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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021

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 2021 (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 (as defined above) and where the context otherwise requires, the Group (as defined above).

INTERIM RESULTS HIGHLIGHTS

- Total revenue amounted to RMB6,247.9 million, increased by 119.6% as compared with the six months ended 30 June 2020.

- The total gross transaction value ("**GTV**") of real estate agency services was RMB222.6 billion, increased by 51.0% as compared with the six months ended 30 June 2020.

- The total GTV of real estate brokerage network services was RMB100.1 billion, increased by 131.1% as compared with the six months ended 30 June 2020.

- Loss for the period amounted to RMB1,562.7 million, and total comprehensive expense for the period amounted to RMB1,562.4 million.

BUSINESS REVIEW & STRATEGIC DEVELOPMENT AND OUTLOOK

(I) Business Review

In the first half of 2021, under the policy keynote of "houses for living in, not for speculation and implementing city-specific measures" as well as "stabilizing land premiums, housing prices and expectations", new policies including "Three Red Lines and Four Camps", "loan concentration management" and "centralized land supply" have been successively introduced, while local policies such as raising loan interest rates and imposing purchase and loan quotas have been tightened. Post-pandemic, the sales of real estate exceeded expectations in the first half of the year, but growth gradually narrowed, and the overall scale of financing was in decline as a result of a tightening financing environment on both demand and supply sides of the industry. The development patterns of the real estate industry are undergoing fundamental changes, and industry concentration will become more pronounced. In the face of a complex and volatile market environment, the Company adhered to a steady pace and actively promoted sustained and sound development of its various businesses. In the first half of 2021, the Company's overall business scale has returned to its normal pre-pandemic level, with significantly improving operating results compared with last year, realizing a revenue of RMB6,247.9 million during the Reporting Period, representing a year-on-year increase of 119.6%.

Real estate agency services in the primary market:

During the Reporting Period, the total sales areas of real estate agency services in the primary market achieved 18.0 million square meters, and the GTV amount was RMB222.6 billion, representing a year-on-year increase of 51.0%. Meanwhile, in relation to real estate agency services in the primary market, we gradually shifted to pursue high-quality growth by consolidating premium resources and projects.

Real estate brokerage network services:

In 2021, the Company has maintained our industry leading position and rolled out several products such as You Fang Multiple Listing Service Platform successively, striving to develop the distribution business and to empower small-to-medium brokerage firms and brokers. In the first half of 2021, we recorded a GTV amount of RMB100.1 billion, representing a year-on-year increase of 131.1%, and 67,536 units sold, representing a year-on-year increase of 110.2%.

Real estate market data and consulting services:

Capitalizing on our real estate big data capabilities, the Company has maintained a steady growth in our business. Revenue recorded for this segment during the Reporting Period amounted to RMB495.9 million, representing a year-on-year increase of 4.2%. During the Reporting Period, the Company launched the China Property Management Industry Decision Consultation System (中國物業管理行業決策諮詢系統) (CPIC). As the first domestic property database built upon multi-sectors, the system is able to lay a stronger and more established data foundation based on existing databases of residential properties, asset management, offices, industry parks, etc.

Digital marketing services:

In November 2020, the Company completed the acquisition of control of Leju Holdings Limited ("**Leju**"). Revenue recorded for this segment during the Reporting Period maintained a steady growth, amounting to RMB1,952.3 million.

(II) Strategic Development and Outlook

The Company's strategic positioning has always been to become firmly established in the field of real estate digitalization and create the best platform for real estate digitalization. The Company has drawn up a blueprint for the "technology-assisted and dual-core driven" development strategy, and built a digital new infrastructure in the real estate sector, leading the digital and intelligent upgrade of transactions and operations across the sector and promoting the sharing and application of all data assets in the industry.

For "one of the dual-core": digital marketing of real estate. The Company will build a digital marketing strategy centered on "Tmall Haofang (天貓好房)", and build a full-chain platform for online and offline real estate digital marketing.

In the digital marketing sector, the Company has the following unique strengths. The Company and Alibaba Group (NYSE: BABA, 09988.HK) ("**Alibaba**") will upgrade their strategic cooperation in which Alibaba will fully support the Company to build a real estate digital marketing and transaction platform. With the empowerment of Alibaba's brand, technology, products, operation and online transaction experience, the Company has full powers to build and operate the platform. The two parties will continue to enhance cooperation in online and offline real estate transactions, digital marketing and post-transaction related services, so as to jointly upgrade the new infrastructure of real estate digital marketing in China. Meanwhile, Leju will also support our cooperation with Alibaba Group to build the online real estate transaction platform. Tmall Haofang will strive to build an industry-leading real estate information transaction service platform and achieve online and offline digital full-chain closed-loop transactions.

For "two of the dual-core": digital services of real estate. The Company will develop a digital service strategy focusing on "CRIC Big Data" to build a real estate digital solution platform ecosystem.

On one hand, the Company will continue to leverage the strength of CRIC as a real estate big data asset application service and capitalize on the advantage of its real estate big data in terms of business to improve the real estate big data service and expand market share. Meanwhile, the Company will actively broaden the application of the real estate big data services by expanding from traditional residential real estate into existing asset management sectors including commercial office, cultural and tourism, long-term leasing and industry, with CRIC Real Estate, CRIC Asset Management, CRIC Securities, CRIC Property Management to lead industry needs and create industry value. On the other hand, the Company will carry out core upgrades in the real estate digital services sector. In the face of the industry's digital transformation and upgrade, the Company will leverage its industry strength and technological experience focusing on the pan-real estate sector, and embrace technology as its core to provide customers with omnichannel and all-around digital solutions covering all sectors, including PAAS middle platform technology, SaaS business application and BI Smart Data Analysis. Meanwhile, the Company will construct a leading data asset transaction platform for the real estate sector through AI algorithms and blockchain technology.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue increased by 119.6% from RMB2,845.0 million in the six months ended 30 June 2020 to RMB6,247.9 million in the six months ended 30 June 2021. Since the impact of the COVID-19 pandemic has almost disappeared in mainland China, the Group's operation has already recovered to its normal level. In addition, revenue derived from digital marketing services upon the acquisition of Leju completed on 4 November 2020 amounted to RMB1,952.3 million.

Revenue derived from real estate agency services in the primary market increased by 29.2% from RMB1,267.0 million in the six months ended 30 June 2020 to RMB1,637.4 million in the six months ended 30 June 2021, primarily due to the business disruption caused by COVID-19 in the first quarter of 2020, and the Company's operation has recovered in the six months ended 30 June 2021.

Revenue derived from real estate brokerage network services increased by 96.2% from RMB1,102.2 million in the six months ended 30 June 2020 to RMB2,162.3 million in the six months ended 30 June 2021. This increase was primarily due to the increase in GTV caused by our striving to develop the distribution business.

Revenue derived from real estate data and consulting services increased by 4.2% from RMB475.7 million in the six months ended 30 June 2020 to RMB495.9 million in the six months ended 30 June 2021, primarily due to the increase of consulting services.

Revenue derived from digital marketing services amounted to RMB1,952.3 million, primarily due to the acquisition of Leju on 4 November 2020.

Staff costs

Our staff costs increased by 50.7% from RMB1,183.9 million in the six months ended 30 June 2020 to RMB1,783.6 million in the six months ended 30 June 2021. Staff costs as a percentage of our revenue decreased from 41.6% in the six months ended 30 June 2020 to 28.5% in the six months ended 30 June 2021, primarily due to improved operational efficiency.

Advertising and promotion expenses

Our advertising and promotion expenses increased by 1,313.8% from RMB102.6 million in the six months ended 30 June 2020 to RMB1,450.2 million in the six months ended 30 June 2021, primarily due to advertising and promotion expenses amounted to RMB1,342.2 million incurred by Leju after the Company's acquisition of the controlling interest in Leju in November 2020. The advertising and promotion expenses of Leju primarily consist of targeted online and offline marketing costs for business expansion.

Rental expenses

We recorded rental expenses of RMB50.9 million in the six months ended 30 June 2021 compared to RMB17.0 million in the six months ended 30 June 2020. The increase was primarily due to an increase in leased area in relation to business expansion.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 220.1% from RMB65.8 million in the six months ended 30 June 2020 to RMB210.6 million in the six months ended 30 June 2021, primarily due to the increase in amortisation of intangible assets arising from acquisition and the increased balance of property and equipment and investment properties.

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 increased by 3,583.8% from RMB52.6 million in the six months ended 30 June 2020 to RMB1,937.6 million in the six months ended 30 June 2021, primarily due to the recognition of additional loss allowance on ECL of the Group's outstanding trade related receivables from certain of the Group's customers engaged in property development whose credit qualities have worsened.

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

We recorded loss on derecognition of receivables at FVTOCI of RMB5.7 million in the six months ended 30 June 2021 and RMB7.6 million in the six months ended 30 June 2020. The cost incurred was primarily from the disposal of receivables at FVTOCI through certain factoring arrangement.

Consultancy expenses

Our consultancy expenses increased by 120.9% from RMB79.3 million in the six months ended 30 June 2020 to RMB175.2 million in the six months ended 30 June 2021, primarily due to the recovery of our operation.

Distribution expenses

Our distribution expenses increased by 104.7% from RMB968.4 million in the six months ended 30 June 2020 to RMB1,982.4 million in the six months ended 30 June 2021, primarily due to the 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 increased by 223.4% from RMB98.0 million in the six months ended 30 June 2020 to RMB316.9 million in the six months ended 30 June 2021, primarily due to the other operating costs amounted to RMB178.7 million incurred by Leju after the Company's acquisition of the controlling interest in Leju in November 2020.

Other income

Our other income increased from RMB62.2 million in the six months ended 30 June 2020 to RMB168.2 million in the six months ended 30 June 2021, primarily due to the recognition of the financing component in transaction price.

Other gains and losses

We recorded net other gains of RMB36.9 million in the six months ended 30 June 2020 and net other gains of RMB213.5 million in the six months ended 30 June 2021. Our net other gains in the six months ended 30 June 2020 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**"), and the net other gains in the six months ended 30 June 2021 were primarily attributable to the unrecognised income from a fund that invests in some stocks.

Other expenses

Our other expenses increased from RMB1.2 million in the six months ended 30 June 2020 to RMB4.7 million in the six months ended 30 June 2021. The increase was primarily due to donation to a university.

Share of results of associates

We recorded share of profits of associates of RMB2.8 million in the six months ended 30 June 2020 and share of profits of associates of RMB6.4 million in the six months ended 30 June 2021. The share of profits in the six months ended 30 June 2021 was primarily attributable to a share of profits of a real estate developer.

Finance costs

Our finance costs increased by 28.9% from RMB209.1 million in the six months ended 30 June 2020 to RMB269.6 million in the six months ended 30 June 2021, primarily due to the increase in the average balances of senior notes and bank loans.

Income tax expense

Our income tax expense decreased by 79.9% from RMB56.7 million in the six months ended 30 June 2020 to RMB11.4 million in the six months ended 30 June 2021, primarily due to a decrease in our profit before taxation.

Loss/profit for the period

As a result of the foregoing, our loss for the period amounted to RMB1,562.7 million in the six months ended 30 June 2021, compared to profit for the period of RMB104.7 million in the six months ended 30 June 2020.

Total comprehensive expense/income for the period

As a result of the foregoing, our total comprehensive expense for the period amounted to RMB1,562.4 million in the six months ended 30 June 2021, compared to total comprehensive income for the period of RMB104.7 million in the six months ended 30 June 2020.

Non-IFRS Measures

To supplement our condensed consolidated financial information which are presented in accordance with IFRS, we also use (i) operating loss/profit and operating loss/profit margin and (ii) EBITDA loss/EBITDA 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.

We define our operating loss/profit as revenue net of operating costs, which consist of staff costs, advertising and promotion expenses, rental expenses, 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, loss on derecognition of receivables at FVTOCI, consultancy expenses, distribution expenses, and other operating costs. We define operating loss/profit margin as operating loss/profit divided by revenue for the period.

Our operating loss amounted to RMB1,665.2 million in the six moths ended 30 June 2021 compared to an operating profit of RMB269.8 million in the six months ended 30 June 2020. Our operating loss margin was 26.7% in the six months ended 30 June 2021, as compared to our operating profit margin of 9.5% in the six months ended 30 June 2020, primarily due to the net loss allowance on financial assets. The calculation of operating loss/profit and operating loss/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 loss/EBITDA as (i) loss/profit for the period, adjusted to add back (ii) finance costs (iii) depreciation and amortisation expenses and (iv) income tax expense. We use EBITDA loss/EBITDA to emphasize operating results and it more nearly approximates cash flows.

Our EBITDA loss for the six months ended 30 June 2021 was RMB1,071.1 million, as compared with EBITDA of RMB436.2 million for the six months ended 30 June 2020. The calculation of EBITDA loss/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 loss/profit attributable to owners of the Company as (i) loss/profit for the year attributable to owners of the Company, adjusted to add back (ii) profit and total comprehensive income attributable to the 21 investors (the "**21 Investors**") of E-House Enterprise (China) Group Co., Ltd. (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.

Since the profit and total comprehensive income attributable to the 21 Investors of the PRC Holdco was nil from 2019, and the share-based compensation expense related to the Company's pre-IPO share option scheme was immaterial in the six months ended 30 June 2021. The disclosure of these measures would not be expected to influence the economic decisions of users taken on the basis of financial statements.

Liquidity and Financial Resources

During the six months ended 30 June 2021, we have funded our cash requirements principally from cash generated from our operations, external borrowings, proceeds from the issue of USD-denominated senior notes due 2022 and 2023 and the share subscriptions. We had cash and cash equivalents of RMB7,515.8 million and RMB6,090.9 million as of 31 December 2020 and 30 June 2021, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the six months ended 30 June 2021, 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 and to finance the purchases in April 2021 and May 2021 as disclosed in the section headed "Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies" in this announcement. 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 issue of United States dollar-denominated senior notes due 2022 and 2023, the share subscriptions and other funds raised from the capital markets from time to time.

Capital Expenditure

	Six months ended 30 June	
	2021	2020
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Purchase of and deposits placed for property and equipment	**64,947**	18,332
Purchase of tangible assets	**18**	91
Total	**64,965**	18,423

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 30 June 2021, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As of 30 June 2021, the gearing ratio of the Group, which is calculated by dividing total debt (all interest-bearing bank loans) by total equity as of the end of the period, was 66.5%, representing an increase of 2.4 percentage points as compared with 64.1% as of 31 December 2020. The increase was primarily due to the decrease of cash and cash equivalents.

Significant Investments Held

Save as disclosed in the section headed "Material Acquisition and/or Disposals of Subsidiaries and Affiliated Companies", as of 30 June 2021, 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 per cent or more of the Company's total assets as at 30 June 2021).

Future Plans for Material Investments and Capital Assets

As of 30 June 2021, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

1. On 27 April 2021, Shanghai Ziyong Information Technology Co., Ltd. ("**Shanghai Ziyong**"), an indirect wholly-owned subsidiary of the Company (as buyer) and Shanghai Tianji Investment Development Co., Ltd. ("**Tianji Development**") and Shanghai Tianji Investment Management Co., Ltd. ("**Tianji Management**") (as sellers) entered into a transfer agreement (the "**Tianji Network Transfer Agreement**"), pursuant to which Shanghai Ziyong agreed to acquire the entire equity interests of Shanghai Tianji Network Service Co., Ltd. from Tianji Development and Tianji Management for the consideration of RMB300,000,000.

   For further details of the Tianji Network Transfer Agreement, please refer to the announcements of the Company dated 27 April 2021 and 13 May 2021. The acquisition was completed on 30 May 2021.

2. On 28 April 2021, the Company and Alibaba Investment Limited ("**Alibaba Investment**") entered into an acquisition agreement, pursuant to which the Company agreed to purchase and to procure Fangyou Information Technology Holdings Limited ("**Fangyou Information Technology**") to receive (as transferee), and Alibaba Investment agreed to sell, an 85% equity interest in TM Home Limited (the "**JV**") for a consideration of HK$1,860 million (the "**JV Acquisition Agreement**"), which shall be settled by way of the allotment and issue of 248,000,000 consideration shares by the Company to Alibaba Investment.

   Upon completion of the acquisition, the JV will become a wholly-owned subsidiary, and its financial results will be consolidated into the accounts of the Company.

   For further details of the JV Acquisition Agreement and related updates, please refer to the announcements of the Company dated 28 April 2021, 20 May 2021, 2 July 2021 and 2 August 2021.

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

Employee and Remuneration Policy

As of 30 June 2021, we had 18,500 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 six months ended 30 June 2021 were RMB1,783.6 million, representing a year-on-year increase of 50.7%.

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 30 June 2021, the Group's bank borrowings of RMB1,522.8 million was secured by the bank deposit of US$93.9 million (equivalent to approximately RMB606.3 million), Wanju Property (carrying amount of RMB629.9 million), Tangchao Grand Hotel (carrying amount of RMB552.1 million) and 2 units in Hangzhou PingLan business center (carrying amount of RMB19.6 million).

Contingent Liabilities

As at 30 June 2021, we did not have any material contingent liabilities (as at 30 June 2020: nil).

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	For the six months period ended 30 June 2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Revenue	3	**6,247,863**	2,844,954
Staff costs		**(1,783,618)**	(1,183,902)
Advertising and promotion expenses		**(1,450,226)**	(102,577)
Rental expenses		**(50,938)**	(17,006)
Depreciation and amortisation expenses		**(210,620)**	(65,792)
Loss allowance on financial assets subject to expected credit loss ("ECL"), net of reversal	12	**(1,937,551)**	(52,596)
Loss on derecognition of receivables at fair value through other comprehensive income ("FVTOCI")		**(5,651)**	(7,643)
Consultancy expenses		**(175,208)**	(79,325)
Distribution expenses		**(1,982,390)**	(968,380)
Other operating costs		**(316,861)**	(97,974)
Other income	5	**168,231**	62,192
Other gains and losses		**213,474**	36,861
Other expenses		**(4,706)**	(1,239)
Share of results of associates		**6,435**	2,829
Finance costs		**(269,568)**	(209,054)
(Loss) profit before taxation		**(1,551,334)**	161,348
Income tax expense	6	**(11,412)**	(56,690)
(Loss) profit for the period	7	**(1,562,746)**	104,658
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on receivables measured at FVTOCI		**(1,492,650)**	(49,540)
Net changes in ECL of receivables measured at FVTOCI		**1,492,650**	49,540
Exchange differences arising on translation of foreign operations		**318**	–
Other comprehensive (expense) income for the period, net of income tax		**318**	–
Total comprehensive (expense) income for the period		**(1,562,428)**	104,658
(Loss) profit for the period attributable to:			
Owners of the Company		**(1,423,344)**	29,934
Non-controlling interests		**(139,402)**	74,724
		(1,562,746)	104,658
Total comprehensive (expense) income for the period attribute to:			
Owners of the Company		**(1,423,022)**	29,934
Non-controlling interests		**(139,406)**	74,724
		(1,562,428)	104,658
(Loss) earnings per share	9		
– Basic (RMB cents)		**(81.38)**	2.17
– Diluted (RMB cents)		**(81.38)**	2.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 JUNE 2021

	Notes	**30 June 2021** *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (audited)
Non-current assets			
Property and equipment		**1,080,688**	1,077,120
Right-of-use assets		**484,910**	542,331
Investment properties		**666,423**	700,996
Goodwill		**549,223**	549,223
Intangible assets		**964,201**	699,474
Interests in associates		**75,198**	300,694
Amounts due from related parties		**10,444**	11,135
Deferred tax assets		**936,457**	845,467
Other non-current assets		**1,220,735**	594,366
		5,988,279	5,320,806
Current assets			
Accounts receivables and bills receivables	*10*	**581,347**	1,066,285
Other receivables		**2,386,862**	2,322,991
Amounts due from related parties		**159,789**	293,945
Receivables at FVTOCI	*11*		
– accounts receivables and bills receivables		**5,003,481**	4,813,186
– amounts due from related parties – accounts receivables		**1,689,383**	2,152,393
Contract assets		**12,661**	8,628
Financial assets at fair value through profit or loss ("FVTPL")		**1,427,749**	1,388,027
Restricted bank balances		**643,522**	284,943
Pledged bank deposits		**606,346**	605,902
Bank balances and cash		**6,090,864**	7,515,836
		18,602,004	20,452,136
Current liabilities			
Accounts payables	*13*	**2,154,718**	1,374,616
Advance from customers		**731,569**	721,827
Accrued payroll and welfare expenses		**680,725**	752,392
Other payables		**1,419,471**	976,912
Dividend payables		**91,324**	–
Contract liabilities		**230,786**	156,368
Tax payables		**1,455,112**	1,396,756
Amounts due to related parties		**145,409**	155,662
Bank borrowings		**2,115,443**	1,641,115
Other borrowings		**1,909,028**	1,952,623
Lease liabilities		**91,842**	101,842
		11,025,427	9,230,113

	Notes	**30 June 2021** *RMB'000* **(unaudited)**	31 December 2020 *RMB'000* (audited)
Net current assets		**7,576,577**	11,222,023
Total assets less current liabilities		**13,564,856**	16,542,829
Non-current liabilities			
Deferred tax liabilities		**271,952**	201,058
Bank borrowings		**571,786**	580,188
Other borrowings		**1,906,979**	3,195,350
Convertible note		**831,603**	840,372
Lease liabilities		**210,417**	232,210
		3,792,737	5,049,178
Net assets		**9,772,119**	11,493,651
Capital and reserves			
Share capital		**116**	116
Share premium		**6,148,273**	6,239,597
Reserves		**2,528,853**	4,024,462
Equity attributable to owners of the Company		**8,677,242**	10,264,175
Non-controlling interests		**1,094,877**	1,229,476
Total equity		**9,772,119**	11,493,651

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATON AND BASIS OF PREPARATION

1a. 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, Qiushi Building, 383 Guangyan Road, Jing'an District, Shanghai, the People's Republic of China (the "PRC"), respectively.

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

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

1b. Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "*Interim Financial Reporting*" issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

1c. Significant events and transactions in the current interim period

In the current interim period, the Group identified a significant amount of Trade Related Balances (as defined in note 2b) due from certain property developer customer had become overdue. The Group, with the engagement of a firm of independent professional valuers, performed ECL assessment at the end of the reporting period with details set out in notes 2b and 12.

Furthermore, the Group completed an acquisition during the current interim period.

2. PRINCIPAL ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

2a. Principal Accounting Policies

These condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in these condensed consolidated financial statements for the six months ended 30 June 2021 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2020.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to IFRS 16	COVID-19-Related Rent Concessions
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of these amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2b. 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 in addition to those presented in the Group's annual financial statements for the year ended 31 December 2020.

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), 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 2021 has been assessed as significantly increased 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 2021, 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 RMB6,692,864,000, which included with ECL amounting to RMB2,478,858,000 (31 December 2020: RMB6,965,579,000,which included with ECL amounting to RMB986,208,000) as disclosed in note 11 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 RMB668,631,000, net of loss allowance for ECL amounted to RMB345,509,000 (31 December 2020: RMB1,326,276,000, net of loss allowance for ECL amounted to RMB16,462,000), respectively, to these condensed consolidated financial statements.

3. 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 (as defined in note 4) 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 2021	30 June 2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Real estate agency services in the primary market, recognised at a point in time	**1,637,360**	1,267,049
Real estate data and consulting services		
– consulting services, recognised at a point in time	**397,004**	382,328
– data services, recognised over time	**98,874**	93,335
	495,878	475,663
Real estate brokerage network services		
– distribution business in the primary market, recognised at a point in time	**2,148,996**	1,095,254
– other services, recognised at a point in time	**13,302**	6,988
	2,162,298	1,102,242
Digital Marketing services:		
– E-commerce, recognised at a point in time	**1,502,098**	–
– Online advertising services, recognised over time on a gross basis	**445,883**	–
– Online advertising services, recognised over time on a net basis	**1,730**	–
– Listing services, recognised over time	**2,616**	–
	1,952,327	–
	6,247,863	2,844,954

4. SEGMENT INFORMATION

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

Six months ended 30 June 2021 (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 *RMB'000* *(note)*	Elimination *RMB'000*	Total *RMB'000*
REVENUE						
External sales	1,637,360	495,878	2,162,298	1,952,327	–	6,247,863
Inter-segment sales	22,050	22,704	61,529	149	(106,432)	–
Total	1,659,410	518,582	2,223,827	1,952,476	(106,432)	6,247,863
SEGMENT (LOSS) PROFIT	(1,117,357)	59,095	(12,447)	(323,519)	–	(1,394,228)
Unallocated expenses						(110,453)
Unallocated net exchange gain						2,453
Unallocated net fair value gain on financial assets at FVTPL						167,696
Fair value gain on convertible note						23,120
Share of results of associates						6,435
Bank interest income						34,510
Finance costs						(269,568)
Equity-settled share-based payment expenses						(11,299)
Loss before taxation						(1,551,334)

Six months ended 30 June 2020 (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	1,267,049	475,663	1,102,242	–	2,844,954
Inter-segment sales	3,312	82	29,501	(32,895)	–
Total	1,270,361	475,745	1,131,743	(32,895)	2,844,954
SEGMENT PROFIT	248,184	94,343	37,509	–	380,036
Unallocated expenses					(20,683)
Unallocated net exchange loss					(360)
Unallocated net fair value gain on financial assets at FVTPL					23,001
Unallocated fair value gain on financial liabilities at FVTPL					2
Share of results of associates					2,829
Bank interest income					24,157
Finance costs					(209,054)
Equity-settled share-based payment expenses					(38,580)
Profit before taxation					161,348

Note:

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

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 2020. Segment profit represents the profit earned by each segment without allocation of unallocated expenses, unallocated net exchange gain, unallocated net fair value (loss) gain on financial assets at FVTPL, fair value gain on convertible note, share of results of associates, interest income, finance costs and equity-settled share-based payment expenses. This is the measure reported to the 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 incorporate 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.

5. OTHER INCOME

	Six months ended 30 June 2021 RMB'000 (unaudited)	30 June 2020 RMB'000 (unaudited)
Bank and other interest income	**117,098**	24,157
Government grants *(note)*	**42,495**	36,746
Others	**8,638**	1,289
	168,231	62,192

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.

During the current interim period, the Group recognised government grants of RMB428,000 (2020: RMB2,266,000) in respect of COVID-19-related subsidies in the PRC.

6. INCOME TAX EXPENSE

	Six months ended 30 June 2021 RMB'000 (unaudited)	30 June 2020 RMB'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
Current tax	**133,982**	97,368
Overprovision in prior years	**(16,549)**	(9,189)
	117,433	88,179
Deferred tax credit	**(106,021)**	(31,489)
	11,412	56,690

7. (LOSS) PROFIT FOR THE PERIOD

(Loss) profit and total comprehensive (expense) income for the period has been arrived at after charging (crediting):

	Six months ended	
	30 June 2021	30 June 2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of property and equipment	**42,988**	9,948
Depreciation of right-of-use assets	**81,366**	52,231
Depreciation of investment properties	**18,547**	577
Amortisation of intangible assets	**67,719**	3,036
Total depreciation and amortisation	**210,620**	65,792
Amounts included in other gains and losses		
Fair value gain on convertible note	**(23,120)**	–
Net fair value gain on financial assets at FVTPL	**(186,805)**	(36,255)
Fair value gain on other financial liabilities at FVTPL	**–**	(2)
Gain on de-registration of a subsidiary	**(92)**	–
Loss on de-registration and disposal of interests in associates	**79**	–
Net exchange gain	**(2,639)**	(471)
Net gain on disposal of property and equipment	**(165)**	(73)
Net (gain) loss on disposal of investment properties	**(485)**	29
Net gain on termination of right-of-use assets and lease liabilities	**(247)**	(89)
	(213,474)	(36,861)

During the six months ended 30 June 2020, pursuant to the notice released by the relevant PRC authority, certain domestic subsidiaries of the Group have been fully or partially waived to undertake a number of social securities including endowment insurance, unemployment insurance and employment injury insurance, totaling RMB73,123,000.

8. DIVIDENDS

During the current interim period, a final dividend of RMB5.22 cents (2020: RMB15.48 cents in respect of the year ended 31 December 2019) per ordinary share in respect of the year ended 31 December 2020 was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to RMB91,324,000 (2020: RMB214,456,000).

The directors of the Company have determined that no dividend will be declared in respect of the six months ended 30 June 2020 and 2021.

9. (LOSS) EARNINGS PER SHARE

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

	Six months ended	
	30 June 2021	30 June 2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
(Loss) earnings:		
(Loss) profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(1,423,344)**	29,934

	Six months ended	
	30 June 2021	30 June 2020
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	**1,749,060**	1,385,439

For the six months ended 30 June 2020, the weighted average number of shares have been arrived at an after eliminating the treasury shares held by the Company.

For the six months ended 30 June 2021, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

For the six months ended 30 June 2020, the computation of diluted earnings per share did not assume the exercise of all of the Company's outstanding share options since the intrinsic value of these options (being the unrecognised share-based payment expenses of the share option on date of grant plus the exercise price per share) was higher than the average market prices of shares for the period ended 30 June 2020.

10. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts receivables and bill receivables measured at amortised cost	**845,175**	1,082,096
Less: Loss allowance for accounts receivables and bills receivables measured at amortised cost	**(263,828)**	(15,811)
Total accounts receivables and bills receivables measured at amortised cost	**581,347**	1,066,285

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 at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Within 1 year	**251,482**	282,083
1 – 2 years	**18,785**	25,114
Over 2 years	**33,884**	32,624
	304,151	339,821

The following is a maturity analysis of bills receivables, net of loss allowance, presented based on the remaining dates to maturity of bills receivables at the end of the reporting period.

	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Within 180 days	**169,067**	482,636
181 – 365 days	**108,129**	243,828
	277,196	726,464

As at 30 June 2021, included in the Group's bills receivables with carrying amounts of RMB160,138,000 (31 December 2020: RMB723,831,000) are commercial bills issued by related parties. As at 30 June 2021, the bills receivables with carrying amounts of RMB43,485,000 (31 December 2020: nil) are overdue.

11. RECEIVABLES AT FVTOCI

	At 30 June 2021 RMB'000 (unaudited)	At 31 December 2020 RMB'000 (audited)
Receivables at FVTOCI comprise:		
– Accounts receivables	**4,440,477**	3,266,798
– Bills receivables *(note)*	**563,004**	1,546,388
– Amounts due from related parties – accounts receivables	**1,689,383**	2,152,393
	6,692,864	6,965,579

Note:

As at 30 June 2021, included in the Group's bills receivables with fair value of RMB505,493,000 (31 December 2020: RMB1,383,122,000) are commercial bills issued by related parties.

As at 30 June 2021, the gross contractual amount of account receivables, bills receivables and amounts due from related parties – accounts receivables amounted to RMB5,439,128,000, RMB1,020,034,000 and RMB2,712,560,000 (31 December 2020: RMB4,121,568,000, RMB1,550,511,000 and RMB2,279,708,000), 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 RMB998,651,000, RMB457,030,000 and RMB1,023,177,000 (31 December 2020: RMB854,770,000, RMB4,123,000 and RMB127,315,000), 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 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**4,657,500**	3,879,474
1 – 2 years	**1,318,547**	1,372,090
Over 2 years	**153,813**	167,627
	6,129,860	5,419,191

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 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Overdue	**209,488**	–
Within 180 days	**318,848**	1,054,697
181 – 365 days	**34,668**	491,691
	563,004	1,546,388

12. LOSS ALLOWANCE ON FINANCIAL ASSETS SUBJECT TO ECL

	Six months ended	
	30 June 2021	30 June 2020
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Provision for loss allowance on:		
Receivables at FVTOCI	**1,492,650**	49,540
Accounts receivables and bills receivables	**249,236**	–
Amounts due from related parties of trade nature	**81,030**	–
Amounts due from related parties of non-trade nature	**975**	–
Contract assets	**209**	–
Other receivables and other non-current assets	**113,451**	3,056
Total loss allowance on financial assets subject to ECL, net of reversal	**1,937,551**	52,596

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 2021 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020 except for those disclosed in note 2b.

13. ACCOUNTS PAYABLES

	At 30 June 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts payables	**2,154,718**	1,374,616

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 2021	At 31 December 2020
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**2,117,525**	1,340,224
1 – 2 years	**37,193**	34,392
	2,154,718	1,374,616

EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed in this announcement, there were no other significant events that might affect the Group since the end of the six months ended 30 June 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 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 had 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 of Directors. 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 interim results of the Group for the six months ended 30 June 2021 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members and Deloitte Touche Tohmatsu, the auditor of the Company (the "**Auditor**").

The Auditor has reviewed the unaudited consolidated interim results of the Company for the six months ended 30 June 2021 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

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

1. On 2 June 2021, the Company and non-PRC subsidiaries of the Company entered into a purchase agreement with BOCI Asia Limited, Credit Suisse (Hong Kong) Limited, Citigroup Global Markets Limited, Merrill Lynch (Asia Pacific) Limited, Central Wealth Securities Investment Limited, China International Capital Corporation Hong Kong Securities Limited, CRIC Securities Company Limited, CSFG International Securities Limited, Deutsche Bank AG, Hong Kong Branch, Haitong International Securities Company Limited, Orient Securities (Hong Kong) Limited, UBS AG Hong Kong Branch, Valuable Capital Limited and Vision Capital International Holdings Limited, as the initial purchasers, in connection with the issuance of the additional US$100 million 7.60% senior notes due 2023 (to be consolidated and form a single series with the US$200 million 7.60% senior notes due 2023 issued on 10 December 2020) (the "**Additional Notes Issue**").

   For further details of the Additional Notes Issue, please refer to the announcements of the Company dated 3 June 2021 and 11 June 2021 and the offering memorandum of the Company published on 15 June 2021.

2. On 28 April 2021, the Company entered into the following share subscription agreements (collectively, the "**Share Subscription Agreements**"), including:

   (a) a subscription agreement with Taobao China Holding Limited ("**Taobao China**"), pursuant to which Taobao China has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 132,000,000 subscription shares at the subscription price of HK$7.50 per subscription share for a total subscription price of HK$990 million;

   (b) a subscription agreement with the E-House (China) Holdings Limited (the "**Zhou Subsidiary**"), pursuant to which the Zhou Subsidiary has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 133,333,333 subscription shares at the subscription price of HK$7.50 per subscription share for a total subscription price of approximately HK$1,000 million; and

   (c) a subscription agreement with YF Ehouse Limited ("**Yunfeng**"), pursuant to which Yunfeng has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, a total of 66,666,667 subscription shares at the subscription price of HK$7.50 per subscription share for a total subscription price of approximately HK$500 million.

   For further details of the Share Subscription Agreements and related updates, please refer to the announcements of the Company dated 28 April 2021, 20 May 2021, 2 July 2021 and 2 August 2021.

3. As disclosed in the section headed "Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies" in this announcement, on 28 April 2021, the Company and Alibaba Investment entered into JV Acquisition Agreement for a consideration of HK$1,860 million, which shall be settled by way of the allotment and issue of 248,000,000 consideration shares by the Company to Alibaba Investment.

   For further details of the issue and allotment of the consideration shares and related updates, please refer to the announcements of the Company dated 28 April 2021, 20 May 2021, 2 July 2021 and 2 August 2021.

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.

INTERIM DIVIDEND

The Board does not recommend the distribution of an interim dividend for the six months ended 30 June 2021.

USE OF PROCEEDS

1. Use of Proceeds from Issue of USD-Denominated Senior Notes Due 2022

On 10 October 2019 and 7 August 2020, 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 and US$100 million, respectively.

As at 30 June 2021, the Group had used around RMB1,309.1 million for general corporate purposes and refinancing existing indebtedness.

The utilised proceeds as described above were in accordance with the purposes set out in the announcements of the Company dated 8 October 2019 and 7 August 2020 (the "**2022 Notes Announcements**"). There was no change in the intended use of net proceeds as previously disclosed in the 2022 Notes Announcements. The remaining balance of the net proceeds (approximately US$99.6 million, equivalent to RMB648.4 million) was placed with banks. The Group will gradually apply the remaining net proceeds in the manner set out in the 2022 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 8 October 2019, 10 October 2019, 7 August 2020 and 14 August 2020.

2. Use of Proceeds from Subscription

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

The gross proceeds from the subscription amount to HK$828,100,000. As at 30 June 2021, the Group had used HK$166.9 million for general corporate purposes. The Company intends to apply the net proceeds for the subscription (after deduction of legal, professional and other costs and expenses associated with the subscription) towards the Group's general working capital and to expand its existing businesses, or for other purposes considered appropriate by the Directors from time to time. For the avoidance of doubt, the proceeds may not be used to pre-pay any debt, borrowings or indebtedness of the Group with a principal amount of more than RMB10 million.

The Company expects to fully utilise all the proceeds within two years.

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

3. Use of Proceeds from Issuance of Convertible Note

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

The gross proceeds from the note issuance amount to HK$1,031,900,000. As at 30 June 2021, the Group had used HK$207.9 million for general corporate purposes. The Company intends to apply the net proceeds for the note issuance (after deduction of legal, professional and other costs and expenses associated with the note issuance) towards the Group's general working capital and to expand its existing businesses, or for other purposes considered appropriate by the Directors from time to time. For the avoidance of doubt, the proceeds may not be used to pre-pay any debt, borrowings or indebtedness of the Group with a principal amount of more than RMB10 million.

The Company expects to fully utilise all the proceeds within two years.

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

4. Use of Proceeds from Issue of USD-Denominated Senior Notes Due 2023

On 3 December 2020 and 2 June 2021, the Company, Fangyou Information Technology and Hong Kong Fangyou Software Technology Co. Ltd. entered into a purchase agreement with various financial institutions in connection with the issue of USD-denominated notes due 2023 in the principal amount of US$200 million and US$100 million, respectively (the "**2023 Notes**").

As at 30 June 2021, the Group had used around RMB1,306.3 million for refinancing existing indebtedness.

The utilised proceeds as described above were used in accordance with the purposes set out in the announcements of the Company dated 3 December 2020 and 2 June 2021 (the "**2023 Notes Announcements**"). There was no change in the intended use of net proceeds as previously disclosed in the 2023 Notes Announcements. The remaining balance of the net proceeds (approximately US$100.0 million, equivalent to RMB651.2 million) was placed with banks. The Group will gradually apply the remaining net proceeds in the manner set out in the 2023 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 3 December 2020, 11 December 2020, 3 June 2021 and 11 June 2021 and the offering memoranda published by the Company on 11 December 2020 and 15 June 2021.

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 2021 interim report of the Group for the six months ended 30 June 2021 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.

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

Hong Kong, 31 August 2021

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. Li Silong, Mr. Zhang Hai, Ms. Xie Mei and Mr. Huang Haojun as Non-executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin as Independent Non-executive Directors.