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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of E-House (China) Enterprise Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and consolidated affiliated entities (collectively, the "**Group**") for the six months ended 30 June 2024 (the "**Reporting Period**"). These interim results have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

In this announcement, "we", "us", and "our" refer to the Company and where the context otherwise requires, the Group.

INTERIM RESULTS HIGHLIGHTS

- Total revenue amounted to RMB1,594.1 million for the six months ended 30 June 2024.
- The total gross transaction value ("**GTV**") of real estate agency services was RMB8.1 billion for the six months ended 30 June 2024.
- The total GTV of real estate brokerage network services amounted to RMB9.2 billion for the six months ended 30 June 2024.
- Loss for the period amounted to RMB564.9 million, and total comprehensive expense for the period amounted to RMB565.1 million for the six months ended 30 June 2024.

BUSINESS REVIEW AND OUTLOOK

In the first half of 2024, the governments of multiple cities in China issued a series of measures to encourage real estate purchase, including cancelling or reducing restrictions on real estate purchase, lowering the minimum down payment ratio for mortgage loans, canceling the minimum interest rate for mortgage loan and lowering the housing provident fund loan rate. However, the real estate industry in China remained in a depressed state due to poor buyer sentiment and decelerating economic growth. Primary and secondary residential sales volume across the country and most provinces and cities continued to decline. This has led to many leading developers reporting decreased sales volume in the first half of 2024. Many of them continued to face serious liquidity constraints. The Group's operations were negatively affected by this continued industry downturn. In the first half of 2024, the Group recorded a 30.7% year-on-year decrease in total sales revenue. Revenues from real estate agency services in the primary market decreased by 36.6% year-on-year; revenues from real estate data and consulting services decreased by 15.9% year-on-year; revenues from real estate brokerage network services decreased by 20.1% year-on-year; and revenues from digital marketing services decreased by 40.2% year-on-year.

Amid this challenging environment, the Group continued to focus on cost reduction, and achieved a 34.6% year-on-year decrease in total net loss. Excluding headquarters expenses, finance cost, bad debt provision, costs related to staff headcount reduction and other non-operating expenses, each of the Group's main business units achieved break even or slight operating profit in the first half of 2024.

In 2024, the Company continued to work closely with its creditors and advisors on the restructuring of its offshore debt (the "**Restructuring**"). Reference is made to the announcement of the Company dated 2 April 2024 in relation to the Restructuring (the "**Announcement**"). As disclosed in the Announcement, in light of the termination of the Prior Schemes described in the announcement dated 28 March 2024, the Company intends to propose New Schemes to holders of the Old Notes and the holder of the Convertible Note (each as defined in the Announcement). The Company is actively working with its financial adviser on the new restructuring proposal and will provide an update to its creditors as soon as possible.

Looking ahead at the second half of 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.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	For the six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Revenue	*5*	**1,594,117**	2,299,491
Staff costs		**(357,486)**	(622,217)
Advertising and promotion expenses		**(551,019)**	(1,003,296)
Rental expenses for short-term leases and low-value assets leases		**(16,879)**	(20,541)
Depreciation and amortisation expenses		**(124,583)**	(146,401)
Loss allowance on financial assets subject to expected credit loss ("**ECL**"), net of reversal	*14*	**(27,592)**	(33,126)
Impairment losses recognised on non-current assets	*9*	**(39,775)**	–
Consultancy expenses		**(72,415)**	(82,205)
Distribution expenses		**(610,761)**	(749,669)
Other operating costs		**(134,074)**	(182,024)
Other income	*7*	**12,185**	39,939
Other gains and losses		**14,354**	(153,478)
Other expenses		**(1,696)**	(4,565)
Share of results of associates		**1,369**	180
Finance costs		**(251,663)**	(234,306)
Loss before taxation		**(565,918)**	(892,218)
Income tax credit	*8*	**1,010**	28,174
Loss for the period	*9*	**(564,908)**	(864,044)
Other comprehensive (expense)/income for the period			
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on receivables measured at FVTOCI		**(17,007)**	211
Net changes in ECL of receivables measured at FVTOCI		**17,007**	(211)
Exchange differences arising on translation of foreign operations		**(189)**	1,070
Other comprehensive (expense)/income for the period, net of income tax		**(189)**	1,070
Total comprehensive expense for the period		**(565,097)**	(862,974)

	Notes	For the six months ended 30 June **2024** ***RMB'000*** **(unaudited)**	2023 *RMB'000* (unaudited)
Loss for the period attributable to:			
– Owners of the Company		**(498,416)**	(725,885)
– Non-controlling interests		**(66,492)**	(138,159)
		(564,908)	(864,044)
Total comprehensive expense for the period			
– Owners of the Company		**(498,583)**	(725,134)
– Non-controlling interests		**(66,514)**	(137,840)
		(565,097)	(862,974)
Loss per share			
– Basic (RMB cents)	*11*	**(28.50)**	(41.50)
– Diluted (RMB cents)		**(28.50)**	(41.50)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2024

	Notes	**30 June 2024 *RMB'000* (unaudited)**	31 December 2023 *RMB'000* (audited)
Non-current assets			
Property and equipment		**851,702**	924,569
Right-of-use assets		**149,795**	181,858
Investment properties		**510,108**	528,316
Intangible assets		**356,683**	435,499
Interests in associates		**70,474**	73,106
Amounts due from related parties		**48**	46
Deferred tax assets		**235,528**	387,664
Other non-current assets		**86,205**	31,220
		2,260,543	2,562,278
Current assets			
Accounts receivables and bills receivables	*12*	**12,107**	12,156
Other receivables		**344,065**	330,127
Amounts due from related parties		**28,627**	59,117
Receivables at FVTOCI	*13*		
– accounts receivables and bills receivables		**133,004**	156,091
– amounts due from related parties – accounts receivables		**74,258**	133,491
Financial assets at fair value through profit or loss ("**FVTPL**")		**46,483**	50,556
Restricted bank balances		**184,515**	139,800
Cash and cash equivalents		**312,883**	638,848
		1,135,942	1,520,186
Current liabilities			
Accounts payables	*15*	**731,603**	888,862
Advance from customers		**521,749**	397,241
Accrued payroll and welfare expenses		**212,230**	244,057
Other payables		**1,475,663**	1,215,408
Contract liabilities		**135,019**	200,201
Tax payables		**1,180,877**	1,329,248
Amounts due to related parties		**197,544**	171,355
Bank borrowings		**216,890**	282,865
Other borrowings		**4,262,116**	4,235,807
Note payable		**941,819**	935,112
Lease liabilities		**29,349**	45,804
		9,904,859	9,945,960

	Notes	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Net current liabilities		**(8,768,917)**	(8,425,774)
Total assets less current liabilities		**(6,508,374)**	(5,863,496)
Non-current liabilities			
Deferred tax liabilities		**100,738**	108,035
Bank borrowings		**482,489**	496,946
Lease liabilities		**35,453**	94,467
		618,680	699,448
NET LIABILITIES		**(7,127,054)**	(6,562,944)
EQUITY			
Share capital		**116**	116
Share premium		**6,148,273**	6,148,273
Reserves		**(13,194,451)**	(12,695,868)
Equity attributable to owners of the Company		**(7,046,062)**	(6,547,479)
Non-controlling interests		**(80,992)**	(15,465)
TOTAL EQUITY		**(7,127,054)**	(6,562,944)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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, Ugland 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 offer 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 condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

Going concern basis

The Group incurred a loss of approximately RMB564,908,000 and net cash outflow from operating activities of approximately RMB118,107,000 for the six months ended 30 June 2024 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB8,768,917,000 and approximately RMB7,127,054,000, 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 realise 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 for disposal of investment property of the Group; and

(iii) The Group is implementing cost-saving measures to improve its operating cash flows and financial position.

The management of the Company are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2024. 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 condensed consolidated financial statements and amounts reported for the current period and prior periods.

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. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and further periods. The following is the management's latest estimation uncertainty in this interim period.

Loss allowance for ECL on accounts receivables, bills receivables and amounts due from related parties – accounts receivables (including those carried at amortised cost and FVTOCI) ("Trade Related Balances")

Trade Related Balances with good credit rating (strategic type customers), customers with high credit risk (normal risk type customers – credit-impaired or high risk type customers) or debtors with significant outstanding balances are assessed for ECL individually, and the remaining (normal risk type customers – not credit-impaired) is estimated collectively using the provision matrix, based on historical settlement pattern, past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The assessment of the credit risk of the Trade Related Balances involves high degree of estimation and uncertainty. When the actual future cash flows are more than expected, a material reversal of loss allowance for ECL may arise. However, when the actual future cash flows are less than expected, a material impairment loss for ECL may arise, the credit risk of the customer might be assessed as credit-impaired, and it might further affect the revenue recognition and/or measurement, resulting in a material reduction to the amount of revenue.

During the current interim period, the Group identified a significant amount of Trade Related Balances due from certain property developer customer had become overdue. Based on the facts and circumstances currently available, the credit risk of certain property developer customer is assessed to be increased significantly at the end of reporting period.

Although the credit risk of certain property developer customer as at 30 June 2024 has been assessed as increased significantly and a significant amount of ECL has been recognised in the current interim period, in the near future, if any one or more events arisen from certain property developer customer that might have a detrimental impact on the estimated future cash flows of the Trade Related Balances will have occurred, its respective outstanding Trade Related Balances might then result in a significant amount of additional ECL to be recognised in profit or loss at that time. In addition, if the Group continues providing future services to certain property developer customer, a material uncertainty might arise in assessing the Group's probability to collect the consideration, it might also affect the revenue recognition and/or measurement.

The Group, with the engagement of a firm of independent professional valuers, performed ongoing assessment on the ECL at the end of each reporting period or upon a significant change in the circumstances affecting the credit quality of its customers.

As at 30 June 2024, based on the valuation result prepared by the firm of independent professional valuers, the fair value of the Group's receivables at FVTOCI amounted to RMB207,262,000, which included with ECL amounting to RMB6,341,761,000 (31 December 2023: RMB289,582,000, which included with ECL amounting to RMB6,324,754,000) as disclosed in note 13 and the carrying amount of the Group's accounts receivables, bill receivables and amounts due from related parties – accounts receivables carried at amortised cost amounted to RMB14,867,000 net of loss allowance for ECL amounted to RMB705,207,000 (31 December 2023: RMB52,802,000, net of loss allowance for ECL amounted to RMB701,503,000), to these condensed consolidated financial statements.

5. 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:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Real estate agency services in the primary market, recognised at a point in time	**81,603**	128,741
Real estate data and consulting services		
– consulting services, recognised at a point in time	**133,668**	157,303
– data services, recognised over time	**53,042**	64,740
	186,710	222,043
Real estate brokerage network services		
– distribution business in the primary market, recognised at a point in time	**633,459**	792,382
– other services, recognised at a point in time	**4,954**	6,171
	638,413	798,553
Digital marketing services		
– E-commerce, recognised at a point in time	**491,777**	925,024
– Online advertising services, recognised over time on a gross basis	**195,614**	225,130
	687,391	1,150,154
	1,594,117	2,299,491

6. SEGMENT INFORMATION

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

Six months ended 30 June 2024 (unaudited)

	Real estate agency services in the primary market *RMB'000*	**Real estate data and consulting services** *RMB'000*	**Real estate brokerage network services** *RMB'000*	**Digital Marketing services** *RMB'000*	**Elimination** *RMB'000*	**Total** *RMB'000*
Revenue						
External sales	**81,603**	**186,710**	**638,413**	**687,391**	**–**	**1,594,117**
Inter-segment sales	**–**	**4,462**	**94**	**–**	**(4,556)**	**–**
Total	**81,603**	**191,172**	**638,507**	**687,391**	**(4,556)**	**1,594,117**
SEGMENT LOSS	**(32,991)**	**(49,004)**	**(2,544)**	**(127,765)**	**–**	**(212,304)**
Unallocated expenses						**(74,732)**
Unallocated net exchange loss						**(25,517)**
Unallocated net fair value loss on financial assets at FVTPL						**(4,073)**
Share of results of associates						**1,369**
Bank interest income						**1,989**
Finance costs						**(251,663)**
Equity-settled share-based payment expenses						**(987)**
Loss before taxation						**(565,918)**

Six months ended 30 June 2023 (unaudited)

	Real estate agency services in the primary market *RMB'000*	Real estate data and consulting services *RMB'000*	Real estate brokerage network services *RMB'000*	Digital Marketing services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue						
External sales	128,741	222,043	798,553	1,150,154	–	2,299,491
Inter-segment sales	95,191	7,237	1,222	7	(103,657)	–
Total	223,932	229,280	799,775	1,150,161	(103,657)	2,299,491
SEGMENT LOSS	(38,430)	(23,072)	(82,996)	(232,832)	–	(377,330)
Unallocated expenses						(118,869)
Unallocated net exchange loss						(151,064)
Unallocated net fair value loss on financial assets at FVTPL						(10,241)
Share of results of associates						180
Bank interest income						5,760
Finance costs						(234,306)
Equity-settled share-based payment expenses						(6,348)
Loss before taxation						(892,218)

The accounting policies of the operating segments are the same as the Group's accounting policies as those presented in the Group's annual financial statements for the year ended 31 December 2023. Segment loss 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, share of results of associates, bank interest income, finance costs and equity-settled share-based payment expenses. This is the measure reported to the chief operating decision maker (the "CODM") for the purpose of resource allocation and performance assessment.

No segment assets and liabilities information is provided as no such information is regularly provided to the CODM of the Group on making decision for resources allocation and performance assessment.

Seasonality of operations

The Group experiences higher revenue from the real estate agency services in the primary market in the second half of the financial year due to property developers' marketing and promotion campaign are more focused in the second half of the year. As a result, revenue from real estate agency services in the primary market is usually lower during the first half of the financial year. The Group incorporates the effect of seasonality in its sales plan by fully cooperating with real estate developers to formulate corresponding marketing plans and preparing sufficient marketing resources in the second half of the financial year.

7. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank and other interest income	**1,989**	5,760
Government grants *(note)*	**1,420**	14,058
Rental income	**5,440**	13,996
Others	**3,336**	6,125
	12,185	39,939

Note:

The amount represents government grants received from various PRC government authorities in connection with the enterprise development support, fiscal subsidy and various tax incentives, which had no conditions imposed by the respective PRC government authorities.

8. INCOME TAX CREDIT

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC Enterprise Income Tax ("EIT")		
Current tax	**8,353**	2,131
Overprovision in prior years	**(154,202)**	(13,964)
	(145,849)	(11,833)
Deferred tax expense/(credit)	**144,839**	(16,341)
	(1,010)	(28,174)

9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of property and equipment	**42,281**	44,152
Depreciation of right-of-use assets	**25,725**	27,530
Depreciation of investment properties	**17,437**	17,485
Amortisation of intangible assets	**39,140**	57,234
Total depreciation and amortisation	**124,583**	146,401
Impairment losses recognised on intangible assets	**39,775**	–
Amounts included in other gains and losses		
Net fair value loss on financial assets at FVTPL	**4,073**	10,241
Fair value gain on other financial liabilities at FVTPL	**–**	(1,601)
Loss on disposal of subsidiaries	**–**	2,317
Gain on disposal of interests in associates	**2**	–
Net exchange loss	**25,376**	147,402
Net loss on disposal of property and equipment	**3,192**	462
Net gain on disposal of investment properties	**(1,477)**	–
Net gain on termination of right-of-use assets and lease liabilities	**(45,520)**	(5,343)
Net (gains)/loss	**(14,354)**	153,478

10. DIVIDENDS

The directors of the Company have determined that no dividend will be declared in respect of the six months ended 30 June 2024 and 2023.

11. 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:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(498,416)**	(725,885)

	2024	2023
	'000	*'000*
	(unaudited)	(audited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,749,060**	1,749,060

12. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts receivables and bills receivables measured at amortised cost	**550,151**	549,100
Less: Loss allowance for accounts receivables and bills receivables measured at amortised cost	**(538,044)**	(536,944)
Total accounts receivables and bills receivables measured at amortised cost	**12,107**	12,156

The Group allows all of its customers a credit period of 90 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 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:

	At 30 June 2024	At 31 December 2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Over 2 years	**12,107**	12,156

13. RECEIVABLES AT FVTOCI

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Receivables at FVTOCI comprise:		
– Accounts receivables	**132,850**	156,054
– Bills receivables (note)	**154**	37
– Amounts due from related parties – accounts receivables	**74,258**	133,491
	207,262	289,582

Note:

As at 30 June 2024, the gross contractual amount of account receivables, bills receivables and amounts due from related parties – accounts receivables amounted to RMB3,427,025,000, RMB1,306,056,000 and RMB1,815,942,000 (31 December 2023: RMB3,458,966,000, RMB1,306,697,000 and RMB1,848,673,000), 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 RMB3,294,175,000, RMB1,305,902,000 and RMB1,741,684,000 (31 December 2023: RMB3,302,912,000, RMB1,306,660,000 and RMB1,715,182,000), respectively.

The Group allows all of its customers a credit period of 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 or 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:

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 1 year	**83,877**	114,011
1 – 2 years	**29,545**	49,616
Over 2 years	**93,686**	125,918
	207,108	289,545

The following is a maturity analysis of the fair value of the Group's bills receivables at FVTOCI (including both independent third parties and related parties) presented based on the remaining dates to maturity of bills receivables at the end of the reporting period.

	At 30 June 2024 RMB'000 (unaudited)	At 31 December 2023 RMB'000 (audited)
Within 180 days	**154**	37

14. LOSS ALLOWANCE ON FINANCIAL ASSETS SUBJECT TO ECL

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Provision/(reversal) for loss allowance on:		
Receivables at FVTOCI	**17,007**	(211)
Accounts receivables and bills receivables	**1,100**	(16,999)
Amounts due from related parties of trade nature	**2,604**	(3,892)
Amounts due from related parties of non-trade nature	**(59)**	(278)
Other receivables and other non-current assets	**6,940**	54,506
Total loss allowance on financial assets subject to ECL, net of reversal	**27,592**	33,126

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023.

15. ACCOUNTS PAYABLES

	At 30 June	At 31 December
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts payables	**731,603**	888,862

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:

	At 30 June	At 31 December
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**293,575**	447,835
1 – 2 years	**438,028**	441,027
	731,603	888,862

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue decreased by 30.7% from RMB2,299.5 million for the six months ended 30 June 2023 to RMB1,594.1 million for the six months ended 30 June 2024. The decrease was primarily due to the decrease of revenue derived from digital marketing services.

Revenue derived from real estate agency services in the primary market decreased by 36.6% from RMB128.7 million for the six months ended 30 June 2023 to RMB81.6 million for the six months ended 30 June 2024, primarily due to the decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate brokerage network services decreased by 20.1% from RMB798.6 million for the six months ended 30 June 2023 to RMB638.4 million for the six months ended 30 June 2024. This decrease was primarily due to the decrease of GTV.

Revenue derived from real estate data and consulting services decreased by 15.9% from RMB222.0 million for the six months ended 30 June 2023 to RMB186.7 million for the six months ended 30 June 2024, primarily due to a decrease in revenue from our rating and ranking services and data services.

Revenue derived from digital marketing services decreased by 40.2% from RMB1,150.2 million for the six months ended 30 June 2023 to RMB687.4 million for the six months ended 30 June 2024, primarily due to the decrease in revenues from e-commerce services and online advertising services.

Staff costs

Our staff costs decreased by 42.5% from RMB622.2 million for the six months ended 30 June 2023 to RMB357.5 million for the six months ended 30 June 2024. Staff costs as a percentage of our revenue decreased from 27.1% for the six months ended 30 June 2023 to 22.4% for the six months ended 30 June 2024, primarily due to improved operational efficiency.

Advertising and promotion expenses

Our advertising and promotion expenses decreased by 45.1% from RMB1,003.3 million for the six months ended 30 June 2023 to RMB551.0 million for the six months ended 30 June 2024. The advertising and promotion expenses primarily consist of targeted online and offline marketing costs from Leju Holdings Limited (a company previously listed on the New York Stock Exchange with stock ticker LEJU which has been delisted since May 2024). The decrease was primarily due to cost reduction.

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 RMB16.9 million for the six months ended 30 June 2024 compared to RMB20.5 million for the six months ended 30 June 2023. 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 14.9% from RMB146.4 million for the six months ended 30 June 2023 to RMB124.6 million for the six months ended 30 June 2024, 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 16.7% from RMB33.1 million for the six months ended 30 June 2023 to RMB27.6 million for the six months ended 30 June 2024, primarily due to the decrease in accounts receivables and bills receivables.

Impairment losses recognised on non-current assets

We recorded impairment losses recognised on non-current assets of RMB39.8 million for the six months ended 30 June 2024, and nil for the six months ended 30 June 2023. The cost in 2024 incurred was primarily from the loss recognised on intangible assets.

Consultancy expenses

Our consultancy expenses decreased by 11.9% from RMB82.2 million for the six months ended 30 June 2023 to RMB72.4 million for the six months ended 30 June 2024, primarily due to the decrease in project consultation in line with the decrease in our revenue.

Distribution expenses

Our distribution expenses decreased by 18.5% from RMB749.7 million for the six months ended 30 June 2023 to RMB610.8 million for the six months ended 30 June 2024, primarily due to the decrease in revenue derived from real estate brokerage network services.

Other operating costs

Our other operating costs decreased by 26.3% from RMB182.0 million for the six months ended 30 June 2023 to RMB134.1 million for the six months ended 30 June 2024, primarily due to the Company's reduction of cost.

Other income

Our other income decreased from RMB39.9 million for the six months ended 30 June 2023 to RMB12.2 million for the six months ended 30 June 2024, primarily due to the decrease in bank and other interest income.

Other gains and losses

We recorded net other losses of RMB153.5 million for the six months ended 30 June 2023 and net other gains of RMB14.4 million for the six months ended 30 June 2024. Our net other gains for the six months ended 30 June 2024 were primarily attributable to the net gain on termination of right-of-use assets and lease liabilities.

Other expenses

Our other expenses decreased from RMB4.6 million for the six months ended 30 June 2023 to RMB1.7 million for the six months ended 30 June 2024 primarily attributable to the expenses related to termination of leasing agreements in advance.

Share of results of associates

We recorded share of profits of associates of RMB0.2 million for the six months ended 30 June 2023 and share of profits of associates of RMB1.4 million for the six months ended 30 June 2024. The share of profits for the six months ended 30 June 2024 was primarily attributable to a company providing high quality financial service.

Finance costs

Our finance costs increased by 7.4% from RMB234.3 million for the six months ended 30 June 2023 to RMB251.7 million for the six months ended 30 June 2024, primarily due to the interest of convertible borrowings.

Income tax credit

Our income tax credit was RMB1.0 million for the six months ended 30 June 2024 compared to income tax credit RMB28.2 million for the six months ended 30 June 2023, primarily due to the loss before taxation.

Loss for the period

As a result of the foregoing, our loss for the period amounted to RMB564.9 million for the six months ended 30 June 2024, compared to loss for the period of RMB864.0 million for the six months ended 30 June 2023.

Total comprehensive expense for the period

As a result of the foregoing, our total comprehensive expense for the period amounted to RMB565.1 million for the six months ended 30 June 2024, compared to total comprehensive expense for the period of RMB863.0 million for the six months ended 30 June 2023.

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 period. We believe that the operating loss and operating loss margin facilitate a comparison of our operating performance from period to period by eliminating potential impacts of certain non-operational or non-recurring expenses that do not affect our ongoing operating performance.

Our operating loss amounted to RMB300.7 million for the six months ended 30 June 2024 compared to an operating loss of RMB540.0 million for the six months ended 30 June 2023. Our operating loss margin was 18.9% for the six months ended 30 June 2024, as compared to our operating loss margin of 23.5% for the six months ended 30 June 2023, 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 emphasize operating results and it more nearly approximates cash flows.

Our EBITDA loss for the six months ended 30 June 2024 was RMB189.7 million, as compared with EBITDA loss of RMB511.5 million for the six months ended 30 June 2023.

Liquidity and Financial Resources

During the six months ended 30 June 2024, we funded our cash requirements principally from cash generated from our operations and external borrowings. We had cash and cash equivalents of RMB638.8 million and RMB312.9 million as of 31 December 2023 and 30 June 2024, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the six months ended 30 June 2024, 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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Purchase of and deposits placed for property and equipment	**60,900**	9,837
Total	**60,900**	9,837

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 30 June 2024, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As at 30 June 2024, 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 173.8% as compared with 145.8% as of 31 December 2023. The increase was primarily due to the decrease of total assets.

Significant Investments Held

As at 30 June 2024, 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 30 June 2024).

Future Plans for Material Investments and Capital Assets

As of 30 June 2024, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

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 30 June 2024, we had 2,066 full-time employees, most of whom 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 six months ended 30 June 2024 were RMB357.5 million, representing a year-on-year decrease of 42.5%.

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 30 June 2024, the Group's bank borrowings of RMB699.4 million were secured by the Wanju Property (carrying amount of RMB487.0 million), the Tangchao Grand Hotel (carrying amount of RMB478.5 million) and 2 units in the Hangzhou PingLan business center (carrying amount of RMB16.0 million).

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

Contingent Liabilities

As at 30 June 2024, we did not have any material contingent liabilities (as at 30 June 2023: nil).

Events after the Reporting Period

As at the date of this announcement, there were no significant events that might affect the Group since 30 June 2024.

COMPLIANCE WITH THE 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 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the following deviation:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not have separate chairman of the Board and chief executive officer, and Zhou Xin, our executive Director, currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ending 31 December 2024.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

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 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 INDEPENDENT REVIEW REPORT

The following is an extract of the independent review report of the Company's auditor, Zhonghui Anda CPA Limited, on the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024.

"Basis for Disclaimer of Conclusion

As discussed in note 2 to the interim financial information concerning the adoption of the going concern basis on which the interim financial information have been prepared, the Group incurred a loss of approximately RMB564,908,000 and net cash outflow from operating activities of approximately RMB118,107,000 for the six months ended 30 June 2024 and, as of that date, the Group had net current liabilities and net liabilities of approximately RMB8,768,917,000 and approximately RMB7,127,054,000, respectively.

These conditions indicate the existence of multiple uncertainties that cast a significant doubt on the Group's ability to continue as a going concern. The directors of the Company are undertaking certain measures to improve the Group's liquidity and financial position which are set out in note 2 to the interim financial information. The interim financial information has 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. We were unable to obtain sufficient appropriate evidence as to the likelihood, or otherwise, of these measures being successful. We consider that the material uncertainty has been adequately disclosed in the interim financial information. 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.

Disclaimer of Conclusion

We do not express a conclusion on the interim financial information of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a conclusion on the interim financial information."

AUDIT COMMITTEE

The Company has established an audit committee (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 unaudited consolidated interim results of the Group for the six months ended 30 June 2024 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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period. As at 30 June 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2024.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ehousechina.com. The interim report of the Group for the six months ended 30 June 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders (if requested) in due course.

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

Hong Kong, 30 August 2024

As at the date of this announcement, the Board 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, Dr. 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.