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易居企业集团

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 UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

UNAUDITED CONSOLIDATED ANNUAL RESULTS

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

For the reasons explained below under "Review of Unaudited Consolidated Annual Results", the auditing process for the annual results of E-House (China) Enterprise Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") has not been completed. In the meantime, the board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the unaudited consolidated annual results of the Group for the year ended 31 December 2019 (the "**Reporting Period**") with the comparative figures for the year ended 31 December 2018 as follows:

- Total revenue amounted to RMB9,094.7 million, increased by 52.9% as compared with the year ended 31 December 2018.

- The total sales of real estate agency services and real estate brokerage network services amounted to RMB670.6 billion, increased by 18.4% as compared to the year ended 31 December 2018.

- Profit and total comprehensive income for the period amounted to RMB970.7 million, decreased by 10.3% as compared with the year ended 31 December 2018.

- EBITDA[(1)] amounted to RMB1,672.3 million, increased by 9.7% as compared with the year ended 31 December 2018.

(1) We define EBITDA as (i) profit and total comprehensive income for the year, adjusted to add back (ii) finance cost (iii) depreciation and amortisation expenses and (iv) income tax expense.

The Board recommended payment of a final dividend of RMB15.48 cents per share for the year ended 31 December 2019.

CHAIRMAN'S STATEMENT

(I) Business Review

In 2019, the real estate industry in China faced market pressures and challenges. Despite the foregoing, the Company managed to deliver satisfying results thanks to the efforts and commitment of our employees as a whole.

Real estate agency services in the primary market:

Despite market volatility, we made progress in our business operations while ensuring stability, as evidenced by an increase in our market scale and market share as well as a new record high sales performance. In 2019, the total sales areas of real estate agency services in the primary market amounted to 43.33 million square meters, representing a year-to-year increase of 4.9%, while the total sales amount was RMB532.4 billion delivering a steady growth during this year. The amount of signed and unsold reserve projects was 288.1 million square meters, ensuring the steady development of the real estate agency services in the primary market in the future.

Real estate brokerage network services:

In 2019, we had a strong performance in the brokerage network services business, maintaining our industry leading position. The substantial growth in Fangyou's brand awareness and industry influence contributed to a nearly eight times increase in revenue. During the year, the Company has provided several products, striving to develop the distribution business and to empower the small-to-medium brokerage firms and brokers, for example, You Fang Multiple Listing Service Platform (友房公盤資源分享平臺), You Fang Primary Market Platform 2.0 (友房通2.0), Fangyou Management System 2.0(易居房友管理系統2.0), Fangyou Data Research Center (房友數據研究院)，and Fangyou College (房友學院), etc. We recorded a total sales amount of RMB138.2 billion for 2019 and 105,433 units sold, representing an increase of 298.1% and 408.7% as compared to the same period last year. Building on our success in turning a profit for this segment in first half of 2019, we reported a full year profit of RMB57.9 million for this segment, contributing greatly to the Company just four years after launching these services.

Real estate market data and consulting services:

Capitalizing on our real estate big data capabilities, the Company achieved a record high profit margin in 2019. Revenue for 2019 amounted to RMB977.7 million, representing a year-to-year increase of 26.4%, while profit for 2019 amounted to RMB231.7 million, representing a year-to-year increase of 7.8%. Meanwhile, we continued to generate value and industry demand by introducing new generations of innovative products; during the Reporting period, the Company has launched CAIC Asset Management Cloud (CAIC資管雲), CAIC Investment Management Cloud (CAIC投管雲), CAIC Database (CAIC數據庫), Rental System (租賃系統), Raster Land Evaluation System (柵格土地評估系統), CRIC China Property Developers Leading USD Bond Index (克而瑞中國地產債券領先指數), CPA Construction Management Platform (CPA築道管理平臺), WishDeco Hancover Intelligence Management System (WishDeco精裝智選平臺), etc. The Company expand beyond residential data to non-residential data in six areas, namely, CRIC Real Estate (克而瑞地產), CRIC Asset Management (克而瑞資管), CRIC Securities (克而瑞證券), CRIC Property Management (克而瑞物管), CRIC Lease & Sale (克而瑞租售) and CRIC R&D (克而瑞產研).

(II) Strategic development and outlook

In the beginning of 2020, the COVID-19 outbreak spread across the globe, putting various industries under different forms of stress. Following effective control measures implemented by the government of the People's Republic of China (the "PRC"), the outbreak has gradually come under control in mainland China. Under the leadership of the PRC government and in response to the government's call, the Company spared no effort in supporting pandemic prevention and control by promptly establishing an outbreak emergency response taskforce to help prevent a wider spread of the outbreak. Since February 2020, the Company made use of online communications to keep in touch with our customers, and track sales details and feedback. At the same time, we have introduced the "sales center smart control" ("案場智控鏈"), driven by blockchain technology, which allows us to collate data with respect to sales center management, sanitation patrol management, security patrol management, and health data aggregation and monitoring of visitors to relevant management departments to ensure sanitation and safety of venues. Furthermore, we are actively committed to the safe resumption of workplace activities by publishing the Whitepaper on Pandemic Prevention at Showcases with respect to various aspects, including on-site, reception, sales launch, individual self-protection, and pandemic treatment measures.

In 2020, the Company will continue to maintain our premier services in the real estate industry by maintaining steady growth while being innovative. As the property market transitions from large-scale development and construction towards management of existing real estate property, we are determined to lead the emerging "technology-enabled and smart services-based" real estate industry. In terms of real estate agency services in the primary market, we will shift from pursuing high-speed growth to high-quality growth by concentrating our resources on premium projects and by deploying 'smart services' to achieve better quality and efficiency. In terms of real estate brokerage network services, we will continue to enhance our technology-driven management so that innovative technologies and premium services can be employed to expand our market share. In terms of real estate market data and consulting services, we will continue to focus on real estate big data, not only to support property developers, but to empower and serve the wider real estate industry.

2020 is a year of challenges and opportunities. The Company will stay abreast of market and industry trends, innovate our management, pragmatically adapt our business models and actively manage our cash flow. We believe in building upon our core businesses while continuing to innovate, and intend to fully commit and follow through with our business plans.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue increased by 52.9% from RMB5,948.2 million in 2018 to RMB9,094.7 million in 2019. This increase was primarily due to the growth of our real estate brokerage network services.

Revenue derived from real estate agency services in the primary market decreased by 3.9% from RMB4,753.4 million in 2018 to RMB4,566.2 million in 2019, primarily due to the decrease in average commission rate. Average commission rate equals revenue derived from real estate agency services in the primary market divided by total value of new properties sold.

Revenue derived from real estate brokerage network services increased by 742.5% from RMB421.5 million in 2018 to RMB3,550.8 million in 2019. This increase was primarily due to an increase in commissions received from developers for sourcing buyers of new properties as more brokerage firms cooperated with us to sell new properties which led to the increase of both total value and commission rate of real estate brokerage network services.

Revenue derived from real estate data and consulting services increased by 26.4% from RMB773.3 million in 2018 to RMB977.7 million in 2019 primarily due to an increase in revenue from our rating and ranking services and data services.

Staff costs

Our staff costs increased by 11.6% from RMB2,993.8 million in 2018 to RMB3,342.1 million in 2019. Staff costs as a percentage of our revenue decreased from 50.3% in 2018 to 36.7% in 2019 primarily due to the rapid increase in revenue derived from real estate brokerage network services and increased economies of scale.

Advertising and promotion expenses

Our advertising and promotion expenses increased by 26.5% from RMB310.4 million in 2018 to RMB392.6 million in 2019. Our advertising and promotion expenses generally do not highly correlate with our overall revenue as they are not routine expenses for all the real estate projects in the primary market we worked on.

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 RMB52.6 million in 2019, and nil in 2018. The increase was primarily due to the impacts and changes in accounting policies of application on IFRS 16 "Leases".

Operating lease charges in respect of office premises

We recorded nil operating lease charges in respect of office premises in 2019, and RMB118.9 million in 2018. The decrease was primarily due to the impacts and changes in accounting policies of application on IFRS 16 "Leases".

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 247.2% from RMB26.2 million in 2018 to RMB90.9 million in 2019, primarily due to the additional depreciation arising from right-of-use assets recognized upon adoption of IFRS 16 "Leases".

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

Our loss allowance on financial assets measured at amortised cost increased by 33.7% from RMB166.6 million in 2018 to RMB222.7 million in 2019, primarily due to the increase in accounts receivables.

Loss on derecognition of financial assets measured at amortised cost

We recorded loss from derecognition of financial assets measured at amortised cost of RMB14.5 million in 2019, and nil in 2018. The increase was primarily due to the cost incurred about the disposal of financial assets.

Consultancy expenses

Our consultancy expenses increased by 26.3% from RMB217.7 million in 2018 to RMB275.1 million in 2019, primarily due to the increase in project consultation.

Distribution expenses

Our distribution expenses increased by 840.0% from RMB331.5 million in 2018 to RMB3,116.2 million in 2019, primarily due to the significant growth of our real estate brokerage network services segment. Our distribution expenses growth trend follows the revenue growth of our real estate brokerage network services.

Other operating costs

Our other operating costs decreased by 11.9% from RMB368.7 million in 2018 to RMB324.9 million in 2019, primarily due to improved operational efficiency and cost control.

Other income

Our other income increased by 17.2% from RMB106.5 million in 2018 to RMB124.9 million in 2019, primarily due to the increase in government grants.

Other gains and losses

We recorded net other gains of RMB18.8 million in 2018 and net other gains of RMB171.9 million in 2019. Our net other gains in the year ended 31 December 2019 were primarily attributable to the gain on disposal of shares of other companies listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Other expenses

Our other expenses decreased from RMB42.7 million in 2018 to approximately RMB2.1 million in 2019, primarily due to the listing expenses of RMB40.8 million which we recorded in 2018 in connection with the Company's global offering in July 2018 (the "**Global Offering**"). We did not record any listing expenses in 2019.

Share of result of associates

We recorded share of profits of associates of RMB1.1 million in 2018 and share of profits of associates of RMB23.7 million in 2019. The share of profits in 2019 was primarily attributable to a share of profit in a real estate developer.

Finance costs

Our finance costs increased by 981.2% from RMB25.2 million in 2018 to RMB272.2 million in 2019, primarily due to the costs in connection with the issuance of US$500 million senior notes by the Company in 2019.

Income tax expense

Our income tax expense decreased by 13.5% from RMB391.3 million in 2018 to RMB338.6 million in 2019, primarily due to a decrease in our profit before taxation. Income tax expense represents our total current tax and deferred tax credit for the year ended 31 December 2019.

Profit and total comprehensive income for the Reporting Period

As a result of the foregoing, our profit and total comprehensive income for the year decreased by 10.3% from RMB1,081.7 million in 2018 to RMB970.7 million in 2019.

Non-IFRS Measures

To supplement our consolidated financial information which are presented in accordance with IFRS, we also use (i) operating profit and operating profit margin, (ii) EBITDA and (iii) core net profit attributable to owners of the Company as additional measures for illustrative purposes only. We also believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial results in the same manner as our management.

We define our operating profit 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, operating lease charges in respect of office premises, depreciation and amortisation expenses, loss allowance on financial assets subject to expected credit loss ("ECL") net of reversal, loss on derecognition of financial assets measured at amortised cost, consultancy expenses, distribution expenses, and other operating costs. We define operating profit margin as operating profit divided by revenue for the year.

Our operating profit decreased by 10.7% from RMB1,414.3 million for the year ended 31 December 2018 to RMB1,263.1 million for the year ended 31 December 2019. Our operating profit margin decreased from 23.8% for the year ended 31 December 2018 to 13.9% for the year ended 31 December 2019, primarily due to the significant increase in real estate brokerage network services which has lower operating margin rate. The calculation of operating profit and operating profit margin is 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 EBITDA as (i) profit and total comprehensive income for the year, adjusted to add back (ii) finance cost (iii) depreciation and amortisation expenses and (iv) income tax expense. We use EBITDA to emphasize operating results and it more nearly approximates cash flows.

Our EBITDA for the year ended 31 December 2019 was RMB1,672.3 million, representing an increase of 9.7% when compared with RMB1,524.3 million for the year ended 31 December 2018. The calculation of EBITDA is not in accordance with IFRS and therefore 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 core net profit attributable to owners of the Company as (i) profit and total comprehensive income for the year attributable to owners of the Company, adjusted to add back (ii) profit and total comprehensive income attributable to the 21 Investors of the PRC Holdco, details and background of the 21 Investors are set out in the section headed "History, Reorganization and Corporate Structure – Our Corporate Reorganization – Reorganization of Interests in PRC Holdco" of the prospectus of the Company dated 10 July 2018 (the "**Prospectus**"), and (iii) share-based compensation expense related to the Company's pre-IPO share option scheme.

The core net profit attributable to owners of the Company for the year ended 2019 was RMB997.9 million, representing a decrease of 12.8% when compared with RMB1,144.6 million for the year ended 2018. The calculation of core net profit attributable to owners of the Company is 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.

Liquidity, Financial Resources and Gearing

During the year ended 31 December 2019, we have funded our cash requirements principally from cash generated from our operations, proceeds from the Global Offering, external borrowings and the issue of USD-denominated senior notes due 2021 and 2022. We had bank balances and cash of RMB2,280.2 million and RMB2,294.4 million as of 31 December 2018 and 31 December 2019, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the year ended 31 December 2019, our principal uses of cash have been 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, proceeds from the Global Offering, the issue of USD-denominated senior notes due 2021 and 2022, and other funds raised from the capital markets from time to time.

Capital Expenditure

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Purchase of and deposits placed for property and equipment	**193,647**	354,928
Purchase of intangible assets	**23,585**	—
Total	**217,232**	354,928

Our capital expenditures primarily related to purchases of property, equipment, and intangible assets 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 2019, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As of 31 December 2019, the gearing ratio of the Group, which is calculated by dividing total debt (all interest-bearing loans) by total equity as of the end of the year, was 65.2%, representing an increase of 52.7 percentage points as compared with 12.5% as of 31 December 2018. The increase was primarily due to the issue of USD-denominated senior notes due 2021 and 2022.

Significant Investments Held

As of 31 December 2019, we did not hold any significant investments in the equity interests of any other companies.

Future Plans for Material Investments and Capital Assets

Save for those disclosed in the section headed "Events After The Reporting Period" below, as of 31 December 2019, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

During the Reporting Period, we did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies.

Employee and Remuneration Policy

As of 31 December 2019, we had 21,931 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 2019 were RMB3,342.1 million, as opposed to RMB2,993.8 million for the year ended 31 December 2018, representing a year-on-year increase of 11.6%.

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 of 31 December 2019, the Group's bank borrowings of RMB898.0 million was secured by the deposit of USD145.6 million (equivalent to approximately RMB1,016.1 million) in bank.

EVENTS AFTER THE REPORTING PERIOD

On 20 March 2020,

1. the Group entered into the following share transfer agreements (the "**Connected Acquisition Agreements**"), including:

    a. a share transfer agreement between Shanghai Fangjia Information Technique Co., Ltd ("**Shanghai Fangjia**") and Shanghai Jingshun Education Technology Co., Ltd. ("**Shanghai Jingshun**"), an indirect wholly-owned subsidiary of the Company, pursuant to which Shanghai Fangjia agreed to transfer the entire equity interest in Shanghai Fangjiao Information Technology Co., Ltd. to Shanghai Jingshun, for a total consideration of RMB51,000,000;

    b. a share transfer agreement between E-House (China) Enterprise Management Group Limited ("**E-House Management**") and Shanghai Jingshun, pursuant to which E-House Management agreed to transfer its 80% equity interest Shanghai Yijin Culture Development Co., Ltd. ("**Yijin Culture**") to Shanghai Jingshun, for nil consideration;

    c. share transfer agreements between Shanghai Jingshun and each of the three individual shareholders of Yijin Culture, all of whom are third parties independent of the Company, to acquire their respective 7%, 3% and 2% equity interest in Yijin Culture, all for nil consideration;

    d. a share transfer agreement between E-House Management and Shanghai Louyu Enterprise Management Co., Ltd. ("**Shanghai Louyu**"), an indirect wholly-owned subsidiary of the Company, pursuant to which E-House Management agreed to transfer the entire equity interest in Shanghai Shanglin Property Management Co., Ltd. ("**Shanglin Property Management**") to Shanghai Louyu, for a total consideration of RMB84,920,000; and

e. a share transfer agreement between E-House Management and Shanghai Louyu, pursuant to which E-House Management agreed to transfer the entire equity interest in Shangyou Property Management to Shanghai Louyu, for a total consideration of RMB199,260,000.

For further details of the Connected Acquisition Agreements, please refer to the announcement of the Company published under the title "Connected Transactions in relation to the Acquisition Agreements" on 22 March 2020.

2. E-House Enterprise (China) Group Co., Ltd. (the "**PRC Holdco**"), an indirect wholly-owned subsidiary of the Company, Shanghai Fangjia Information Technique Co., Ltd (the "**Nominee**"), also an indirect wholly-owned subsidiary of the Company, Jiaxing Weitai Investment Management Co., Ltd ("**Jiaxing Weitai**") and Suzhou Yuhang Investment Centre (Limited Partnership ("**Suzhou Yuhang**") entered into a series of agreements (the "**Wanju Acquisition Agreements**"), pursuant to which the PRC Holdco and the Nominee have agreed to purchase and Jiaxing Weitai and Suzhou Yuhang have agreed to sell the entire partnership interest in Shanghai Wanju Investment Partnership Enterprise (Limited Partnership) for a total consideration of RMB660.0 million.

   For further details of the Wanju Acquisition Agreements, please refer to the announcement of the Company published under the title "Discloseable Transaction – Acquisition of Shanghai Wanju" on 22 March 2020.

3. The PRC Holdco, Jiaxing Hengzhen Investment Partnership Enterprise (Limited Partnership) ("**Jiaxing Hengzhen**"), Shanghai Junwei Commercial Consulting Co., Ltd. ("**Shanghai Junwei**") and Shanghai Juanpeng Enterprise Co., Ltd. (the "**Target Company**") entered into a series of agreements (the "**Juanpeng Acquisition Agreements**"), pursuant to which the PRC Holdco has conditionally agreed to purchase and Jiaxing Hengzhen and Shanghai Junwei have conditionally agreed to sell the entire equity interest in the Target Company for a total consideration of RMB600.00 million.

   For further details of the Juanpeng Acquisition Agreements, please refer to the announcement of the Company published under the title "Discloseable Transaction – Acquisition of Shanghai Juanpeng" on 22 March 2020.

Save as disclosed in this announcement and as at the date of this announcement, there were no other events that might significantly affect the Group since 31 December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

		Year ended 31 December	
		2019	2018
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(audited)
Revenue	*3*	**9,094,682**	5,948,172
Staff costs		**(3,342,113)**	(2,993,818)
Advertising and promotion expenses		**(392,550)**	(310,360)
Rental expenses for short-term leases and low-value assets leases		**(52,646)**	–
Operating lease charges in respect of office premises		**–**	(118,923)
Depreciation and amortisation expenses		**(90,870)**	(26,170)
Loss allowance on financial assets subject to expected credit loss ("ECL"), net of reversal		**(222,748)**	(166,590)
Loss on derecognition of financial assets measured at amortised cost		**(14,484)**	–
Consultancy expenses		**(275,101)**	(217,748)
Distribution expenses		**(3,116,152)**	(331,516)
Other operating costs		**(324,902)**	(368,740)
Other income		**124,892**	106,519
Other gains and losses		**171,884**	18,828
Other expenses		**(2,127)**	(42,666)
Share of result of associates		**23,705**	1,144
Finance costs	*5*	**(272,153)**	(25,171)
Profit before taxation		**1,309,317**	1,472,961
Income tax expense	*6*	**(338,604)**	(391,308)
Profit and total comprehensive income for the year	*7*	**970,713**	1,081,653
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**860,872**	950,312
Non-controlling interests		**109,841**	131,341
		970,713	1,081,653
Earnings per share			
– Basic (RMB cents)	*9*	**60.49**	80.51
– Diluted (RMB cents)		**60.49**	76.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	**31 December 2019 *RMB'000* (unaudited)**	31 December 2018 *RMB'000* (audited)
Non-current assets			
Property and equipment		**108,603**	59,455
Right-of-use assets		**134,835**	–
Investment properties		**35,211**	20,340
Goodwill		**5,109**	5,109
Intangible assets		**23,918**	2,238
Interests in associates		**281,406**	212,511
Amounts due from related parties		**201,141**	10,786
Bond receivables measured at amortised cost		**–**	129,291
Deferred tax assets		**534,603**	488,076
Other non-current assets		**764,855**	350,737
		2,089,681	1,278,543
Current assets			
Accounts receivables and bills receivables	*10*	**5,546,823**	4,164,244
Other receivables		**1,737,239**	1,794,139
Amounts due from related parties		**2,614,160**	1,565,196
Financial assets at fair value through profit or loss ("FVTPL")		**1,708,599**	271,940
Restricted bank balances		**158,492**	52,539
Pledged bank deposits		**1,016,087**	411,786
Bank balances and cash		**2,294,435**	2,280,215
		15,075,835	10,540,059
Current liabilities			
Accounts payables	*11*	**623,463**	325,700
Advance from customers		**98,902**	46,097
Accrued payroll and welfare expenses		**789,724**	909,864
Other payables		**1,194,830**	857,554
Contract liabilities		**95,842**	82,557
Tax payables		**808,600**	513,311
Amounts due to related parties		**107,407**	67,841
Bank borrowings		**1,848,000**	1,000,000
Lease liabilities		**86,451**	–
		5,653,219	3,802,924

	Notes	31 December 2019 RMB'000 (unaudited)	31 December 2018 RMB'000 (audited)
Net current assets		**9,422,616**	6,737,135
Total assets less current liabilities		**11,512,297**	8,015,678
Non-current liabilities			
Deferred tax liabilities		**–**	73
Other borrowings		**3,406,130**	–
Lease liabilities		**41,919**	–
		3,448,049	73
Net assets		**8,064,248**	8,015,605
Capital and reserves			
Share capital		**93**	98
Share premium		**4,104,603**	5,098,146
Treasury stock		**–***	–
Reserves		**3,770,702**	2,773,667
Equity attributable to owners of the Company		**7,875,398**	7,871,911
Non-controlling interests		**188,850**	143,694
Total equity		**8,064,248**	8,015,605

* *amount less than RMB1,000*

NOTES:

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 22 February 2010 with limited liability, and the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 July 2018 (the "Listing Date"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The consolidated financial statements are presented in Renminbi ("RMB") and the functional currency of the Company is RMB.

The Company is an investment holding company.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in this announcement.

Impacts and changes in accounting policies of application of IFRS 16 "Leases"

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
	RMB'000	*RMB'000*	*RMB'000*
Non~current assets			
Right-of-use assets	–	135,988	135,988
Current assets			
Other receivables	1,794,139	(5,374)	1,788,765
Current liabilities			
Other payables	(857,554)	1,368	(856,186)
Amounts due to related parties	(67,841)	6,765	(61,076)
Lease liabilities	–	(73,574)	(73,574)
Non-current liabilities			
Lease liabilities	–	(65,963)	(65,963)
Capital and reserves			
Reserves	(2,773,667)	790	(2,772,877)

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[5]
Amendments to IAS 1 and IAS 8	Definition of Material[4]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2020

5 Effective for annual periods beginning on or after 1 January 2022

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the *Amendments to References to the Conceptual Framework in IFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company anticipate that the application of all these new and amendments to IFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

3. REVENUE

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Real estate agency services in the primary market, recognised at a point in time	**4,566,217**	4,753,395
Real estate data and consulting services		
– consulting services recognised at a point in time	**792,859**	627,330
– data services recognised over time	**184,806**	145,997
	977,665	773,327
Real estate brokerage network services		
– distribution business in the primary market recognised at a point in time	**3,517,130**	404,559
– other services recognised at a point in time	**33,670**	16,891
	3,550,800	421,450
	9,094,682	5,948,172

4. 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 services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The CODM considers the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

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

(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.

(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 China, 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.

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 2019 (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*	Elimination *RMB'000*	Total *RMB'000*
REVENUE					
External sales	**4,566,217**	**977,665**	**3,550,800**	**–**	**9,094,682**
Inter-segment sales	**4,517**	**47,191**	**32,476**	**(84,184)**	**–**
Total	**4,570,734**	**1,024,856**	**3,583,276**	**(84,184)**	**9,094,682**
SEGMENT PROFIT	**1,218,944**	**231,707**	**57,881**	**–**	**1,508,532**
Unallocated expenses					**(24,631)**
Unallocated net exchange gain					**6,851**
Unallocated net fair value gain on financial assets at FVTPL					**160,222**
Share of result of associates					**23,705**
Interest income					**43,816**
Finance costs					**(272,153)**
Equity-settled share-based payment expenses					**(137,025)**
Profit before taxation					**1,309,317**

For the year ended 31 December 2018 (audited)

	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*	Elimination *RMB'000*	Total *RMB'000*
REVENUE					
External sales	4,753,395	773,327	421,450	–	5,948,172
Inter-segment sales	2,604	72,014	78,974	(153,592)	–
Total	4,755,999	845,341	500,424	(153,592)	5,948,172
SEGMENT PROFIT (LOSS)	1,518,816	214,960	(94,398)	–	1,639,378
Unallocated expenses					(9,596)
Listing expenses					(40,817)
Unallocated net exchange gain					10,039
Fair value gain on financial liabilities at FVTPL					23,864
Share of result of associates					1,144
Interest income					35,750
Finance costs					(25,171)
Equity-settled share-based payment expenses					(161,630)
Profit before taxation					1,472,961

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned or loss incurred by each segment without allocation of unallocated expenses, listing expenses, unallocated net exchange gain, unallocated net fair value gain on financial assets at FVTPL, fair value gain on financial liabilities at FVTPL, share of result 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.

Segment assets and liabilities

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.

Other segment information

For the year ended 31 December 2019 (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*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Amounts included in the measure of segment profit or loss:					
Depreciation and amortisation	**40,805**	**37,804**	**11,624**	**637**	**90,870**
Loss allowance on financial assets subject to ECL, net of reversal	**53,220**	**13,597**	**155,931**	**–**	**222,748**
Net (gain) loss on disposal of property and equipment	**(283)**	**121**	**4**	**234**	**76**
Net loss on disposal of investment properties	**112**	**–**	**–**	**–**	**112**

For the year ended 31 December 2018 (audited)

	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*	Unallocated *RMB'000*	Total *RMB'000*
Amounts included in the measure of segment profit or loss:					
Depreciation and amortisation	9,206	10,984	5,856	124	26,170
Loss allowance on financial assets subject to ECL, net of reversal	141,781	4,882	19,927	–	166,590
Net (gain) loss on disposal of property and equipment	(195)	398	423	–	626
Net gain on disposal of investment properties	(50)	–	–	–	(50)

Geographical information

The Group's operations are located in the PRC (including Hong Kong) and Vietnam (2018: the PRC (including Hong Kong) and Vietnam).

Information about the Group's revenue from continuing operations 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 Year ended 31 December		**Non-current assets** *(note)* **As at 31 December**	
	2019	2018	**2019**	2018
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)
The PRC (including Hong Kong)	**9,056,648**	5,942,366	**1,353,291**	649,766
Vietnam	**38,034**	5,806	**–**	6
	9,094,682	5,948,172	**1,353,291**	649,772

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

Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Customer A *(note)*	**1,640,143**	1,871,380

Note: Revenue included such generated from real estate agency services in the primary market, real estate data and consulting services and real estate brokerage network services. Upon completion of group reorganisation on 5 March 2018, the property developer customer become a related party to the Group.

5. FINANCE COSTS

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Interest on bank borrowings	**69,619**	25,171
Interest on other borrowings	**194,728**	–
Interest on lease liabilities	**7,806**	–
	272,153	25,171

6. INCOME TAX EXPENSE

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
PRC Enterprise Income Tax		
– Current tax	**394,313**	379,631
– Overprovision in prior years	**(9,109)**	(4,335)
	385,204	375,296
Deferred tax (credit) expense	**(46,600)**	16,012
	338,604	391,308

7. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Depreciation of property and equipment	**17,506**	21,994
Depreciation of right-of-use assets	**70,585**	–
Depreciation of investment properties	**874**	670
Amortisation of intangible assets	**1,905**	3,506
Total depreciation and amortisation	**90,870**	26,170
Research costs recognised as an expense included in:		
– Staff costs	**54,506**	34,715
– Depreciation and amortisation expenses	**4,463**	2,508
– Other operating costs	**36,071**	30,981
	95,040	68,204

8. DIVIDENDS

Subsequent to the end of the Reporting Period, a final dividend in respect of the year ended 31 December 2019 of RMB15.48 cents (2018: HK$22.67 cents (equivalent to RMB19.39 cents)) per ordinary share, in aggregate amount to RMB215,218,000 (2018: HK$315,529,000 (equivalent to RMB277,571,000)), has been proposed by the Directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. EARNINGS PER SHARE – BASIC AND DILUTED

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

	Year ended 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Earnings:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**860,872**	950,312
Effect of dilutive potential ordinary shares:		
Fair value gain on financial liabilities at FVTPL	**–**	(23,864)
Profit for the year attributable to owners of the Company for the purpose of diluted earnings per share	**860,872**	926,448

	Year ended 31 December	
	2019	2018
	'000	*'000*
	(unaudited)	(audited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,423,201**	1,180,347
Effect of dilutive potential ordinary shares:		
Contingently issuable shares arising from the conditional investment fund received	**–**	24,958
Share options of the Company	**4**	2,817
	4	27,775
Weighted average number of ordinary share for the purpose of diluted earnings per share	**1,423,205**	1,208,122

Upon the completion of group reorganisation completed on 5 March 2018, the conditional investment fund received had then become unconditional, and these 144,600,000 shares had then become issued and outstanding, which was therefore were included in the calculation of basic earnings per share since that date for the year ended 31 December 2018.

On 20 July 2018, the Company is listed on the Main Board of the Stock Exchange and 322,836,000 shares offered from the Hong Kong public offering and international offering ("Global Offering") become issued and outstanding, which was therefore are included in the calculation of basic earnings per share since that date for the year ended 31 December 2018. Further, on 15 August 2018, the Company issued 2,801,700 shares resulting from the exercise of over-allotment option from the Global Offering and these shares are included in the calculation of basic earnings per share since that date for the year ended 31 December 2018.

For the year ended 31 December 2019, the weighted average number of shares for have been arrived at after eliminating the treasury shares held by the Company.

In the computation of diluted earnings per share for the year ended 31 December 2018, it does not assume the exercise of the over-allotment option from the Global Offering since the exercise price was higher than the average share price of the Company from the date of grant of over-allotment option to the exercise date.

On 21 April 2018, the Company granted 91,563,600 share options to eligible directors, management and employees and it is taken into consideration in the calculation of diluted earnings per share since that date for the year ended 31 December 2018 and 2019.

10. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	At 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts receivables and bills receivables	**6,341,843**	4,751,046
Less: Loss allowance for accounts receivables and bills receivables	**(795,020)**	(586,802)
Total accounts receivables and bills receivables	**5,546,823**	4,164,244

The following is an aged analysis of accounts receivables, net of loss allowance, presented based on the dates of rendering the services and the date when the sales target for higher commission was achieved at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**3,315,830**	2,312,674
1 – 2 years	**706,465**	300,293
Over 2 years	**13,221**	24,420
	4,035,516	2,637,387

11. ACCOUNTS PAYABLES

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts payables	**623,463**	325,700

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. 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:

	As at 31 December	
	2019	2018
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**610,062**	324,893
1 – 2 years	**13,401**	142
Over 2 years	**–**	665
	623,463	325,700

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 has complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**Corporate Governance Code**") contained in 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 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 have strictly complied with the required standards set out in the Model Code throughout the Reporting Period.

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 controls 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 and agreed with the unaudited consolidated financial statements of the Group for the year ended 31 December 2019 and has 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

During the Reporting Period, the Company repurchased an aggregate of 81,720,500 shares of its own issued ordinary share capital through the Stock Exchange at an aggregate consideration of approximately HK$817.9 million. During the Reporting Period, a total of 80,299,100 repurchased shares were cancelled.

Subsequent to 31 December 2019 and up to the date of this announcement, the Company further repurchased an aggregate of 3,159,000 shares of its own issued ordinary share capital through the Stock Exchange at an aggregate consideration of approximately HK$23 million.

The repurchases were effected by the Directors for the benefit of the Company and to create value to its shareholders.

On 21 February 2019 and 9 May 2019, the Company entered into purchase agreements with various financial institutions in connection with the issue of USD-denominated senior notes due 2021 (the "**2021 Notes**") in the principal amount of US$200 million and US$100 million, respectively. The 2021 Notes are listed on the Stock Exchange. For further details, please refer to the announcements of the Company dated 15 February 2019, 22 February 2019, 10 May 2019 and 16 May 2019.

On 10 October 2019, the Company entered into purchase agreements with various financial institutions in connection with the issue of USD-denominated senior notes due 2022 (the "**2022 Notes**") in the principal amount of US$200 million. The 2022 Notes are listed on the Stock Exchange. For further details, please refer to the announcements of the Company dated 8 October 2019, 10 October 2019 and 18 October 2019.

Save for the aforesaid, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange during the Reporting Period.

MATERIAL LITIGATION

As of 31 December 2019, 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 recommended the payment of a final dividend of RMB15.48 cents per share for the year ended 31 December 2019 (2018: HK22.67 cents). The final dividend is subject to the approval of the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting of the Company to be held on 18 June 2020 (the "**AGM**") and the final dividend is expected to be payable on 12 August 2020 to the Shareholders whose names appear on the register of members of the Company on 17 July 2020.

CLOSURE OF REGISTER OF MEMBERS

The Company's annual general meeting will be held on 18 June 2020. The register of members of the Company will be closed from 15 June 2020 to 18 June 2020, 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 12 June 2020.

The register of members of the Company will also be closed from 15 July 2020 to 17 July 2020, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend, during which period no share transfers will be registered. To qualify for the final dividend (if recommended), 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 14 July 2020.

USE OF PROCEEDS

1. Use of proceeds from the Global Offering

With the Shares of the Company listed on the Stock Exchange on 20 July 2018 and the partial exercise of the over-allotment option described in the Prospectus on 10 August 2018, the net proceeds from the Global Offering were approximately HK$4,473.0 million (equivalent to RMB3,965.9 million).

During the Reporting Period, the Group used around RMB2,299.9 million of the capital collected, of which:

- approximately RMB1,002.8 million was used for data development platform projects in the real estate industry chain segments;
- approximately RMB300.7 million was used for the national layout for the real estate agency services in the primary market business;
- approximately RMB571.7 million was used for data system of the real estate brokerage network platform and the national layout for the trading centers;
- approximately RMB32.9 million was used for human development and training centers;
- approximately RMB120.8 million was used for brand building services;
- approximately RMB70.2 million was used for establishing an integrated service management platform; and
- approximately RMB200.8 million was used for replenishment of working capital.

As at 31 December 2019, all proceeds from Global Offering have been fully utilized in accordance with the plan as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

2. Use of Proceeds from issue of the 2021 Notes

On 21 February 2019 and 9 May 2019, the Company entered into purchase agreements with various financial institutions in connection with the issue of the 2021 Notes in the principal amount of US$200 million and US$100 million, respectively.

As at 31 December 2019, the Group had used around RMB542.4 million for developing its business operations in the PRC.

The utilised proceeds as described above were in accordance with the purposes set out in the announcements dated 22 February 2019 and 10 May 2019 (the "**2021 Notes Announcements**"). There was no change in the intended use of net proceeds as previously disclosed in the 2021 Notes Announcements. The remaining balance of the net proceeds (approximately USD222.3 million, equivalent to RMB1,550.5 million) was placed with banks. The Group will gradually apply the remaining net proceeds in the manner set out in the 2021 Notes Announcements. The Company may adjust its development plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

For further details, please refer to the announcements of the Company dated 15 February 2019, 22 February 2019, 10 May 2019 and 16 May 2019.

3. Use of Proceeds from issue of the 2022 Notes

On 10 October 2019, the Company entered into purchase agreements with various financial institutions in connection with the issue of USD-denominated senior notes due 2022 in the principal amount of US$200 million.

As at 31 December 2019, the Group had used around RMB143.0 million for general corporate purposes.

There was no change in the intended use of net proceeds as previously disclosed in the announcements of the Company dated 8 October 2019 and 10 October 2019. The remaining balance of the net proceeds (approximately USD179.5 million, equivalent to RMB1,252.2 million) was placed with banks. The Group will gradually apply the remaining net proceeds for general corporate purposes and refinancing existing indebtedness. The Company may adjust its development plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

For further details, please refer to the announcements of the Company dated 8 October 2019 and 10 October 2019.

REVIEW OF UNAUDITED CONSOLIDATED ANNUAL RESULTS

The auditing process for the annual results for the year ended 31 December 2019 has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak, which has caused delays in, among other things, progress of the audit field work and obtaining certain audit evidence and confirmations. The unaudited annual results contained herein have not been agreed with the Group's auditor. An announcement relating to the audited results will be made when the auditing process has been completed 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.

The unaudited consolidated financial statements of the Group for the year ended 31 December 2019 contained herein have been reviewed and agreed by the Audit Committee.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2019 as agreed by the auditor and the material differences (if any) as compared with the unaudited annual results contained herein. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the auditing process.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This 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 2019 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders in due course.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 31 March 2020

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, Mr. Mo Bin, Dr. Zhu Jiusheng, Ms. Xie Mei and Ms. He Miaoling as Non-executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin as Independent Non-executive Directors.