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E-House (China) Enterprise Holdings Limited

易居(中國)企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2048 and Debt Stock Codes: 40024 and 40507)

**OFFER TO EXCHANGE AT LEAST A MINIMUM ACCEPTANCE AMOUNT
OF THE OUTSTANDING OLD NOTES AND SOLICITATION OF
CONSENTS TO APPROVE PROPOSED WAIVERS AND AMENDMENTS TO
THE INDENTURES GOVERNING THE OLD NOTES**

This announcement is made by the Company pursuant to Rules 13.09(2)(a), 37.47(b), 37.47A and 37.47B of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

EXCHANGE OFFER AND CONSENT SOLICITATION AND INVITATION FOR IRREVOCABLE RESTRUCTURING SUPPORT

Introduction

On October 18, 2019 and August 14, 2020, the Company issued US\$200,000,000 and US\$100,000,000 in principal amount, respectively, of the 7.625% senior notes due 2022 (Stock Code: 40024), which will be due on April 18, 2022. On December 10, 2020 and June 11, 2021, the Company issued US\$200,000,000 and US\$100,000,000, respectively, of the 7.60% senior notes due 2023 (Stock Code: 40507), which will be due on June 10, 2023. The Old Notes are listed on the Stock Exchange. The ISIN and Common Code of the 2022 Notes are XS2066636429 and 206663642, respectively. The ISIN and Common Code of the 2023 Notes are XS2260179762 and 226017976, respectively. As of the date of this announcement, the outstanding principal amount of the 2022 Notes and 2023 Notes are US\$298,200,000 and US\$300,000,000, respectively.

On the date of this announcement, the Company commenced (i) the offer to exchange for at least the Minimum Acceptance Amount of the outstanding principal amount of the Old Notes and (ii) the solicitation of consents from Eligible Holders to the Proposed Amendments and Waivers, in each case, upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum.

Concurrent with the Exchange Offer, the Company is inviting submission from Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the Restructuring which may be implemented via the Cayman Scheme under Section 86 of the Companies Act if the Exchange Offer and Consent Solicitation is not successfully completed.

Background and Purpose of the Exchange Offer and Consent Solicitation and the Invitation for Irrevocable Restructuring Support

We mainly offer real estate agency services in the primary market, real estate data and consulting services and real estate brokerage network services. We serve real estate developers, buyers, brokerage firms and other industry participants, covering various aspects of the real estate value chain. Since mid-2021, sales for residential property in China slowed significantly and prices for residential units suffered a substantial reduction. In the same period, a number of high-profile Chinese property developers, including some of our customers, began to experience difficulties in securing external financing from PRC banks as well as the onshore and offshore capital markets. Many companies in the Chinese property sector, including our Company, have been negatively affected by this downturn in different respects:

- **Difficulty raising onshore and offshore financing:** Many companies within the real estate sector, including those providing services to real estate developers and consumers such as our Company, have been unable to access typical financing channels, such as bank lending and capital markets for equity and debt. This has created significant pressure on our short-term liquidity. Reduced bank lending for companies in the real estate sector has resulted in reduced access by these companies to onshore capital. Adverse reaction to these onshore events by offshore capital markets has limited our funding sources to address upcoming maturities on our outstanding indebtedness. In addition, in 2021, we have been assigned a rating of “BB-” with a negative outlook by S&P Global Ratings and “BB+” with a negative outlook by Lianhe Global. In March 2022, we have asked these rating agencies to withdraw their credit ratings of us. The offshore bond market, on which we rely heavily for refinancing and growth capital, is effectively closed to privately-owned companies in the Chinese property sector. The difficulty faced by us in raising onshore and offshore financing has significantly exacerbated our current liquidity pressures.

- Decreased cash flows and liquidity in a deteriorating market: In 2021, our loss for the year amounted to RMB9,374.5 million (US\$1,471.1 million), compared to profit for the year of RMB439.2 million in 2020. This was mainly due to (i) the decline in our business scale as a result of the downturn in the overall real estate market; (ii) the additional loss allowance for the expected credit loss on outstanding trade-related receivables from customers that we recognised due to the deterioration in the credit quality of several real estate developer customers; and (iii) impairment losses on other assets resulting from the overall real estate market downturn. Further, the general deterioration of the PRC property market has affected our revenue and cash flow as we are dependent primarily on PRC property developers paying the fees for our services. The general downturn of the PRC property market and the cash flow difficulties faced by various high-profile PRC property developers have in turn materially and adversely impacted our ability to generate sufficient cash to service our debt in a timely manner and sustain our operations.
- Tightening of supervision of financing activities and cash balances: Furthermore, there has been significant tightening of supervision of our cash balances by onshore and offshore banks which significantly reduced our unrestricted cash. We have been subject to significant restrictions on our cash deployment. The tightening of supervision has significantly constrained our ability to remit cash offshore. Since the fourth quarter of 2021, many of our creditors, whether onshore or offshore, have also required us to enhance the security or provide cash deposit as a condition to maintain or extend the credit provided to us. These measures have drastically reduced the amount of cash freely deployable by us for servicing our financial and other obligations.

Notwithstanding these recent severe difficulties affecting companies in the Chinese property sector, we have met our debt servicing obligations as they became due. As of the date of this announcement, we have not defaulted on any of our payment obligations. We have principally been relying on our internal cash resources and remitting significant amounts of cash from onshore to meet these payment obligations. Such remittances have become increasingly difficult in light of the deteriorating credit environment faced by us. As of the date of this announcement, our outstanding offshore indebtedness consists of the following:

- US\$200,000,000 7.625% senior notes due 2022 we issued on October 18, 2019, and the additional US\$100,000,000 7.625% senior notes due 2022 we issued on August 14, 2020, which have been consolidated and form a single class with the US\$200,000,000 7.625% senior notes due 2022 issued on October 18, 2019, with principal of approximately US\$298,200,000 outstanding;
- US\$200,000,000 7.60% senior notes due 2023 we issued on December 10, 2020, and the additional US\$100,000,000 7.60% senior notes due 2023 we issued on June 11, 2021, which have been consolidated and form a single class with the US\$200,000,000 7.60% senior notes due 2023 issued on December 10, 2020, with principal of approximately US\$300,000,000 outstanding; and
- HK\$1,031,900,000 2.0% convertible note due 2023 (the “**Convertible Note**”) we issued on November 4, 2020 to Alibaba.com Hong Kong Limited, with principal of approximately HK\$1,031,900,000 outstanding.

At this stage, we are not expecting the terms of the Convertible Note to be amended. As such, the Convertible Note will mature before the New Notes.

As part of our efforts to meet our financial commitments, we are conducting this Exchange Offer and Consent Solicitation to extend our debt maturity profile, provide increased flexibility to our operations, alleviate our cashflow pressure, waive certain technical breaches of the Old Notes Indentures and manage our default risk. We are inviting all Eligible Holders of the Old Notes to exchange their Old Notes for New Notes with an extended maturity and terms designed to give us necessary financial stability to continue as a going concern.

As of the date of this announcement, we do not anticipate having sufficient funds to repay immediately holders of the Old Notes who do not agree to exchange the Old Notes for the New Notes at their maturity, which would likely trigger an Event of Default under the Old Notes and cross default under our other financings. We intend to communicate with each of our other creditors to seek waivers and/or amendments to any such events of default and cross-acceleration under the relevant agreements governing our bank facilities and other indebtedness obligations. We cannot assure you that we will be able to obtain such waivers or amendments. If we are unable to obtain such waivers or amendments, our other creditors may seek to exercise their rights of enforcement under the relevant agreements.

As part of the Exchange Offer and Consent Solicitation, we are also seeking certain waivers from Eligible Holders of the Old Notes. If the requisite consents are received, upon execution of the supplemental indentures to the Old Notes Indentures, all Holders and every subsequent holder of each of the Old Notes will waive certain events of default under the Old Notes Indenture that are alleged to have, has or may have arisen or materialized prior to the effective time of the Supplemental Indentures, including, without limitation, any failure by the Company to cause (x) TM Home Limited, a company organized under the laws of the Cayman Islands and a 70.23% subsidiary of the Company, and (y) the offshore subsidiaries of TM Home Limited, in each case to, within 30 days after they became restricted subsidiaries, execute and deliver to the relevant Old Notes Trustee a supplemental indenture to the relevant Old Notes Indenture pursuant to which they will guarantee the payment of the relevant Old Notes.

We intend to communicate actively with our other creditors to address our liquidity issues consensually and amicably and within a reasonable timeframe. In the meantime, we will continue to prioritize the stabilization of our operations with a view to preserve our revenue and cash generation.

We are currently in discussions with Alibaba.com Hong Kong Limited to seek its consent to allow TM Home Limited, a Cayman Islands subsidiary in which we own 70.23%, to provide a JV Subsidiary Guarantee for the New Notes. Alibaba.com Hong Kong Limited owns the remaining 29.77% of TM Home Limited, and pursuant to a shareholders' agreement we have entered into with them, we are required to seek their consent before we cause TM Home Limited to guarantee the New Notes. We will agree in the New Notes Indenture to cause TM Home Limited to provide the relevant JV Subsidiary Guarantee within six months from the date of issuance of the New Notes. We hold our Leju business and an exclusive right to develop and operate the Tmall Haofang (天貓好房) branded online real estate marketing and transaction service platform through TM Home Limited. We cannot assure you that we will be able to obtain the requisite consent from Alibaba.com Hong Kong Limited.

The Exchange Offer and Consent Solicitation

The Exchange Offer and Consent Solicitation for the Old Notes commenced on March 31, 2022 and will expire at 4:00 p.m., London time, on April 11, 2021 (the “**Exchange Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the Exchange Expiration Deadline is extended or earlier terminated.

Upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is (i) offering to exchange for at least the Minimum Acceptance Amount of the Old Notes held by Eligible Holders, and (ii) soliciting consents from holders of the Old Notes to amend the terms of (a) the 2022 Notes Indenture and (b) the 2023 Notes Indenture and to certain waivers. The Proposed Amendments and Waivers will eliminate substantially all of the restrictive covenants, all of the reporting requirements, and certain of the events of default in the Old Notes Indentures, if adopted. The Proposed Amendments and Waivers will become effective upon execution of the supplemental indentures to each of the Old Notes Indentures, which is expected to occur promptly after our receipt of the Requisite Consents, but will not become operative until the Exchange Offer and Consent Solicitation has been consummated.

In light of the above, we are conducting the Exchange Offer and Consent Solicitation as part of our overall strategy to extend our debt maturity profile, provide increased flexibility to our operations, alleviate our cashflow pressure, waive certain technical breaches of the Old Notes Indentures and manage our default risk. We are offering Eligible Holders of the Old Notes the opportunity to exchange their Old Notes for New Notes with an extended maturity and terms designed to allow us to improve our overall financial condition and give us necessary financial stability to continue as a going concern. In addition, we are inviting submission from the Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the potential Restructuring which may be implemented via the Cayman Scheme if the Exchange Offer and Consent Solicitation is not successfully completed.

We currently intend to accept offers to exchange the Old Notes if the aggregate principal amount of Old Notes validly tendered through the Clearing Systems by Eligible Holders for exchange in the Exchange Offer and Consent Solicitation meets the Minimum Acceptance Amount.

Even if the Minimum Acceptance Amount is received, we reserve the absolute discretion to decide whether to proceed with the Exchange Offer and Consent Solicitation. If the Minimum Acceptance Amount is not satisfied, we may (i) terminate the Exchange Offer and Consent Solicitation and proceed with a Restructuring as described in the Restructuring Support Agreement or (ii) choose to waive the Minimum Acceptance Amount.

If the Minimum Acceptance Amount is not satisfied and the Restructuring as described in the Restructuring Support Agreement is not successfully completed, or if we decide not to proceed with the Restructuring or the Cayman Scheme is otherwise not approved by the court and does not become effective, we may not be able to repay the Old Notes upon maturity. The failure to repay the Old Notes will trigger a cross default under our other financial indebtedness, which will likely have a material negative impact on our business, results of operation and financial position going forward. Even if the Exchange Offer and Consent Solicitation are consummated, we cannot assure you that our cash resources will be sufficient to meet our payment obligations under our outstanding indebtedness under our outstanding notes and indebtedness, including the Convertible Note.

With respect to the instruction to tender the Old Notes for exchange, only direct participants in Euroclear or Clearstream may submit instructions through Euroclear and Clearstream. If an Eligible Holder is not a direct participant in Euroclear or Clearstream, it must contact its broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which it holds the Old Notes to submit an instruction on its behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System. Any Eligible Holder that gives instructions on behalf of a beneficial holder must (i) disclose the name of the beneficial holder, its email address and telephone number and (ii) give separate instructions with respect to each of its beneficial holders. Upon giving instructions with respect to any Old Notes, those Old Notes will be blocked by the relevant Clearing System and may not be transferred until the earlier of (i) the consummation, or (ii) termination and withdrawal, of the Exchange Offer, so as to result in a cancellation of such instructions.

Eligible Holders of the Old Notes validly accepted and exchanged in the Exchange Offer and Consent Solicitation will, from and including the Settlement Date, waive any and all rights with respect to the Old Notes (other than the right to receive the Exchange and Consent Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Old Notes, including any and all accrued and unpaid interest thereon. Any tendering Eligible Holder must tender its entire holding of Old Notes for exchange.

Exchange and Consent Consideration

If the Exchange Offer and Consent Solicitation is consummated, for each US\$1,000 principal amount of the relevant series of outstanding Old Notes that is validly tendered by or prior to the Exchange Expiration Deadline and accepted for exchange, an Eligible Holder will receive the Exchange and Consent Consideration consisting of:

- (a) US\$60 principal repayment (the “**Upfront Principal Payment**”) in cash;
- (b) US\$940 in aggregate principal amount of New Notes (rounded down to the nearest US\$1); and
- (c) Accrued Interest (paid in cash, rounded to the nearest US\$0.01, with US\$0.005 rounded upwards).

If the Exchange Offer and Consent Solicitation is not consummated, Eligible Holders who submit Valid Tenders and Accessions will not receive the Exchange and Consent Consideration under the Exchange Offer and Consent Solicitation but will receive the relevant Instruction Fee and any applicable restructuring consideration if the Restructuring is launched and successfully completed, in accordance with the terms of the Restructuring Support Agreement.

Application will be made to The Stock Exchange of Hong Kong Limited for the listing of the New Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited only.

Minimum Acceptance Amount

A minimum aggregate principal amount of (i) 2022 Notes equal to 90% of the outstanding principal amount of the 2022 Notes and (ii) 2023 Notes equal to 90% of the outstanding principal amount of the 2023 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation.

If the Minimum Acceptance Amount is not satisfied, we may (i) terminate the Exchange Offer and Consent Solicitation and proceed with a Restructuring as described in the Restructuring Support Agreement or (ii) choose to waive the Minimum Acceptance Amount. If the Old Notes tendered for exchange are not accepted for any reason, we will not proceed with the Exchange Offer and Consent Solicitation and will terminate the Exchange Offer and Consent Solicitation. We may then proceed with the Restructuring to be implemented via the Cayman Scheme, which will be submitted to the Cayman Court for sanction under the Companies Act.

The New Notes

Principal Amount

The original principal amount of the New Notes will be the amount equal to 94% of the aggregate principal amount of the Old Notes validly tendered and accepted for exchange.

Maturity

On the third anniversary date of the original issue date, which we currently expect to be April 14, 2025.

Interest

The New Notes will bear interest at 8.0% per annum, payable semi-annually in arrears entirely in cash except that with respect to the first twelve-month period after the issue date of the New Notes, we can elect to pay such interest not exceeding 6.0% per annum in paid-in-kind interests on any relevant interest payment date and the remaining portion of such interest in cash.

Material Differences between the Old Notes and the New Notes

Certain terms of the New Notes will be materially different from the terms of the Old Notes, including, but not limited to, the following:

- the Old Notes will mature on their respective maturity dates unless earlier redeemed pursuant to the terms thereof, while the principal amount of the New Notes shall be paid in instalments unless the New Notes have been earlier redeemed in full;
- under the Old Notes Indentures, CRIC Holdings Limited and CRIC Holdings (HK) Limited are non-guarantor subsidiaries. Under the indenture governing the New Notes, CRIC Holdings Limited and CRIC Holdings (HK) Limited will provide Subsidiary Guarantees for the New Notes, together with the subsidiary guarantors of the Old Notes;
- Under the indenture governing the New Notes we will cause TM Holding Limited to provide a limited recourse JV subsidiary guarantee within six months after the original issuance date of the New Notes. There is no corresponding requirement under the Old Notes Indentures;

- under the Old Notes Indentures, we may elect to have any future restricted subsidiary organized outside the PRC not provide a subsidiary guarantee at the time such entity becomes a restricted subsidiary or ceases to be a Exempted Subsidiary provided that, after giving effect to the amount of consolidated assets of such restricted subsidiary, the consolidated assets of all restricted subsidiaries organized outside the PRC (other than exempted subsidiaries) that are not subsidiary guarantors do not exceed 15.0% of the Company's consolidated total assets. Under the indenture governing the New Notes, the basket for designating offshore non-guarantor subsidiaries will be increased to 25.0% of the Company's consolidated total assets;
- under the indenture governing the New Notes, TM Home Limited or any restricted subsidiary of TM Home Limited incorporated outside the PRC will be restricted from guaranteeing any indebtedness of any person unless, among other things, TM Home Limited or such Restricted Subsidiary, as the case may be, simultaneously executes and delivers a supplemental indenture to the indenture governing the New Notes to provide a subsidiary guarantee or JV subsidiary guarantee, as the case may be, for the New Notes;
- other terms of the New Notes including, but not limited to, events of default which will be different from the Old Notes;
- the New Notes are subject to a limitation on specified asset sales covenant, while there is no such covenant under the Old Notes; and
- the New Notes will be issued in minimum denomination of US\$150,000 and integral multiples of US\$1 in excess thereof.

The Invitation for Irrevocable Restructuring Support

Concurrently with the Exchange Offer and Consent Solicitation, the Company is inviting submission from each Eligible Holder of a duly executed Accession Deed to the Restructuring Support Agreement to support the potential restructuring of the Old Notes which may be implemented via the Cayman Scheme under Section 86 of the Companies Act if the Exchange Offer and Consent Solicitation is not successfully completed.

Any duly executed Accession Deed to the Restructuring Support Agreement which is validly delivered pursuant to the Offer and Invitation will constitute a valid, effective and binding obligation of each such Consenting Creditor regardless of whether any conditions of the Exchange Offer and Consent Solicitation are satisfied or whether the concurrent instruction for exchange of Old Notes is accepted by us, until it is terminated in accordance with the terms of the Restructuring Support Agreement.

Pursuant to the conditions of the Exchange Offer and Consent Solicitation, an Eligible Holder must both validly submit its instruction through the Clearing Systems to tender its Old Notes for exchange and validly submit an executed Accession Deed to the Restructuring Support Agreement to the Information, Exchange and Tabulation Agent before the Exchange Expiration Deadline. In order to validly tender Old Notes in the Exchange Offer and Consent Solicitation, an Eligible Holder must concurrently complete and submit a duly executed Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement. An Eligible Holder may not tender the Old Notes for exchange only without executing an Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement, or vice versa.

With respect to the agreement to accede to the Restructuring Support Agreement, those Eligible Holders that have concurrently or previously submitted their instructions to exchange for Old Notes to the relevant Clearing Systems must submit their executed Accession Deed to the Restructuring Support Agreement directly to the Information, Exchange and Tabulation Agent, together with other requisite information and documents, including an executed Restricted Notes Notice in which a unique instruction reference obtained from the Euroclear or Clearstream upon valid tender of their Old Notes is required to be identified, in accordance with the procedure described in the Exchange Offer and Consent Solicitation Memorandum before the Exchange Expiration Deadline in order to complete their valid tender and be eligible for the Instruction Fee. Any tendering Eligible Holder must first tender its Old Notes prior to submitting an Accession Deed and Restricted Notes Notice to the Information, Exchange and Tabulation Agent. While the blocking for trade of the Old Notes by Euroclear and Clearstream will be released upon the consummation, termination or withdrawal of the Exchange Offer and Consent Solicitation, Eligible Holders who validly submit their Accession Deed to the Restructuring Support Agreement must comply with the procedures in the Restructuring Support Agreement, including the obligations for such Eligible Holders or their transferees (as applicable) to execute a Restricted Notes Notice in the form contained therein, and to validly vote in favor of the Cayman Scheme, and (in the case of a transfer of its Old Notes) to cause any transferee to also accede to the Restructuring Support Agreement, in order to be eligible to receive the Instruction Fee in the case of a Restructuring.

Restructuring Support Agreement and Next Steps

The Company and the Subsidiary Guarantors have entered into the Restructuring Support Agreement on March 31, 2022. Each Eligible Holder is invited to tender its outstanding Old Notes for exchange and submit a duly executed Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement to support the potential Restructuring which may be implemented via the Cayman Scheme if the Exchange Offer and Consent Solicitation is not successfully completed. The Company expects that it may commence the process of implementing the Restructuring via the Cayman Scheme at any time following the Exchange Expiration Deadline. By delivering the executed Accession Deed to the Restructuring Support Agreement pursuant to the Offer and Invitation, each Consenting Creditor confirms that it shall use and vote all of its interest in the Old Notes to approve and fully support the Restructuring and the Cayman Scheme on the terms and subject to the conditions set out in the Restructuring Support Agreement.

The key provisions of the Restructuring Support Agreement which directly relate to support for the potential Restructuring will automatically come into effect on the date of the Exchange Expiration Deadline. If the Minimum Acceptance Amount is not received or for any other reason we decide to proceed with the Restructuring via the Cayman Scheme, we would seek directions from the Cayman Court to convene a Scheme Meeting. If we decide to pursue the Exchange Offer and Consent Solicitation instead of the Cayman Scheme, the Restructuring Support Agreement will automatically terminate upon the settlement of the Exchange Offer and Consent Solicitation, and all parties thereto shall be released from their obligations (including any accrued obligations) thereunder. If there is no reasonable prospect of the Restructuring being effected by way of a Cayman Scheme, we may terminate the Restructuring Support Agreement in accordance with the terms therein and release all parties thereto from their obligations (including any accrued obligations) thereunder.

Subject to the receipt of votes in favor of the Cayman Scheme from a majority in number of the Holders, representing at least 75% of the nominal value of the Old Notes present and voting, whether in person or by proxy, at the Scheme Meeting convened to consider the Cayman Scheme, the Company will ask the Cayman Court to issue a Cayman Sanction Order sanctioning the Cayman Scheme. Assuming the Cayman Scheme is sanctioned by the Cayman Court, upon delivery of the Cayman Sanction Order to the Registrar of Companies, the Cayman Scheme would then become effective and binding upon all Holders.

A copy of the Term Sheet, as set out in Schedule 6 to the Restructuring Support Agreement, is available for download at <https://sites.dfkingltd.com/E-House>.

Undertakings of the Consenting Creditors

Any Consenting Creditor who validly submits its Accession Deed to the Restructuring Support Agreement must perform its obligations thereunder, including but not limited to the following:

- (1) Each Consenting Creditor irrevocably undertakes in favor of the Company and the Subsidiary Guarantors that it shall perform all reasonable actions reasonably requested by the Company and/or the Subsidiary Guarantors in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable, including (without limitation) to:

- (a) tender all of its Old Notes in favor of the Exchange Offer and Consent Solicitation, if the Exchange Offer and Consent Solicitation have not expired at the time of such Consenting Creditor's accession to the RSA;
- (b) agree, in good faith, the Scheme Document and any and all other documents required to implement the Restructuring, such that they are consistent in all material respects with the terms set out in the Term Sheet;
- (c) facilitate that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- (d) take all such actions as are necessary to:
 - (i) cause the direct participants in Euroclear or Clearstream which are recorded as being the holders of its Old Notes (each, an "**Account Holder**") to submit to the Information, Exchange and Tabulation Agent a duly completed Account Holder Letter in respect of the outstanding principal amount of the Old Notes in which it holds a direct or beneficial interest as principal by no later than the Record Time for the Cayman Scheme;
 - (ii) attend the Scheme Meeting either in person or by proxy; and
 - (iii) vote, execute and/or deliver within any applicable time periods any proxies, instructions, directions or consents in respect of all Notes in which it holds a direct or beneficial interest as principal, including (without limitation) to vote in favor of the Cayman Scheme in respect of the aggregate outstanding principal amount of all Old Notes in which it holds a direct or beneficial interest as principal at the Record Time at the Scheme Meeting;
- (e) support and assist (at our cost) with any filing of any petition for recognition of the Cayman Scheme under Chapter 15 of the US Bankruptcy Code and any ancillary filings thereto, or any other filings in relation to recognition proceedings in any other jurisdictions for the purposes of obtaining cross-border relief in connection with the Cayman Scheme or the Restructuring as requested by the Company;
- (f) provide support and assistance to the Company and the Subsidiary Guarantors (at our cost) to prevent the occurrence of an Insolvency Proceeding (as defined in the RSA) in respect of the Company, the Subsidiary Guarantors or any of its subsidiaries, including, without limitation, supporting any application, filing and/or petition to the courts of any jurisdiction in connection with the same, including (but not limited to) filing any evidence in support of the Company's opposition to a creditor seeking to commence any adverse action;
- (g) to the extent any Insolvency Event occurs in respect of any member of the Group, to use reasonable endeavours to implement the Restructuring through the relevant Insolvency Proceedings and ensure that the Restructuring is recognized in all relevant jurisdictions; and
- (h) provide confirmation to any other party that it supports the Restructuring.

- (2) Each Consenting Creditor irrevocably undertakes in favor of the Company and the Subsidiary Guarantors that it shall NOT:
- (a) take, commence or continue any Enforcement Action, whether directly or indirectly, to delay the Scheme Effective Date, interfere with the implementation of the Restructuring and/or the Cayman Scheme or the consummation of the transactions contemplated thereby;
 - (b) object to or challenge the Cayman Scheme or any application to the Cayman Court in respect thereof or otherwise commence any proceeding(s) to oppose or alter any Scheme Document filed by the Company and/or the Subsidiary Guarantors in connection with the confirmation of the Restructuring, except to the extent that such Scheme Document is materially inconsistent with the terms as set out in the Term Sheet;
 - (c) take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Cayman Scheme or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Term Sheet, including (without limitation):
 - (i) proposing or supporting any alternative proposal or offer from any person or entity in respect of the Restructuring other than those contemplated by the Term Sheet or to otherwise engage in any such discussions or take any action which would delay or impede any approvals for the Restructuring; or
 - (ii) voting (or directing any proxy appointed by it to vote) any of the Old Notes in which it holds a direct or beneficial interest as principal against the Cayman Scheme or in favor of any amendment, waiver, consent or proposal that would breach or be inconsistent with the Restructuring Support Agreement, the Cayman Scheme or the Restructuring; or
 - (d) Transfer (as defined below) or agree to Transfer any Restricted Notes or any other Notes in which a Consenting Creditor has a direct or beneficial interest as principal (including, without limitation, any Old Notes purchased or otherwise acquired by a Consenting Creditor after the date of the Restructuring and Support Agreement or any Accession Deed in relation to it) unless in accordance with the terms of the Restructuring Support Agreement.

Undertakings of the Company and Subsidiary Guarantors

The Company and the Subsidiary Guarantors undertake in favor of the Consenting Creditors that they shall perform all actions as are reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable, including (without limitation) to:

- (a) pay or procure payments of the Instruction Fee:
 - (i) in accordance with the terms of the RSA; and
 - (ii) free and clear of and without any deduction or withholding for or on account of tax unless we are required to make such a deduction or withholding, in which case the Instruction Fee payable shall be increased to the extent necessary to ensure that each Consenting Creditor receives a sum net of any deduction or withholding equal to the sum which it would have received had no such deduction or withholding been made or required to be made;
- (b) implement the Restructuring and the Cayman Scheme in the manner envisaged by, and on the terms and conditions set out in, the Restructuring Support Agreement and the Term Sheet;
- (c) provide the Scheme Document and any and all other documents required to implement the Restructuring such that they are consistent in all material respects with the terms as set out in the Term Sheet;
- (d) upon the Scheme Documents being agreed, promptly propose, file and pursue any legal process or proceedings contemplated by or required to implement the Restructuring, including (without limitation) the Cayman Scheme;
- (e) take any actions pursuant to any order of, or sanction by, any relevant courts (including, without limitation, the Cayman Court) as may be required or necessary to implement or give effect to the Restructuring;
- (f) procure that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- (g) obtain any necessary regulatory or statutory approval required to permit or facilitate the Restructuring;
- (h) obtain all corporate and regulatory approvals necessary to implement the Restructuring in the manner envisaged by, and on the terms and conditions set out in, the Restructuring Support Agreement and the Term Sheet;
- (i) prior to the Record Time, cancel or procure the cancellation of any Old Notes that it or any other member of the Group has a direct or beneficial interest in or which it or any other member of the Group has redeemed, converted, acquired or purchased, and for the avoidance of doubt, any such Old Notes owned by the Group shall not be voted at the Scheme Meeting;

- (j) keep the Consenting Creditors reasonably informed in relation to the status and progress of the Restructuring; and
- (k) notify the Consenting Creditors:
 - (i) of any matter or thing which it knows or suspects would be reasonably likely to be a material impediment to the implementation of the Restructuring;
 - (ii) if any representation or statement made by it under the Restructuring Support Agreement proves to have been or to have become, incorrect or misleading in any material respect; or
 - (iii) if it breaches any undertaking given by it under the Restructuring Support Agreement; in each case promptly upon becoming aware of the same.

Instruction Fee

The Instruction Fee and the specific terms and conditions that apply under the Restructuring Support Agreement to govern the entitlement to the Instruction Fee are summarized at a high level in the following paragraphs. For further details on the Instruction Fee, see clause 4 (Instruction Fee) of the Restructuring Support Agreement.

The Instruction Fee with respect to each Eligible Creditor shall be an amount equal to (or, at our sole discretion, any amount in excess of) 1% of the aggregate outstanding principal amount of the Eligible Notes, where:

- (a) an “Eligible Creditor” for the purposes of the Restructuring Support Agreement, is a Consenting Creditor which:
 - (i) has prior to the Exchange Expiration Deadline (1) completed a Valid Tender in respect of all of the Old Notes in which it holds a direct or beneficial interest as principal and (2) acceded to the Restructuring Support Agreement (any Old Notes covered by such Valid Tender and accession, being “**Validly Tendered Notes**”);
 - (ii) has voted in favor of the Cayman Scheme at the Scheme Meeting; and
 - (iii) still holds the Eligible Notes at the Record Time and has not effected, or purported to effect, a Transfer of any Validly Tendered Notes after the Exchange Expiration Deadline, except for any Transfers made in accordance with the terms of the Restructuring Support Agreement; and
 - (iv) has not breached any other provision of the Restructuring Support Agreement in any material respect; and

- (b) “**Eligible Notes**” means, for the purposes of the Restructuring Support Agreement, with respect to an Eligible Creditor, the lower of its:
- (i) Old Notes which are voted in favor of the Cayman Scheme by such Eligible Creditor; and
 - (ii) Validly Tendered Notes (or Transferred Validly Tendered Notes, as defined in the Restructuring Support Agreement), but excluding any Validly Tendered Notes (or Transferred Validly Tendered Notes) which have been subsequently transferred at any time by such Eligible Creditor to another party.

For the purposes of the Instruction Fee, any Consenting Creditor which is a transferee of any Validly Tendered Notes shall generally be treated as if it has met the requirements of limb (a) of the Eligible Creditor definition above, such that the transferee Consenting Creditor would be entitled to an Instruction Fee in respect of the Transferred Validly Tendered Notes if it meets the other relevant requirements in the Restructuring Support Agreement.

For the avoidance of doubt, a Consenting Creditor must vote all of the Old Notes then held by it in favor of the Cayman Scheme at the Scheme Meeting in order to receive the Instruction Fee. A Consenting Creditor that does not vote all of the Old Notes then held by it in favor of the Cayman Scheme at the Scheme Meeting shall not be entitled to any Instruction Fee.

Accession, Position Disclosure and Transfer and Purchase

Each Eligible Holder may accede to the Restructuring Support Agreement as a Consenting Creditor by submitting a properly completed and executed Accession Deed and an initial Restricted Notes Notice to the Information, Exchange and Tabulation Agent. Upon such submission, the Consenting Creditor shall henceforth be a party to the Restructuring Support Agreement and be bound by, and entitled to enforce, the terms of the Restructuring Support Agreement as if they were an original party to the same in the capacity of a Consenting Creditor.

Consenting Creditors are required to notify the Information, Exchange and Tabulation Agent of any change (whether an increase or decrease) to its holdings of Old Notes as soon as reasonably practicable, and in any event within five (5) business days from the date of such change, by submitting a properly completed and executed Restricted Notes Notice to the Information, Exchange and Tabulation Agent.

From the date of the Restructuring Support Agreement until its termination, any transfer or disposal of all or any part of any Old Notes in which a Consenting Creditor has a direct or beneficial interest (including, without limitation, any Old Notes acquired by a Consenting Creditor after the date of the Restructuring Support Agreement or any Accession Deed in relation to it) or any other transaction of a similar or equivalent economic effect (a “**Transfer**”) shall only be effective if, among other things:

- (a) the relevant transferee either (i) is, at the time of such Transfer, already a Consenting Creditor; or (ii) has first agreed to be bound by the terms of the Restructuring Support Agreement as a Consenting Creditor by acceding to the Restructuring Support Agreement through execution of the Accession Deed; and

- (b) the transferor and transferee provide written notice of the Transfer by submitting a properly completed and executed Transfer Notice (in the form set out in the Restructuring Support Agreement) to the Information, Exchange and Tabulation Agent on or before the proposed effective date of the Transfer.

Any Transfer by a Consenting Creditor in breach of the above paragraph shall be deemed void.

Each Accession Deed, and Restricted Notes Notice will be accessed and submitted electronically to the Information, Exchange and Tabulation Agent as an online form at <https://sites.dfkingltd.com/E-House>. The Transfer Notice will be made available on <https://sites.dfkingltd.com/E-House> and if applicable or required, any Transfer Notice would need to be completed and submitted to the Information, Exchange and Tabulation Agent via email to E-House@dfkingltd.com. If you require assistance with this process, please contact the Information, Exchange and Tabulation Agent at E-House@dfkingltd.com.

If any Consenting Creditor purports to Transfer its Restricted Notes other than in accordance with the requirements of the Restructuring Support Agreement, then that Consenting Creditor shall remain liable as a Consenting Creditor in respect of its obligations and liabilities under the Restructuring Support Agreement, in respect of the relevant Restricted Notes.

Termination

The Restructuring Support Agreement shall automatically and immediately terminate on the earliest to occur of any of the following:

- (a) certain insolvency events in respect of the Company or any of the Subsidiary Guarantors;
- (b) consummation of the Exchange Offer and Consent Solicitation;
- (c) the Cayman Scheme not being approved by the requisite majorities of Scheme Creditors (as defined in the RSA) at the Scheme Meeting; provided however, that such automatic termination shall not occur if such Scheme Meeting is adjourned to a date falling within ninety (90) days of the date of the initial Scheme Meeting and the Cayman Scheme is approved at such adjourned Scheme Meeting by the requisite majorities of the Scheme Creditors;
- (d) the Cayman Court not granting a Cayman Sanction Order at the hearing of the Cayman Court convened for such purpose and there being no reasonable prospect of the Restructuring being effected and the Company and/or the Subsidiary Guarantors having exhausted all avenues of appeal;
- (e) the day on which all conditions precedent to the Restructuring have been satisfied or waived, including the obtaining of all relevant approvals or consents (the “**Restructuring Effective Date**”); and
- (f) the Longstop Date.

The Restructuring Support Agreement may be terminated:

- (a) by mutual written agreement of the Company and Consenting Creditors who hold aggregate outstanding principal amount of the Old Notes of more than 75% of the outstanding principal amount of the Old Notes, at that time (the “**Super Majority Consenting Creditors**”);

- (b) at the election of the Super Majority Consenting Creditors, following the occurrence of any of the following certain events (as set out in further detail in clause 8.2(b) of the Restructuring Support Agreement) relating to (i) the Company and the Subsidiary Guarantors proposing a Cayman Scheme that is materially inconsistent with the Term Sheet, (ii) the Cayman Court refusing to convene a Scheme Meeting, where all avenues of appeal are also exhausted or (iii) an uncured material breach of the Restructuring Support Agreement by the Company or the Subsidiary Guarantors;
- (c) in respect of a Consenting Creditor, at the election of the Company (in its sole and absolute discretion) by the delivery of a written notice of termination by the Company to a Consenting Creditor if that Consenting Creditor does not comply with any undertaking in the Restructuring Support Agreement in any material respect, unless the failure to comply is capable of remedy and is remedied within ten (10) Business Days of delivery of such notice of termination by the Company to the relevant Consenting Creditor; or
- (d) at the written election of the Company (in its sole and absolute discretion), in circumstances where there is no reasonable prospect of the Restructuring being effected by way of a Cayman Scheme.

Amendment and Waiver

Subject to the next two paragraphs and as described in the Restructuring Support Agreement, the Restructuring Support Agreement may be amended or waived by the Company and Consenting Creditors who hold an aggregate outstanding principal amount of more than 50% of the outstanding principal amount of the Old Notes.

Subject to the next paragraph, any term of the Restructuring as set out in the Term Sheet, may only be amended or waived by each of the Super Majority Consenting Creditors and the Company, in each case each acting reasonably.

The Company (acting in its sole discretion) may amend any term of the Restructuring Support Agreement, among other things, to make any other change to the terms of the Restructuring that does not materially and adversely affect the rights of any Consenting Creditor when compared to the terms then in effect.

Longstop Date

The Longstop date on which the Restructuring Support Agreement will automatically terminate is the date falling six months after (and excluding) the Exchange Expiration Deadline. As explained above in this Section, the Consenting Creditors as well as the Company (and the Subsidiary Guarantors) undertake to use best endeavors to facilitate that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date.

Restructuring Consideration

Subject to the terms of the Scheme Documents (as defined in the RSA), if the Scheme is successful, the Scheme Creditors will receive the Restructuring Consideration (as defined in the termsheet attached to the form of the RSA set forth in Appendix B to the Exchange Offer and Consent Solicitation Memorandum) which will consist of (a) New Notes in an aggregate principal amount of US\$960 per US\$1,000 in principal amount of the Old Notes held by each Scheme Creditor at the Scheme Record Time, and voted in favor of the Cayman Scheme; (b) cash consideration of US\$60 per US\$1,000 in principal amount of the Old Notes held by each Scheme Creditor at the Scheme Record Time and voted in favor of the Cayman Scheme and (c) accrued and unpaid interest up to but not including April 18, 2022 on any Old Notes held by each Scheme Creditor at the Scheme Record Time and voted in favor of the Cayman Scheme, in cash and accrued and unpaid interests from and including April 18, 2022 up to but not including the Restructuring Effective Date on any Old Notes held by each Scheme Creditor at the Scheme Record Time and voted in favor of the Cayman Scheme, in the form of New Notes (to be rounded downward to the nearest US\$1), on the terms set out in the Scheme Document.

SUMMARY TIMETABLE

The following summarizes the anticipated timetable for the Exchange Offer which are indicative only.

Date	Event
March 31, 2022	<p>Commencement of the Exchange Offer and Consent Solicitation and announcement via The Hong Kong Stock Exchange Limited, the Transaction Website and through Euroclear or Clearstream, as applicable.</p> <p>The Exchange Offer and Consent Solicitation Memorandum will be made available to Eligible Holders of the Old Notes who are non-U.S. persons outside the United States on the Transaction Website.</p> <p>Commencement of the period to accede to the Restructuring Support Agreement. Copy of the Restructuring Support Agreement, the form of Accession Deed, the form of the Restricted Notes Notice and other information and documentation will be made available to the Eligible Holders of the Old Notes on the Transaction Website.</p> <p>An Eligible Holder of Old Notes who wishes to participate in the Exchange Offer and Consent Solicitation must both tender the Old Notes it holds for exchange with respect to the entire holding of Old Notes and validly submit an executed Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement, in each case in accordance with the terms, and subject to the conditions, of the Exchange Offer and Consent Solicitation.</p>
April 11, 2022 (4:00 p.m., London time)	<p>Exchange Expiration Deadline. This being the last date and time on which holders of the Old Notes can participate in the Exchange Offer and Consent Solicitation and submit Valid Tenders and Accessions and give deemed consent to the Proposed Amendments and Waivers in order to be eligible to receive the Exchange and Consent Consideration.</p> <p>The key provisions of the Restructuring Support Agreement which directly relate to support for the potential Restructuring will automatically come into effect on the date of the Expiration Deadline.</p>
As soon as practicable after the Exchange Expiration Deadline	<p>Announcement of (i) the amount of valid tenders for exchange received and validly executed Accession Deed to the Restructuring Support Agreement submitted prior to the Exchange Expiration Deadline, (ii) whether the Minimum Acceptance Amount has been satisfied and whether the Company will accept validly delivered tenders of Old Notes for exchange pursuant to the Exchange Offer and Consent Solicitation, (iii) if so accepted, the final aggregate principal amount of the New Notes to be issued to investors in exchange for the Old Notes validly tendered, accepted and exchanged and (iv) whether the Requisite Consents to the Proposed Amendments and Waivers have been obtained.</p>

If the Minimum Acceptance Amount is received, the Company reserves an absolute discretion to decide whether to proceed with the Exchange Offer and Consent Solicitation.

On or about
April 14, 2022

Settlement Date. Subject to satisfaction of the conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum, settlement of the New Notes, delivery of the Exchange and Consent Consideration to Eligible Holders whose Old Notes have been validly tendered and accepted for exchange, execution of the Supplemental Indentures and exercise of the termination rights of the Company under the Restructuring Support Agreement.

On or about
April 19, 2022

Listing of the New Notes on the SEHK.

If the Minimum Acceptance Amount is not satisfied, the Company may proceed with the Restructuring as described in the Restructuring Support Agreement, which will be implemented via the Cayman Scheme. The Company would then seek directions from the Cayman Court to convene a meeting (or meetings) of all Holders for the Cayman Scheme.

The Company reserves the right to extend or earlier terminate the Exchange Expiration Deadline in our sole discretion. In such a case, the date on which the subsequent announcement relating to the Offer and Invitation will be delivered and the Settlement Date will be adjusted accordingly. Eligible Holders of the Old Notes should inform themselves of any earlier deadlines that may be imposed by Euroclear or Clearstream, as applicable, and/or any intermediaries, which may affect the timing of the submission of an instruction for exchange.

CONDITIONS TO THE EXCHANGE OFFER AND CONSENT SOLICITATION

The acceptance for exchange and the Company's obligation to consummate the Exchange Offer, are conditional upon, among other things:

- (a) not less than 90% in aggregate outstanding principal amount of each of the 2022 Notes and the 2023 Notes with respect to which the Exchange Offer and Consent Solicitation is being conducted having been validly tendered prior the Exchange Expiration Deadline;
- (b) Eligible Holders who validly submit its instruction through the Clearing Systems to tender its Old Notes for exchange shall have also validly submitted an executed Accession Deed to the Restructuring Support Agreement before the Exchange Expiration Deadline;
- (c) we have made an affirmative determination that accepting the exchanges, paying the Exchange and Consent Consideration and effecting the transactions contemplated hereby are in our best interests;
- (d) there being no material adverse change in the market from the date of the Exchange Offer and Consent Solicitation Memorandum to the Settlement Date; and
- (e) satisfaction of certain other conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum.

Subject to applicable laws, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer and Consent Solicitation from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time the terms and conditions of the Exchange Offer, subject to applicable laws. The Company will give notice of any amendments, modifications or waivers to the Holders and the Old Notes Trustee through the Clearing Systems and the Transaction Website.

FURTHER DETAILS

The Company has appointed China International Capital Corporation Hong Kong Securities Limited as the Dealer Manager for the Exchange Offer and Consent Solicitation and the Financial Advisor for the Invitation for Irrevocable Restructuring Support, and D.F. King Ltd. as the Information, Exchange and Tabulation Agent with respect to the Offer and Invitation (each as stipulated in the Exchange Offer and Consent Solicitation Memorandum and its related documents). The Exchange Offer and Consent Solicitation Memorandum, this announcement and all documents related to the Offer and Invitation can be found on the Stock Exchange website: <http://hkexnews.hk> and the Transaction Website: <https://sites.dfkingltd.com/E-House>. Requests for copies of the Exchange Offer and Consent Solicitation Memorandum and its related documents may be directed to the Information, Exchange and Tabulation Agent at the address and telephone number as set forth in the Exchange Offer and Consent Solicitation Memorandum.

The contact information of China International Capital Corporation Hong Kong Securities Limited and D.F. King Ltd. is set out as follows:

China International Capital Corporation Hong Kong Securities Limited

29/F, One IFC, 1 Harbour View Street, Central, Hong Kong

Telephone: +852 2872 2000

Email: IB_homeproject@cicc.com.cn

D.F. King Ltd.

In London:

65 Gresham Street
London EC2V 7NQ
United Kingdom
Tel: +44 20 7920 9700

In Hong Kong:

Suite 1601, 16th Floor, Central Tower
28 Queen's Road Central
Hong Kong
Tel: +852 3953 7231

Email: E-House@dfkingltd.com

Transaction Website: <https://sites.dfkingltd.com/E-House>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE OLD NOTES OR THE NEW NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE OLD NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE OFFER AND INVITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THIS JOINT ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE OFFER AND INVITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE OFFER AND INVITATION. AS THE OFFER AND INVITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE OLD NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE OLD NOTES.

The Offer and Invitation are not being made to (nor will the tender of the Old Notes be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Offer and Invitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Offer and Invitation would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such laws, the Offer and Invitation will not be made to (nor will tenders be accepted from or on behalf of) any Holders residing in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Offer and Invitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“2022 Notes”	the 7.625% senior notes due 2022 (Stock Code: 40024) issued by the Company;
“2022 Notes Indenture”	the indenture dated October 18, 2019 in relation to the 2022 Notes;
“2022 Notes Trustee”	The Hongkong and Shanghai Banking Corporation, as trustee of the 2022 Notes;
“2023 Notes”	the 7.60% senior notes due 2023 (Stock Code: 40507) issued by the Company;
“2023 Notes Indenture”	the indenture dated December 10, 2020 in relation to the 2023 Notes;
“2023 Notes Trustee”	The Hongkong and Shanghai Banking Corporation, as trustee of the 2023 Notes;
“Accession Deed”	the accession deed to the Restructuring Support Agreement pursuant to which a person becomes a party as a Consenting Creditor in the form set out in Schedule 3 to the Restructuring Support Agreement and which will in practice be accessed and submitted electronically via https://sites.dfkingltd.com/E-House ;
“Accrued Interest”	accrued and unpaid interest in cash on any Old Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Settlement Date;
“Cayman Scheme”	the scheme of arrangement under Section 86 of the Companies Act (2021 Revision) of the Cayman Islands that might be applied for sanction by the Cayman Court by the Company in accordance with the Restructuring Support Agreement;
“Cayman Court”	means the Grand Court of the Cayman Islands and any court capable of hearing appeals therefrom;
“Cayman Sanction Order”	means the sealed copy of the order of the Cayman Court sanctioning the Cayman Scheme under Section 86 of the Companies Act;
“Clearstream”	Clearstream Banking S.A.;
“Clearing Systems”	Euroclear Bank SA/NV and Clearstream Banking S.A., each a “Clearing System”;
“Company”	E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange, with stock code 2048;

“Consenting Creditor(s)”	a person holding a direct or beneficial interest as principal in the Old Notes who has agreed to be bound by the terms of the Restructuring Support Agreement;
“Dealer Manager”	China International Capital Corporation Hong Kong Securities Limited;
“Director(s)”	the director(s) of the Company;
“Eligible Creditors”	<p>for the purposes of the Restructuring Support Agreement, is a Consenting Creditor which has:</p> <ul style="list-style-type: none"> (i) has prior to the Exchange Expiration Deadline (1) completed a Valid Tender in respect of all of the Old Notes in which it holds a direct or beneficial interest as principal and (2) acceded to the Restructuring Support Agreement (any Old Notes covered by such Valid Tender and accession, being “Validly Tendered Notes”); (ii) has voted in favor of the Cayman Scheme at the Scheme Meeting; and (iii) still holds the Eligible Notes at the Record Time and has not effected, or purported to effect, a Transfer of any Validly Tendered Notes after the Exchange Expiration Deadline, except for any Transfers made in accordance with the terms of the Restructuring Support Agreement; and (iv) has not breached any other provision of the Restructuring Support Agreement in any material respect;
“Eligible Holder(s)”	holders who are non-U.S. persons (as those terms are defined under Regulation S) outside the United States and hold the Old Notes through the Clearing Systems, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Old Notes through the Clearing Systems;
“Eligible Notes”	<p>means, for the purposes of the Restructuring Support Agreement, with respect to an Eligible Creditor, the lower of its:</p> <ul style="list-style-type: none"> (i) Old Notes which are voted in favor of the Cayman Scheme by such Eligible Creditor; and (ii) Validly Tendered Notes (or Transferred Validly Tendered Notes, as defined in the Restructuring Support Agreement), but excluding any Validly Tendered Notes (or Transferred Validly Tendered Notes) which have been subsequently transferred at any time by such Eligible Creditor to another party.

“Euroclear”	Euroclear Bank SA/NV;
“Exchange Expiration Deadline”	4:00 p.m., London Time on April 11, 2022, unless extended or earlier terminated at our sole discretion;
“Exchange and Consent Consideration”	the Exchange and Consent Consideration for each US\$1,000 principal amount of the outstanding Old Notes for which a Valid Tender and Accession has been delivered, details of which are set out in the section entitled “Exchange and Consent Consideration” in this announcement;
“Exchange Offer and Consent Solicitation”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum;
“Exchange Offer and Consent Solicitation Memorandum”	the Exchange Offer and Consent Solicitation Memorandum dated March 31, 2022 in relation to the Offer and Invitation;
“Financial Advisor”	China International Capital Corporation Hong Kong Securities Limited;
“Group”	the Company and its subsidiaries;
“Holder(s)”	holders of the Old Notes;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Information, Exchange and Tabulation Agent”	D.F. King Ltd.
“Instruction Fee”	an amount equal to 1% of the aggregate principal amount of the Eligible Notes held by the Eligible Creditors in accordance with the terms and conditions set forth in the Restructuring Support Agreement if the Exchange Offer and Consent Solicitation is not consummated and the Restructuring is launched and completed under a Cayman Scheme pursuant to the Restructuring Support Agreement in lieu of the Exchange Offer and Consent Solicitation;
“Insolvency Event”	a court of competent jurisdiction granting an order to commence any insolvency proceedings as defined in the Restructuring Support Agreement;
“Invitation for Irrevocable Restructuring Support”	the invitation from the Company for the submission from Eligible Holders of a duly executed Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement to support the Restructuring of the Company;
“Irrevocable Restructuring Support”	the submission from the Eligible Holders of a duly executed Accession Deed and Restricted Notes Notice to the Restructuring Support Agreement to support the Restructuring of the Company;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longstop Date”	the date falling six months after (and excluding) the Exchange Expiration Deadline;
“Minimum Acceptance Amount”	the minimum aggregate principal amount of (i) 2022 Notes equal to 90% of the outstanding principal amount of the 2022 Notes and (ii) 2023 Notes equal to 90% of the outstanding principal amount of the 2023 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation;
“New Notes”	the US\$ denominated senior notes due 2025;
“Offer and Invitation”	the Exchange Offer and Consent Solicitation and the Invitation for Irrevocable Restructuring Support;
“Old Notes”	the 2022 Notes and the 2023 Notes;
“Old Notes Indentures”	the 2022 Notes Indenture and the 2023 Notes Indenture;
“Old Notes Trustee”	the 2022 Notes Trustee and the 2023 Notes Trustee;
“Original Issue Date”	the date on which the New Notes are originally issued under the indenture in relation to the New Notes;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Record Time”	the time designated by the Company for the determination of the Scheme Creditor’s claim for the purposes of voting at the Scheme Meeting;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Restricted Note(s)”	with respect to a Consenting Creditor at any time, the aggregate outstanding principal amount of the Old Notes (a) held by such Consenting Creditor and (b) set out in the Restricted Notes Notice then most recently delivered by that Consenting Creditor to the Information, Exchange and Tabulation Agent;
“Restricted Notes Notice”	a notice substantially in the form set out in Schedule 4 to the Restructuring Support Agreement, which will in practice be accessed and submitted electronically via https://sites.dfkingltd.com/E-House ;
“Restructuring”	a potential restructuring of the Old Notes as further described in the Restructuring Support Agreement;

“Restructuring Support Agreement” or “RSA”	a restructuring support agreement being entered into by the Company and the Subsidiary Guarantors as set out in the Exchange Offer and Consent Solicitation Memorandum;
“Restructuring Effective Date”	the day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents (such as, without limitation, delivery of respective court orders in respect of the Cayman Scheme, and relevant listing/quotation approvals for the New Notes on The Stock Exchange of Hong Kong Limited and the settlement of all professional fees associated with the Restructuring);
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme Creditors”	creditors of the Company whose claims against the obligors are (or will be) the subject of the Cayman Scheme;
“Scheme Document”	the composite scheme document to be circulated by the Company to the holders of the Old Notes in relation to the Cayman Scheme;
“Scheme Meeting”	a meeting of all Holders of the Old Notes for the Cayman Scheme;
“Scheme Effective Date”	means the date on which the Cayman Sanction Order is delivered to the Cayman Registrar of Companies for registration;
“Settlement Date”	on or about April 14, 2022, unless the Exchange Offer and Consent Solicitation is extended or earlier terminated;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Old Notes and the New Notes;
“Super Majority Consenting Creditors”	at any time, Consenting Creditors who hold an aggregate outstanding principal amount of the Old Notes of more than 75% of the outstanding principal amount of the Old Notes held in aggregate by the Consenting Creditors, at that time;
“Term Sheet”	a copy of the term sheet, as set out in Schedule 6 to the Restructuring Support Agreement, is available for download at https://sites.dfkingltd.com/E-House ;
“Transaction Website”	https://sites.dfkingltd.com/E-House
“Transfer Notice”	a notice substantially in the form set out in Schedule 5 to the Restructuring Support Agreement, which will in practice be accessed, completed and submitted to the Information, Exchange and Tabulation Agent via email to E-House@dfkingltd.com ;

“Upfront Principal Payment”	US\$60 per US\$1,000 in principal amount of the Old Notes for which a valid tender under the Exchange Offer and Consent Solicitation has been delivered;
“U.S.” or “United States”	The United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States; and
“Valid Tender(s) and Accession(s)”	pursuant to the conditions of Offer and Invitation, an Eligible Holder must both validly submit its instruction to tender its Old Notes through the Clearing Systems for exchange and validly submit an executed Accession Deed to the Restructuring Support Agreement before the Exchange Expiration Deadline.

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

Hong Kong, March 31, 2022

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. Tang Xing, Mr. Zhang Hai, Ms. Xie Mei and Mr. Lv Peimei as Non-Executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liquan and Mr. Li Jin as Independent Non-Executive Directors.