under the laws of the PRC with limited liability, which owned approximately 16.0% equity interests of the Target Company before Completion
“Hefei Qijia”	Hefei Qijia Supply Chain Technology Co., Ltd. (合肥齊家供應鏈技術有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hefei Riyuexing”	Hefei Riyuexing Equity Investment Partnership (Limited Partnership)* (合肥日月星股權投資合夥企業(有限合夥)), a company established under the laws of the PRC with limited liability, which owned approximately 21.1% equity interests of the Target Company before Completion
“Hefei Shengwei”	Hefei Shengwei Equity Investment Partnership (Limited Partnership)* (合肥勝為股權投資合夥企業(有限合夥)), a company established under the laws of the PRC with limited liability, which owned approximately 46.5% equity interests of the Target Company before Completion
“Investment Agreement”	the investment agreement entered into by and among Hefei Qijia, the Target Company, the Existing Shareholders and the Guarantor on 26 July 2024 in relation to the Acquisition
“Last Trading Day”	25 July 2024, being the last trading day immediately before entering into the Investment Agreement

“Share(s)”	the ordinary share(s) of the Company with nominal value of HK\$0.01 each
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Anhui Zhongxian Intelligent Robot Co., Ltd.* (安徽中顯智能機器人有限公司), a company established under the laws of the PRC with limited liability

By order of the Board  
**Qi-House Holdings Limited**  
**TONG Tang Joseph**  
*Chairman and Chief Executive Officer*

Hong Kong, 26 July 2024

*As at the date of this announcement, the Board comprises Mr. TONG Tang Joseph, Ms. Mary Kathleen BABINGTON, Mr. TSUI Wing Tak, Mr. BIAN Dahai and Mr. JIAO Dejun as the executive Directors, and Mr. YEUNG Man Chung Charles, Mr. TSANG Wai Yin, and Mr. SIT Hoi Wah Kenneth as the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of 7 days from the date of its publication and on the Company’s website at <https://qihouseholdings.com>.*