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E-House (China) Enterprise Holdings Limited

易居(中國)企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2048)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of E-House (China) Enterprise Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and consolidated affiliated entities (collectively, the “**Group**”) for the year ended 31 December 2023 (the “**Reporting Period**”). These annual results have been reviewed by the Company’s audit committee the (“**Audit Committee**”).

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

HIGHLIGHTS

- Total revenue amounted to RMB4,446.4 million for the Reporting Period.
- The total gross transaction value (“**GTV**”) of real estate agency services was RMB26.3 billion for the Reporting Period.
- The total GTV of real estate brokerage network services amounted to RMB43.4 billion for the Reporting Period.
- Loss for the year amounted to RMB1,524.8 million, and total comprehensive expense for the year amounted to RMB1,523.5 million for the Reporting Period.
- Real estate data and consulting services segment had a profit of RMB16.9 million for the Reporting Period after adding back depreciation and amortisation expenses and impairment losses recognized on non-current assets.

BUSINESS REVIEW AND OUTLOOK

In 2023, the PRC government issued a series of measures to encourage real estate purchase, including lowering the required down payment and mortgage interest rates and reduction in transaction related taxes. However, the real estate industry in China remained in a depressed state due to poor buyer sentiment and slower economic growth. This had led to many leading developers reporting sharp decreases in sales volume in 2023 compared to 2022. Many of them continued to face serious liquidity constraints. The Group's operations were negatively affected by this continued and unprecedented industry downturn, resulting in a 11.7% year-on-year decrease in total sales revenue. Revenues from real estate agency services in the primary market decreased by 62.6%. Revenues from real estate data and consulting services decreased by 20.7%. Revenues from real estate brokerage network services decreased by 4.2%; and revenues from digital marketing services decreased by 1.6%.

Amid this challenging environment, the Group continued to focus on cost reduction and cash flow, and achieved a 69.3% year-on-year reduction in total net loss and a 60.2% year-on-year decrease in net cash used in operating activities.

During 2023, the Company continued to work closely with its creditors and advisors on the restructuring of its offshore debt (the “**Restructuring**”). However, as a result of the circumstances separately disclosed in the Company's Announcements dated 13 March 2024 and 28 March 2024 in relation to the Restructuring, the Company has concluded that the Restructuring will not come into effect. The Company is actively working with its financial adviser on an alternative restructuring proposal and will provide an update to its creditors as soon as possible and, in any event, by the end of April 2024.

Looking ahead at 2024, the Group expects China's macroeconomic conditions and real estate industry outlook to remain challenging. Although the PRC government has announced a series of measures aimed at stimulating the economy and encouraging real estate purchases and is expected to announce more positive measures, the timing and extent of a recovery of the real estate market sentiment and transaction activities remain uncertain. The Group expects to continue to face a difficult operating environment. Given this, the Group will remain focused on cost control and cash flow to maintain sustainable operation. With effective cost control and the eventual successful debt restructuring, the Group believes it is well positioned to take advantage of the market recovery when it occurs.

The Board announces the audited results of the Group for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Revenue	4	4,446,439	5,033,279
Staff costs		(1,093,235)	(1,967,347)
Advertising and promotion expenses		(1,986,871)	(2,374,608)
Rental expenses for short-term leases and low-value assets leases		(49,669)	(103,457)
Depreciation and amortisation expenses		(285,760)	(537,521)
Loss allowance on financial assets subject to expected credit loss (“ECL”), net of reversal		(65,511)	(995,959)
Loss on derecognition of receivables at fair value through other comprehensive income (“FVTOCI”)		–	(38)
Impairment losses recognised on non-current assets		(40,817)	(1,034,791)
Consultancy expenses		(198,949)	(461,971)
Distribution expenses		(1,432,642)	(1,465,853)
Other operating costs		(361,126)	(458,984)
Other income		72,084	150,781
Other gains and losses		(96,169)	(316,944)
Other expenses		(9,597)	(5,174)
Share of results of associates		1,962	2,826
Finance costs	6	(443,054)	(471,752)
Loss before taxation		(1,542,915)	(5,007,513)
Income tax credit	7	18,118	38,989
Loss for the year		(1,524,797)	(4,968,524)
Other comprehensive income/(expense) for the year			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes on receivables measured at FVTOCI		(41,289)	(635,581)
Net changes in ECL of receivables measured at FVTOCI		41,289	635,581
Exchange differences arising on translation of foreign operations		1,251	(6,109)
Other comprehensive income/(expense) for the year, net of income tax		1,251	(6,109)
Total comprehensive expense for the year	8	(1,523,546)	(4,974,633)

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Loss for the year attributable to:			
– Owners of the Company		(1,239,749)	(3,896,299)
– Non-controlling interests		(285,048)	(1,072,225)
		<u>(1,524,797)</u>	<u>(4,968,524)</u>
Total comprehensive expense for the year			
– Owners of the Company		(1,238,633)	(3,900,590)
– Non-controlling interests		(284,913)	(1,074,043)
		<u>(1,523,546)</u>	<u>(4,974,633)</u>
Loss per share	<i>10</i>		
– Basic (RMB cents)		<u>(70.88)</u>	<u>(222.77)</u>
– Diluted (RMB cents)		<u>(70.88)</u>	<u>(222.77)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000
Non-current assets			
Property and equipment		924,569	1,040,388
Right-of-use assets		181,858	299,622
Investment properties		528,316	607,904
Intangible assets		435,499	552,954
Interests in associates		73,106	69,144
Amounts due from related parties		46	422
Deferred tax assets		387,664	392,911
Other non-current assets		31,220	71,558
		<u>2,562,278</u>	<u>3,034,903</u>
Current assets			
Accounts receivables and bills receivables	<i>11</i>	12,156	23,589
Other receivables		330,127	512,143
Amounts due from related parties		59,117	28,845
Receivables at FVTOCI	<i>12</i>		
– accounts receivables and bills receivables		156,091	566,655
– amounts due from related parties – accounts receivables		133,491	129,713
Financial assets at fair value through profit or loss (“FVTPL”)		50,556	79,833
Restricted bank balances		139,800	228,689
Cash and cash equivalents		638,848	1,246,583
		<u>1,520,186</u>	<u>2,816,050</u>
Current liabilities			
Accounts payables	<i>13</i>	888,862	994,120
Advance from customers		397,241	571,976
Accrued payroll and welfare expenses		244,057	284,001
Other payables		1,215,408	1,001,327
Contract liabilities		200,201	130,256
Tax payables		1,329,248	1,331,222
Amounts due to related parties		171,355	287,216
Bank borrowings		282,865	372,569
Other borrowings		4,235,807	4,156,665
Convertible note		935,112	870,833
Lease liabilities		45,804	77,223
		<u>9,945,960</u>	<u>10,077,408</u>

	2023	2022
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net current liabilities	(8,425,774)	(7,261,358)
Total assets less current liabilities	(5,863,496)	(4,226,455)
Non-current liabilities		
Deferred tax liabilities	108,035	138,520
Bank borrowings	496,946	485,947
Lease liabilities	94,467	176,950
	<u>699,448</u>	<u>801,417</u>
NET LIABILITIES	<u>(6,562,944)</u>	<u>(5,027,872)</u>
EQUITY		
Share capital	116	116
Share premium	6,148,273	6,148,273
Reserves	(12,695,868)	(11,367,569)
Equity attributable to owners of the Company	<u>(6,547,479)</u>	<u>(5,219,180)</u>
Non-controlling interests	<u>(15,465)</u>	<u>191,308</u>
TOTAL EQUITY	<u>(6,562,944)</u>	<u>(5,027,872)</u>

1. GENERAL INFORMATION

E-House (China) Enterprise Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands on 22 February 2010. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 July 2018. The addresses of the Company’s registered office and the principal place of business are PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands and 11/F, Yinli Building, 383 Guangyan Road, Jing’an District, Shanghai 200072, the People’s Republic of China (the “**PRC**”), respectively.

The Company and its subsidiaries, and upon the acquisition of Leju, its subsidiaries and consolidated variable interest entities (the “**Leju Group**”) completed on 4 November 2020 (collectively referred to as the “**Group**”) offers a wide range of services to the real estate industry, including real estate agency services in the primary market, real estate data and consulting services, real estate brokerage network services and digital marketing services in the PRC.

These consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB1,524,797,000 and net cash outflow from operating activities of approximately RMB432,750,000 for the year ended 31 December 2023 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB8,425,774,000 and approximately RMB6,562,944,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

In order to improve the Group’s financial position, to provide liquidity and cash flows and sustain the Group as a going concern, the Group has been implementing a number of measures, including but not limited to:

- (i) The Group is negotiating with creditors for debt restructuring;
- (ii) The Group is looking for opportunity to dispose the investment properties of the Group;
- (iii) The Group is implementing cost-saving measures to improve its operating cash flows and financial position.

Accordingly, the management of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by International Accounting Standards Board (the “**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

4. REVENUE

The Group derives its revenue from (1) real estate agency services in the primary market, (2) real estate data and consulting services, (3) real estate brokerage network services and (4) digital marketing services. This is consistent with the revenue information that is disclosed for each operating and reportable segment under IFRS 8:

	2023	2022
	RMB'000	RMB'000
Real estate agency services in the primary market, recognised at a point in time	219,624	586,473
Real estate data and consulting services		
– consulting services, recognised at a point in time	315,854	386,665
– data services, recognised over time (<i>note a</i>)	128,054	173,149
	443,908	559,814
Real estate brokerage network services		
– distribution business in the primary market, recognised at a point in time	1,499,043	1,547,958
– other services, recognised at a point in time	11,365	28,640
	1,510,408	1,576,598
Digital marketing services		
– E-commerce, recognised at a point in time (<i>note b</i>)	1,859,516	1,975,410
– Online advertising services, recognised over time on a gross basis	410,052	332,183
– Online advertising services, recognised over time on a net basis	2,931	2,726
– Listing services, recognised over time	–	75
	2,272,499	2,310,394
	4,446,439	5,033,279

Notes:

- (a) As at 31 December 2023, the transaction price allocated to the remaining performance obligations in relation to the consulting fee income and fee-based subscription fee income that were unsatisfied or partially unsatisfied amounted to RMB84,281,000 (2022: RMB100,349,000) and were accounted for as contract liabilities.
- (b) As at 31 December 2023, the transaction price allocated to the remaining performance obligations in relation to the E-commerce service income that were unsatisfied or partially unsatisfied amounted to RMB115,920,000 (2022: RMB29,907,000) and were accounted for as contract liabilities.

The management of the Group expects the transaction price allocated to the abovementioned unsatisfied or partially unsatisfied contracts will be recognised in full as revenue within the coming twelve months period.

5. SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to Chief Executive Officer, being the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are as follows:

(i) Real estate agency services in the primary market

The Group provides real estate agency services in the primary market that primarily include formulating and executing marketing and sales strategies for real estate projects developed by real estate developers, promoting the projects to prospective purchasers, and facilitating sales transactions.

(ii) Real estate data and consulting services

The Group mainly provides the following services:

- providing customers with a wide range of data services, leveraging the powerful CRIC systems;
- offering real estate rating and ranking services; and
- providing real estate consulting services that are tailored to meet the needs of property developer clients throughout the design, development and sales stages and address specific issues encountered by them.

The Group receives consulting services fee income and subscription-based fee income in relation to its proprietary CRIC system, which is a series of proprietary real estate database and analysis system developed by the Group, for a fixed amount upon entering into the subscription contract, normally for a one year subscription period contract.

(iii) Real estate brokerage network services

The Group provides real estate brokerage network services under the Fangyou brand of integrating small and medium-sized secondary real estate brokerage stores in the PRC, and empowering them with rich resources in their business operations. In addition, the Group can help their property developer customers expand their sales channels by sourcing buyers of new properties through Fangyou-branded stores and other real estate brokerage firms that the Group cooperates with.

(iv) Digital Marketing services

Leju is primarily engaged in the business of E-commerce, online advertising services and listing services (collectively referred to as "**Digital Marketing**"). Leju operates and manages its business as a single Digital Marketing segment. The Digital Marketing mainly provides the following services:

a) E-commerce services

The Group offers individual property buyers discount coupons that enable them to purchase specified properties from property developers at discounts greater than the face value of the fees charged by the Group. Discount coupons are collected initially upfront from the property buyers and are refundable at any time before they are used to purchase the specified properties.

b) Online advertising services

Revenue from online advertising services is principally from online advertising services, and also rebates from certain media publishers from the rendering of advertising placement services of its advertisers (i.e. property developers). Online advertising services allow customers to place advertisements on particular areas of the online media and platforms (including those owned by the Leju Group and other independent publishers) in particular formats and over a specified period of time.

c) Listing service

Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on Leju's website for a specified period of time, in exchange for a fixed fee.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 December 2023

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue						
External sales	219,624	443,908	1,510,408	2,272,499	–	4,446,439
Inter-segment sales	95,374	18,772	95,226	471	(209,843)	–
Total	<u>314,998</u>	<u>462,680</u>	<u>1,605,634</u>	<u>2,272,970</u>	<u>(209,843)</u>	<u>4,446,439</u>
SEGMENT LOSS	<u>(148,869)</u>	<u>(129,368)</u>	<u>(75,083)</u>	<u>(586,890)</u>	<u>–</u>	(940,210)
Unallocated expenses						(77,071)
Unallocated net exchange loss						(63,061)
Unallocated net fair value loss on financial assets at FVTPL						(22,933)
Fair value gain on convertible note						1,563
Share of results of associates						1,962
Bank interest income						11,846
Finance costs						(443,054)
Equity-settled share-based payment expenses						(11,957)
Loss before taxation						<u>(1,542,915)</u>

For the year ended 31 December 2022

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue						
External sales	586,473	559,814	1,576,598	2,310,394	–	5,033,279
Inter-segment sales	<u>17,642</u>	<u>10,562</u>	<u>40,034</u>	<u>67,484</u>	<u>(135,722)</u>	<u>–</u>
Total	<u>604,115</u>	<u>570,376</u>	<u>1,616,632</u>	<u>2,377,878</u>	<u>(135,722)</u>	<u>5,033,279</u>
SEGMENT (LOSS)/PROFIT	<u>(985,547)</u>	<u>(324,136)</u>	<u>(573,981)</u>	<u>(2,218,943)</u>	<u>4,342</u>	<u>(4,098,265)</u>
Unallocated expenses						(109,114)
Unallocated net exchange loss						(268,987)
Unallocated net fair value loss on financial assets at FVTPL						(111,597)
Fair value gain on convertible note						12,915
Share of results of associates						2,826
Bank interest income						48,672
Finance costs						(471,752)
Equity-settled share-based payment expenses						<u>(12,211)</u>
Loss before taxation						<u>(5,007,513)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profits represents the loss incurred and profit earned by each segment without allocation of unallocated expenses, unallocated net exchange loss, unallocated net fair value loss on financial assets at FVTPL, fair value gain on convertible note, share of results of associates, interest income, finance costs and equity-settled share-based payment expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

For the year ended 31 December 2023

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment loss:						
Depreciation and amortisation	6,873	105,408	2,685	135,320	35,474	285,760
Net loss allowance on financial assets subject to ECL recognised	6,326	11,433	81,847	(34,095)	–	65,511
Impairment losses recognised on non-current assets	–	40,817	–	–	–	40,817
Loss on disposal of subsidiaries	2,350	–	–	–	–	2,350
Net loss on disposal of intangible assets	–	–	–	–	193	193
Net loss on disposal of property and equipment	3,403	7	23	9,002	–	12,435
Net loss on disposal of investment properties	5,925	–	–	–	–	5,925

For the year ended 31 December 2022

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment (loss)/profit:						
Depreciation and amortisation	24,108	64,464	5,257	143,877	299,815	537,521
Net loss allowance on financial assets subject to ECL recognised	351,429	76,065	310,906	257,559	–	995,959
Impairment losses recognised on non-current assets	–	–	–	1,034,791	–	1,034,791
Gain on disposal of subsidiaries	(14,560)	–	–	–	–	(14,560)
Net (gain)/loss on disposal of property and equipment	(715)	32	21	203	–	(459)
Net gain on disposal of investment properties	(727)	–	–	(2,578)	–	(3,305)

Geographical information

For the year ended 31 December 2023, the Group's operations are located in the PRC (including Hong Kong) (2022: PRC (including Hong Kong)). Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (<i>note</i>)	
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
The PRC (including Hong Kong)	<u>4,446,439</u>	<u>5,033,279</u>	<u>2,151,139</u>	<u>2,618,611</u>

Note: Non-current assets excluded amounts due from related parties, deferred tax assets, and certain other non-current assets classified as financial instruments.

Information about major customers

Revenue from customer which individually contributed over 10% of the Group's revenue as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Customer A	<u>744,803</u>	<u>Note</u>

Note: Contributed less than 10% of the Group's total revenue for the relevant year.

6. FINANCE COSTS

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on bank borrowings	35,662	59,626
Interest on other borrowings	331,157	327,922
Interest on lease liabilities	7,673	11,703
Effective interest expense on convertible note	<u>68,562</u>	<u>72,501</u>
	<u>443,054</u>	<u>471,752</u>

7. INCOME TAX CREDIT

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
PRC Enterprise Income Tax		
Current tax	27,869	40,853
Overprovision in prior years	<u>(20,749)</u>	<u>(29,733)</u>
	7,120	11,120
Withholding tax of Leju	–	(3,261)
Deferred tax credit	<u>(25,238)</u>	<u>(46,848)</u>
	<u>(18,118)</u>	<u>(38,989)</u>

8. TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

Total comprehensive expense for the year has been arrived at after charging:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Directors' remuneration	<u>4,234</u>	<u>6,428</u>
Other staff costs:		
– Salaries, bonus and other allowances	915,343	1,662,216
– Retirement benefit scheme contributions	162,994	287,734
– Equity-settled share-based payment expenses	<u>10,664</u>	<u>10,969</u>
	<u>1,089,001</u>	<u>1,960,919</u>
Total staff costs	<u><u>1,093,235</u></u>	<u><u>1,967,347</u></u>
Depreciation of property and equipment	91,014	84,394
Depreciation of right-of-use assets	42,425	87,216
Depreciation of investment properties	34,718	34,869
Amortisation of intangible assets	<u>117,603</u>	<u>331,042</u>
Total depreciation and amortisation	<u><u>285,760</u></u>	<u><u>537,521</u></u>
Auditor's remuneration	4,000	12,800
Research costs recognised as an expense and included in:		
– Staff costs	61,590	96,714
– Depreciation and amortisation expenses	1,691	1,976
– Other operating costs	<u>17,866</u>	<u>24,031</u>
	<u><u>81,147</u></u>	<u><u>122,721</u></u>

9. DIVIDENDS

No dividend was proposed nor declared by the Company for the year ended 31 December 2022 and 2023.

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u><u>(1,239,749)</u></u>	<u><u>(3,896,299)</u></u>
	<u><u>2023</u></u>	<u><u>2022</u></u>
	<u><u>'000</u></u>	<u><u>'000</u></u>
Number of shares:		
Weighted average number of ordinary share for the purpose of basic and diluted loss per share	<u><u>1,749,060</u></u>	<u><u>1,749,060</u></u>

For the year ended 31 December 2022 and 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

11. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Accounts receivables and bills receivables measured at amortised cost	549,100	598,460
Less: Loss allowance for accounts receivables and bills receivables measured at amortised cost	<u>(536,944)</u>	<u>(574,871)</u>
Total accounts receivables and bills receivables measured at amortised cost	<u><u>12,156</u></u>	<u><u>23,589</u></u>

The following is an aged analysis of accounts receivables, net of loss allowance, presented based on the dates of rendering the services for the digital marketing service at the end of the reporting period, which approximated the respective revenue recognition dates:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	–	8,167
1 – 2 years	–	7,930
Over 2 years	<u>12,156</u>	<u>7,297</u>
	<u><u>12,156</u></u>	<u><u>23,394</u></u>

12. RECEIVABLES AT FVTOCI

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Receivables at FVTOCI comprise:		
– Accounts receivables	156,054	558,131
– Bills receivables	37	8,524
– Amounts due from related parties – accounts receivables	<u>133,491</u>	<u>129,713</u>
	<u><u>289,582</u></u>	<u><u>696,368</u></u>

Note:

As at 31 December 2023, the gross contractual amount of the account receivables, bills receivables and amounts due from related parties – accounts receivables amounted to RMB3,458,967,000, RMB1,306,697,000 and RMB1,848,673,000 (31 December 2022: RMB3,834,727,000, RMB1,309,653,000 and RMB1,835,454,000), respectively. The difference between the fair value and the gross contractual amount mainly arose from the ECL impact. Included in the fair values of the account receivables, bills receivables and amounts due from related parties – accounts receivables were with ECL amounted to RMB3,302,913,000, RMB1,306,660,000 and RMB1,715,182,000 (31 December 2022: RMB3,276,596,000, RMB1,301,129,000 and RMB1,705,741,000), respectively.

The Group allows all of its customers a credit period of 30 (2022: 30) days upon satisfaction of the terms and conditions of the relevant agreements and relevant invoices have been issued.

The following is an aged analysis of the fair value of the Group's accounts receivables at FVTOCI (including both amounts due from independent third parties and related parties), presented based on the dates of rendering the services and the dates when the sales target for higher commission was achieved for the real estate agency service in the primary market at the end of the reporting period, which approximated the respective revenue recognition dates:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	114,011	379,213
1 – 2 years	49,616	154,859
Over 2 years	125,918	153,772
	289,545	687,844

13. ACCOUNTS PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Accounts payables	888,862	994,120

Accounts payables mainly represent consultancy fee payables to suppliers of the Group's real estate agency services in the primary market whereby no general credit terms are granted. For real estate brokerage network services, account payables mainly represent brokerage network intermediary fees. The balance as at 31 December 2022 and 2023 also included those outstanding payables for advertising fee, E-commerce service fee, and cultural media related expenses. The Group is obliged to settle the amounts due upon the completion of or pursuant to the terms and conditions of the relevant agreements. The following is an aged analysis of accounts payables presented based on the date of receipts of services by the Group at the end of each reporting period:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Within 1 year	447,835	558,508
1 – 2 years	441,027	435,612
	888,862	994,120

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue decreased by 11.7% from RMB5,033.3 million in 2022 to RMB4,446.4 million in 2023. The decrease was primarily due to decrease of revenue derived from real estate agency services in the primary market.

Revenue derived from real estate agency services in the primary market decreased by 62.6% from RMB586.5 million in 2022 to RMB219.6 million in 2023, primarily due to decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate brokerage network services decreased by 4.2% from RMB1,576.6 million in 2022 to RMB1,510.4 million in 2023. The decrease was primarily due to decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate data and consulting services decreased by 20.7% from RMB559.8 million in 2022 to RMB443.9 million in 2023. The decrease was primarily due to a decrease in revenue from our rating and ranking services and data services.

Revenue derived from digital marketing services decreased by 1.6% from RMB2,310.4 million in 2022 to RMB2,272.5 million in 2023 primarily due to decrease in revenues from e-commerce services and online advertising services.

Staff costs

Our staff costs decreased by 44.4% from RMB1,967.3 million in 2022 to RMB1,093.2 million in 2023. Staff costs as a percentage of our revenue decreased from 39.1% in 2022 to 24.6% in 2023, primarily due to improved operational efficiency.

Advertising and promotion expenses

Our advertising and promotion expenses decreased by 16.3% from RMB2,374.6 million in 2022 to RMB1,986.9 million in 2023. The advertising and promotion expenses primarily consist of targeted online and offline marketing costs for business expansion from Leju Holdings Limited (a company listed on the New York Stock Exchange with stock Ticker LEJU). The decrease was primarily due to Company's reduction of cost.

Rental expenses for short-term leases and low-value assets leases

We recorded rental expenses for short-term leases and low-value assets leases of RMB49.7 million in 2023, and RMB103.5 million in 2022. The decrease was primarily due to the decrease of rental area relating to short-term leases.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses decreased by 46.8% from RMB537.5 million in 2022 to RMB285.8 million in 2023, primarily due to the decrease in amortization of intangible assets arising from acquisition.

Loss allowance on financial assets subject to expected credit loss (“ECL”), net of reversal

Our loss allowance on financial assets subject to ECL, net of reversal decreased by 93.4% from RMB996.0 million in 2022 to RMB65.5 million in 2023, primarily due to the decrease in accounts receivables and bills receivables.

Loss on derecognition of receivables at fair value through other comprehensive income (“FVTOCI”)

Loss on derecognition of receivables at FVTOCI was nil in the 2023, and RMB38.0 thousand in 2022. The loss incurred was primarily from the disposal of receivables at FVTOCI through certain factoring arrangement.

Impairment losses recognised on non-current assets

We recorded impairment losses recognised on non-current assets of RMB40.8 million in 2023, and RMB1,034.8 million in 2022. The cost in 2023 incurred was primarily from the loss recognised on investment properties.

Consultancy expenses

Our consultancy expenses decreased by 56.9% from RMB462.0 million in 2022 to RMB198.9 million in 2023, primarily due to the decrease in project consultation in line with the decrease in our revenue.

Distribution expenses

Our distribution expenses decreased by 2.3% from RMB1,465.9 million in 2022 to RMB1,432.6 million in 2023, primarily due to decrease in revenue derived from real estate brokerage network services.

Other operating costs

Our other operating costs decreased by 21.3% from RMB459.0 million in 2022 to RMB361.1 million in 2023, primarily due to company’s reduction of cost.

Other income

Our other income decreased by 52.2% from RMB150.8 million in 2022 to RMB72.1 million in 2023, primarily due to the decrease in bank and other interest income.

Other gains and losses

We recorded net other losses of RMB316.9 million in 2022 and net other losses of RMB96.2 million in 2023. Our net other losses in the year ended 31 December 2023 were primarily attributable to the foreign exchange losses.

Other expenses

Our other expenses increase from RMB5.2 million in 2022 to approximately RMB9.6 million in 2023, primarily attributable to the expenses related to termination of leasing agreements in advance.

Share of result of associates

We recorded share of profits of associates of RMB2.8 million in 2022 and share of profits of associates of RMB2.0 million in 2023. The share of profits in 2023 was primarily attributable to a company provided boutique financial service.

Finance costs

Our finance costs decreased by 6.1% from RMB471.8 million in 2022 to RMB443.1 million in 2023, primarily due to the decrease in the weighted average balances of interest bearing loans.

Income tax credit

Our income tax credit decreased by 53.5% from RMB39.0 million in 2022 to RMB18.1 million in 2023, primarily due to the loss before taxation.

Loss for the year

As a result of the foregoing, our loss for the year amounted to RMB1,524.8 million in 2023, compared to loss for the year of RMB4,968.5 million in 2022.

Total comprehensive expense for the year

As a result of the foregoing, our total comprehensive expense for the year amounted to RMB1,523.5 million in 2023, compared to total comprehensive expense for the year of RMB4,974.6 million in 2022.

Non-IFRS Measures

To supplement our condensed consolidated financial information which is presented in accordance with IFRS, we also use (i) operating loss and operating loss margin and (ii) EBITDA loss as additional measures for illustrative purposes only. We believe that these measures provide useful information to investors and others in understanding and evaluating our condensed consolidated financial results in the same manner as our management. The calculation of operating loss and operating loss margin and EBITDA loss are not in accordance with IFRS and may not be directly comparable with similarly named financial measures of other companies. The use of these measures has limitations as an analytical tool, and you should not consider them in isolation from other measures as reported in accordance with IFRS.

We define our operating loss as revenue net of operating costs, which consist of staff costs, advertising and promotion expenses, rental expenses for short-term leases and low-value assets leases, depreciation and amortisation expenses, loss allowance on financial assets subject to ECL, net of reversal, loss on derecognition of financial assets measured at amortised cost (RMB0 for the Reporting Period), loss on derecognition of receivables at FVTOCI (RMB0 for the Reporting Period), consultancy expenses, distribution expenses, and other operating costs. We define operating loss margin as operating loss divided by revenue for the year.

Our operating loss amounted to RMB1,027.3 million for the year ended 31 December 2023 compared to an operating loss of RMB3,332.5 million for the year ended 31 December 2022. Our operating loss margin was 23.1% for the year ended 31 December 2023, as compared to 66.2% for the year ended 31 December 2022, primarily due to the decrease of operating loss.

We define EBITDA loss as (i) loss for the period, adjusted to add back (ii) finance costs (iii) depreciation and amortisation expenses and (iv) income tax expense. We use EBITDA loss to emphasise operating results and it more nearly approximates cash flows.

Our EBITDA loss for the year ended 31 December 2023 was RMB814.1 million, representing a decrease of 79.6% as compared with RMB3,998.2 million for the year ended 31 December 2022.

Liquidity, Financial Resources and Gearing

During the year ended 31 December 2023, we funded our cash requirements principally from cash generated from our operations and external borrowings. We had cash and cash equivalents of RMB1,246.6 million and RMB638.8 million as of 31 December 2022 and 31 December 2023, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the year ended 31 December 2023, our principal uses of cash were for the funding of required working capital and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time.

Capital Expenditure

	Year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Purchase of and deposits placed for property and equipment	12,259	35,507
Purchase of intangible assets	—	170
	<hr/>	<hr/>
Total	12,259	35,677
	<hr/> <hr/>	<hr/> <hr/>

Our capital expenditures primarily related to purchases of property, equipment and capitalised prepayment. Leasehold improvements, mainly including capitalised decoration and maintenance costs, account for the majority of property and equipment purchases.

Off-Balance Sheet Commitments and Arrangements

As of 31 December 2023, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As at 31 December 2023, the gearing ratio of the Group, which is calculated by dividing total debt (all bank and other borrowings) by total assets as at the end of the Reporting Period was 145.8%, representing an increase of 45.2 percentage points as compared with 100.6% as at 31 December 2022. The increase was primarily due to the decrease of total assets.

Significant Investments Held

As at 31 December 2023, we did not hold any significant investments in the equity interests of any other companies (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2023).

Future Plans for Material Investments and Capital Assets

As of 31 December 2023, we did not have plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

Save as disclosed in this announcement, we did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associated companies or joint ventures during the Reporting Period.

Employee and Remuneration Policy

As at 31 December 2023, we had 3,158 full-time employees, most of whom were based in China. Our employees are based in our headquarters in Shanghai and various other cities in China according to our business strategies.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. The total remuneration expenses, including share-based compensation expense, for the year ended 31 December 2023 were RMB1,093.2 million, as compared with RMB1,967.3 million for the year ended 31 December 2022, representing a year-on-year decrease of 44.4%.

Foreign Exchange Risk

Our functional currency is Renminbi, but certain of our cash and cash equivalent, USD-denominated senior notes and conditional investment fund received are denominated in foreign currency and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. We will continue to monitor foreign exchange exposure and will take actions when necessary.

Pledge of Assets

As at 31 December 2023, the Group's bank borrowings of RMB779.8 million were secured by the Wanju Property (carrying amount of RMB504.0 million), the Tangchao Grand Hotel (carrying amount of RMB490.8 million) and 2 units in the Hangzhou PingLan business center (carrying amount of RMB16.4 million).

For further details of the Wanju Property and the Tangchao Grand Hotel, please refer to the sections headed "Discloseable Transaction – Acquisition of Shanghai Wanju" and "Discloseable Transaction – Acquisition of Shanghai Juanpeng", respectively, in the announcement of the Company dated 22 March 2020.

Contingent Liabilities

As of 31 December 2023, we did not have any material contingent liabilities (31 December 2022: nil).

Updates on the Restructuring and Events after the Reporting Period

In order to restructure the Company's debt obligations, including the senior notes due 2022 and 2023 (the "**Old Notes**") and the HK\$1,031,900,000 2.0% convertible note due 4 November 2023 (the "**Convertible Note**") issued by the Company on 4 November 2020 to Alibaba.com Hong Kong Limited (the "**CB Holder**"), the Company (i) entered into a restructuring support agreement with the CB Holder (the "**CB RSA**") and (ii) entered into and launched an invitation to holders of the Old Notes accede to a separate restructuring support agreement (the "**RSA**", and together with the CB RSA, the "**Restructuring Support Agreements**"), in each case, setting forth the terms of the Restructuring. Under each of the Restructuring Support Agreements, the parties agreed to vote in favour of (i) a scheme of arrangement to be effected pursuant to section 86 of the Cayman Companies Law (the "**Cayman Scheme**") and (ii) a scheme of arrangement to be effected pursuant to sections 673 and 674 of the Companies Ordinance (the "**Hong Kong Scheme**", and together with the Cayman Scheme, the "**Schemes**"). As announced by the Company on 28 November 2023, both the HK Scheme and the Cayman Scheme were sanctioned by the High Court and Cayman Court, respectively. However, as a result of the circumstances separately disclosed in the Company's announcements dated 13 March 2024 and 28 March 2024 in relation to the Restructuring, the Company has concluded that the Restructuring will not come into effect. The Company is actively working with its financial adviser on an alternative restructuring proposal and will provide an update to its creditors as soon as possible and, in any event, by the end of April 2024.

In order to fund the cash consideration under the Restructuring, the Company launched an offer to issue 2,098,871,436 rights Shares by way of a rights issue, on the basis of twelve (12) rights Shares for every ten (10) Shares held by the qualifying Shareholders on the record date (the "**Rights Issue**") at the subscription price of HK\$0.23 per rights Share to raise approximately HK\$483 million before expenses (assuming no new issue or repurchase of Shares on or before the record date), subject to the satisfaction of the conditions in relation to the Rights Issue. On 29 February 2024, the Company received the underwriter's termination notice that was duly served to the Company pursuant to the underwriting agreement related to the Rights Issue. As a result, the the Rights Issue did not proceed and the Rights Issue lapsed.

In addition, in relation to the Restructuring, (i) the Company, Alibaba Investment Limited and TM Home Limited ("**TM Home**") entered into a share subscription agreement dated 2 April 2023 pursuant to which the Company agreed to subscribe for certain shares of TM Home (the "**TM Home Share Issuance**"), (ii) TM Home, Shanghai TM Home E-Commerce Limited (上海天貓好房電子商務有限公司) and Zhejiang Tmall Network Co., Ltd. (浙江天貓網絡有限公司) entered into the new business transition agreement dated 2 April 2023, in relation to the business operation of TM Home. Such transactions were approved by the independent Shareholders at the extraordinary general meeting of the Company on 27 July 2023. Since all the conditions to the first TM Home Share issuance were satisfied, the first TM Home Share Issuance took place on 15 August 2023, as a result of which TM Home is currently owned by the Company and Alibaba Investment Limited as to approximately 89.207% and 10.793%.

For further details regarding the Restructuring and transactions entered into by the Company in relation thereto (including the TM Home Share Issuance, the Rights Issue and the Disposal) and the Listing Rules and Takeovers Code implications thereof, please refer to the announcements, circulars and listing document of the Company dated 31 March, 7, 11, 14, 18, and 25 April, 21 September, 5, 6, 7 and 12 October, 3, 10, 16 November 2022, 3 February 2023, 3 April 2023, 1 May 2023, 22 May 2023, 31 May 2023, 11 June 2023, 18 June 2023, 19 June 2023, 2 July 2023, 6 July 2023, 10 July 2023, 18 July 2023, 26 July 2023, 17 August 2023, 31 August 2023, 11 September 2023, 29 September 2023, 10 October 2023, 30 October 2023, 15 November 2023, 28 November 2023, 29 November 2023, 1 December 2023, 11 December 2023, 15 January 2024, 16 January 2024, 31 January 2024, 15 February 2024, 26 February 2024, 1 March 2024, 13 March 2024 and 28 March 2024.

Save as disclosed in this announcement and as at the date of this announcement, there were no significant events that might affect the Group since 31 December 2023.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders.

During the Reporting Period, the Company had adopted and complied with all the applicable code provisions as set out in the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 (formerly Appendix 14) to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules as the code of conduct regarding the Directors' dealings in the securities of the Company. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they had strictly complied with the required standards set out in the Model Code throughout the Reporting Period.

EXTRACT FROM THE AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2023.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the material uncertainty relating to the going concern basis described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB1,524,797,000 and net cash outflow from operating activities of approximately RMB432,750,000 for the year ended 31 December 2023 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB8,425,774,000 and approximately RMB6,562,944,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon (i) the successful completion of various debt restructuring measures; (ii) the successful disposal of investment property and (iii) the improvement of operating performance that certain measures to improve its financial position, to provide liquidity and cash flows. The consolidated financial statements do not include any adjustments that would result from the failure to complete various debt restructuring measures, the disposal of investment property and the failure to improve its financial position, to provide liquidity and cash flows. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements.

However, in view of the extent of the multiple uncertainty relating to (i) the successful completion of various debt restructuring measures; (ii) the successful disposal of investment property and (iii) the successful outcome that certain measures to improve its financial position, to provide liquidity and cash flows, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures contained in this announcement of the Group's audited consolidated annual results for the year ended 31 December 2023 have been agreed by Zhonghui Anda, to the figures set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023. The work performed by Zhonghui Anda in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zhonghui Anda on this preliminary announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system (including risk management) of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Zhang Bang, Mr. Li Jin, and Mr. Wang Liqun. Mr. Zhang Bang is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a nomination committee and a remuneration committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Other than the Right Issue which has been lapsed as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

MATERIAL LITIGATION

As at 31 December 2023, the Company was not involved in any material litigation or arbitration. Nor were the Directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended 31 December 2023 (2022: nil).

CLOSURE OF REGISTER OF MEMBERS

The Company's annual general meeting will be held on 14 June 2024. The register of members of the Company will be closed from 11 June 2024 to 14 June 2024, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 7 June 2024.

USE OF PROCEEDS

1. Use of Proceeds from Subscription

On 31 July 2020, the Company entered into the share subscription agreement with Taobao China Holding Limited (“**Taobao China**”), pursuant to which Taobao China conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, a total of 118,300,000 subscription shares at the subscription price of HK\$7.00 per subscription share for a total subscription amount of HK\$828,100,000.

The gross proceeds from the subscription amount to HK\$828,100,000. During the Reporting Period, the Group had used the remaining HK\$51,100,000 for general corporate purposes and as at 31 December 2023, the gross proceeds from the subscription had been fully utilized.

For further details, please refer to the announcement of the Company dated 31 July 2020.

2. Use of Proceeds from Issuance of Convertible Note

On 31 July 2020, the Company entered into a subscription agreement with Alibaba.com Hong Kong Limited (the “**Alibaba Noteholder**”), pursuant to which the Alibaba Noteholder conditionally agreed to subscribe for the convertible note in the principal amount of HK\$1,031,900,000.

The gross proceeds from the note issuance amounted to HK\$1,031,900,000. As at 31 December 2022, the Group had used HK\$1,005,600,000 for general corporate purposes. During the Reporting Period, the Group had used the remaining HK\$26,300,000 for general corporate purposes and as at 31 December 2023, the gross proceeds from the subscription had been fully utilized.

For further details, please refer to the announcement of the Company dated 31 July 2020.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This audited annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ehousechina.com. The annual report of the Group for the year ended 31 December 2023 will be published on the aforesaid websites of the Stock Exchange and the Company.

By order of the Board
E-House (China) Enterprise Holdings Limited
Zhou Xin
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhou Xin as Chairman and executive Director, Mr. Huang Canhao, Dr. Cheng Li-Lan and Dr. Ding Zuyu as executive Directors, Ms. Jiang Shanshan, Mr. Yang Yong, Mr. Song Jiajun and Mr. Chen Daiping as non-executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin as independent non-executive Directors.