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 and Debt Stock Code: 40507)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022 AND RESUMPTION OF TRADING

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 2022 (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 RMB2,438.8 million for the six months ended 30 June 2022.

- The total gross transaction value ("**GTV**") of real estate agency services was RMB47.8 billion for the six months ended 30 June 2022.

- The total GTV of real estate brokerage network services amounted to RMB27.1 billion for the six months ended 30 June 2022.

- Loss for the period amounted to RMB1,838.3 million, and total comprehensive expense for the period amounted to RMB1,832.4 million for the six months ended 30 June 2022.

FINANCIAL INFORMATION
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	For the six months ended 30 June 2022 RMB'000 (unaudited)	2021 RMB'000 (unaudited)
Revenue	5	**2,438,755**	6,247,863
Staff costs		**(1,109,084)**	(1,783,618)
Advertising and promotion expenses		**(1,121,142)**	(1,450,226)
Rental expenses for short-term leases, low-value assets leases and variable leases		**(60,409)**	(50,938)
Depreciation and amortisation expenses		**(274,569)**	(210,620)
Loss allowance on financial assets subject to expected credit loss ("ECL"), net of reversal	14	**(428,457)**	(1,937,551)
Loss on derecognition of receivables at fair value through other comprehensive income ("FVTOCI")		**–**	(5,651)
Consultancy expenses		**(96,597)**	(175,208)
Distribution expenses		**(654,900)**	(1,982,390)
Other operating costs		**(180,693)**	(316,861)
Other income	7	**77,079**	168,231
Other gains and losses		**(173,786)**	213,474
Other expenses		**(1,406)**	(4,706)
Share of results of associates		**(1,651)**	6,435
Finance costs		**(242,485)**	(269,568)
Loss before taxation		**(1,829,345)**	(1,551,334)
Income tax expense	8	**(8,958)**	(11,412)
Loss for the period	9	**(1,838,303)**	(1,562,746)
Other comprehensive (expenses)/income for the period			
Items that may be reclassified subsequently to profit or loss:			
Fair value changes on receivables measured at FVTOCI		**(203,334)**	(1,492,650)
Net changes in ECL of receivables measured at FVTOCI		**203,334**	1,492,650
Exchange differences arising on translation of foreign operations		**5,910**	318
Other comprehensive income for the period, net of income tax		**5,910**	318
Total comprehensive expense for the period		**(1,832,393)**	(1,562,428)
Loss for the period attributable to:			
– Owners of the Company		**(1,428,653)**	(1,423,344)
– Non-controlling interests		**(409,650)**	(139,402)
		(1,838,303)	(1,562,746)
Total comprehensive expense for the period			
– Owners of the Company		**(1,422,743)**	(1,423,022)
– Non-controlling interests		**(409,650)**	(139,406)
		(1,832,393)	(1,562,428)
Loss per share	11		
– Basic (RMB cents)		**(81.68)**	(81.38)
– Diluted (RMB cents)		**(81.68)**	(81.38)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2022

	Notes	**30 June 2022** *RMB'000* **(unaudited)**	31 December 2021 *RMB'000* (audited)
Non-current assets			
Property and equipment		**1,071,717**	1,109,694
Right-of-use assets		**299,478**	350,755
Investment properties		**630,293**	648,992
Intangible assets		**1,748,560**	1,907,583
Interests in associates		**64,840**	71,635
Amounts due from related parties		**486**	492
Deferred tax assets		**372,501**	402,987
Other non-current assets		**78,774**	83,020
		4,266,649	4,575,158
Current assets			
Accounts receivables and bills receivables	*12*	**34,946**	223,639
Other receivables		**523,560**	621,624
Amounts due from related parties		**29,771**	33,540
Receivables at FVTOCI	*13*		
– accounts receivables and bills receivables		**1,283,916**	1,985,190
– amounts due from related parties – accounts receivables		**147,819**	266,306
Contract assets		**–**	8,936
Financial assets at fair value through profit or loss ("FVTPL")		**139,997**	212,848
Restricted bank balances		**235,099**	132,198
Pledged time deposits		**–**	755,136
Cash and cash equivalents		**2,101,844**	3,314,741
		4,496,952	7,554,158
Current liabilities			
Accounts payables	*15*	**975,574**	1,193,091
Advance from customers		**601,016**	652,744
Accrued payroll and welfare expenses		**241,446**	522,921
Other payables		**928,579**	715,449
Contract liabilities		**125,402**	181,394
Tax payables		**1,339,788**	1,370,183
Amounts due to related parties		**189,621**	185,664
Bank borrowings		**515,546**	1,774,946
Other borrowings		**3,997,660**	1,894,405
Lease liabilities		**78,980**	95,334
		8,993,612	8,586,131

	Notes	30 June 2022 RMB'000 (unaudited)	31 December 2021 RMB'000 (audited)
Net current liabilities		**(4,496,660)**	(1,031,973)
Total assets less current liabilities		**(230,011)**	3,543,185
Non-current liabilities			
Deferred tax liabilities		**144,681**	162,210
Bank borrowings		**516,240**	546,519
Other borrowings		**–**	1,889,462
Convertible note		**814,038**	756,912
Lease liabilities		**168,435**	198,077
		1,643,394	3,553,180
NET LIABILITIES		**(1,873,405)**	(9,995)
EQUITY			
Share capital		**116**	116
Share premium		**6,148,273**	6,148,273
Reserves		**(8,735,661)**	(7,312,918)
Equity attributable to owners of the Company		**(2,587,272)**	(1,164,529)
Non-controlling interests		**713,867**	1,154,534
TOTAL EQUITY		**(1,873,405)**	(9,995)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

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

The Company and its subsidiaries 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.

2. BASIS OF PREPARATION

These condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2021 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2021.

Going concern basis

The Group incurred a loss of approximately RMB1,838,303,000 and net cash outflow from operating activities of approximately RMB733,455,000 for the six months period ended 30 June 2022 and, as at 30 June 2022, the Group had net current liabilities and net liabilities approximately RMB4,496,660,000 and approximately RMB1,873,405,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The management of the Company are of the opinion that the Group will actively improve working capital to meet its financial liabilities as and when they fall due given that:

(i) the Group will be able to raise fund to finance the working capital requirements of the Group;

(ii) the Group will continue to take active measures to control administrative costs and maintain capital expenditure; and

(iii) the Group will continue to implement measures to accelerate the collection of outstanding receivables.

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

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 January 2022. IFRSs comprise International Financial Reporting Standards ("IFRS"); International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's condensed consolidated financial statements and amounts reported for the current period and prior periods.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and further periods. The following is the management's latest estimation uncertainty in this interim period in addition to those presented in the Group's annual financial statements for the year ended 31 December 2021.

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 2022 has been assessed as increased significantly and a significant amount of ECL has been recognised in the current interim period, in the near future, if any one or more events arisen from certain property developer customer that might have a detrimental impact on the estimated future cash flows of the Trade Related Balances will have occurred, its respective outstanding Trade Related Balances might then result in a significant amount of additional ECL to be recognised in profit or loss at that time. In addition, if the Group continues providing future services to certain property developer customer, a material uncertainty might arise in assessing the Group's probability to collect the consideration, it might also affect the revenue recognition and/or measurement.

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

As at 30 June 2022, 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 RMB1,431,735,000, which included with ECL amounting to RMB5,861,521,000 (31 December 2021: RMB2,251,496,000, which included with ECL amounting to RMB5,658,187,000) 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 RMB48,204,000, net of loss allowance for ECL amounted to RMB834,615,000 (31 December 2021: RMB233,132,000, net of loss allowance for ECL amounted to RMB669,387,000), respectively, to these condensed consolidated financial statements.

5. REVENUE

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Real estate agency services in the primary market, recognised at a point in time	**367,205**	1,637,360
Real estate data and consulting services		
– consulting services, recognised at a point in time	**205,600**	397,004
– data services, recognised over time	**90,697**	98,874
	296,297	495,878
Real estate brokerage network services		
– distribution business in the primary market, recognised at a point in time	**678,593**	2,148,996
– other services, recognised at a point in time	**10,366**	13,302
	688,959	2,162,298
Digital marketing services		
– E-commerce, recognised at a point in time	**845,681**	1,502,098
– Online advertising services, recognised over time on a gross basis	**238,912**	445,883
– Online advertising services, recognised over time on a net basis	**1,627**	1,730
– Listing services, recognised over time	**74**	2,616
	1,086,294	1,952,327
	2,438,755	6,247,863

6. SEGMENT INFORMATION

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

Six months ended 30 June 2022 (unaudited)

	Real estate agency services in the primary market *RMB'000*	Real estate data and consulting services *RMB'000*	Real estate brokerage network services *RMB'000*	Digital Marketing services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Revenue						
External sales	**367,205**	**296,297**	**688,959**	**1,086,294**	**–**	**2,438,755**
Inter-segment sales	**3,372**	**3,714**	**24,932**	**2,854**	**(34,872)**	**–**
Total	**370,577**	**300,011**	**713,891**	**1,089,148**	**(34,872)**	**2,438,755**
SEGMENT LOSS	**(183,023)**	**(68,262)**	**(253,486)**	**(686,081)**	**–**	**(1,190,852)**
Unallocated expenses						**(213,502)**
Unallocated net exchange loss						**(151,362)**
Unallocated net fair value loss on financial assets at FVTPL						**(42,555)**
Share of results of associates						**(1,651)**
Bank interest income						**19,049**
Finance costs						**(242,485)**
Equity-settled share-based payment expenses						**(5,987)**
Loss before taxation						**(1,829,345)**

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 services *RMB'000*	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)

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 2021. Segment (loss)/profit represents the loss incurred and profit earned by each segment without allocation of unallocated expenses, unallocated net exchange (loss)/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 incorporates the effect of seasonality in its sales plan by fully cooperating with real estate developers to formulate corresponding marketing plans and preparing sufficient marketing resources in the second half of the financial year.

7. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank and other interest income	**39,973**	117,098
Government grants *(note)*	**30,496**	42,495
Others	**6,610**	8,638
	77,079	168,231

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 RMB nil (2021: RMB428,000) in respect of COVID-19-related subsidies in the PRC.

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PRC Enterprise Income Tax ("EIT")		
Current tax	**21,258**	133,982
Overprovision in prior years	**(25,257)**	(16,549)
	(3,999)	117,433
Deferred tax expense/(credit)	**12,957**	(106,021)
	8,958	11,412

9. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Depreciation of property and equipment	**46,527**	42,988
Depreciation of right-of-use assets	**44,715**	81,366
Depreciation of investment properties	**17,576**	18,547
Amortisation of intangible assets	**165,751**	67,719
Total depreciation and amortisation	**274,569**	210,620
Amounts included in other gains and losses		
Fair value gain on convertible note	**–**	(23,120)
Net fair value loss/(gain) on financial assets at FVTPL	**42,349**	(186,805)
Fair value gain on other financial liabilities at FVTPL	**(4,128)**	–
Gain on de-registration of a subsidiary	**–**	(92)
(Gain)/loss on de-registration and disposal of interests in associates	**(6,422)**	79
Net exchange loss/(gain)	**146,958**	(2,639)
Net loss/(gain) on disposal of property and equipment	**66**	(165)
Net gain on disposal of investment properties	**(2,245)**	(485)
Net gain on termination of right-of-use assets and lease liabilities	**(2,792)**	(247)
	173,786	(213,474)

10. DIVIDENDS

During the six months ended 30 June 2021, a final dividend RMB5.22 cents 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 in the 2021 interim period amounted RMB91,324,000.

The directors of the Company have determined that no dividend will be declared in respect of the six months ended 30 June 2021 and 2022.

11. LOSS PER SHARE

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

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	**(1,428,653)**	(1,423,344)

	2022	2021
	'000	*'000*
	(unaudited)	(unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,749,060**	1,749,060

For the six months ended 30 June 2022 and 2021, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

12. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	At 30 June	At 31 December
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Accounts receivables and bills receivables measured at amortised cost	**699,066**	746,880
Less: Loss allowance for accounts receivables and bills receivables measured at amortised cost	**(664,120)**	(523,241)
Total accounts receivables and bills receivables measured at amortised cost	**34,946**	223,639

The Group allows all of its customers a credit period of 90 days upon satisfaction of the terms and conditions of the relevant agreements and relevant invoices have been issued.

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

	At 30 June 2022 *RMB'000* (unaudited)	At 31 December 2021 *RMB'000* (audited)
Within 1 year	**22,305**	146,317
1 – 2 years	**5,682**	37,429
Over 2 years	**6,813**	39,655
	34,800	223,401

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 2022 *RMB'000* (unaudited)	At 31 December 2021 *RMB'000* (audited)
Within 180 days	**–**	238
181 – 365 days	**146**	–
	146	238

13. RECEIVABLES AT FVTOCI

	At 30 June 2022 *RMB'000* (unaudited)	At 31 December 2021 *RMB'000* (audited)
Receivables at FVTOCI comprise:		
– Accounts receivables	**1,271,139**	1,903,452
– Bills receivables *(note)*	**12,777**	81,738
– Amounts due from related parties – accounts receivables	**147,819**	266,306
	1,431,735	2,251,496

Note:

As at 30 June 2022, the gross contractual amount of account receivables, bills receivables and amounts due from related parties – accounts receivables amounted to RMB4,139,753,000, RMB1,311,181,000 and RMB1,842,322,000 (31 December 2021: RMB4,547,260,000, RMB1,391,356,000 and RMB1,971,067,000), 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 RMB2,868,614,000, RMB1,298,404,000 and RMB1,694,503,000 (31 December 2021: RMB2,643,808,000, RMB1,309,618,000 and RMB1,704,761,000), 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 2022	At 31 December 2021
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 1 year	**622,187**	1,151,571
1 – 2 years	**697,220**	922,201
Over 2 years	**99,551**	95,986
	1,418,958	2,169,758

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 2022	At 31 December 2021
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within 180 days	**12,777**	81,738

14. LOSS ALLOWANCE ON FINANCIAL ASSETS SUBJECT TO ECL

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Provision/(reversal) for loss allowance on:		
Receivables at FVTOCI	**203,334**	1,492,650
Accounts receivables and bills receivables	**107,054**	249,236
Amounts due from related parties of trade nature	**723**	81,030
Amounts due from related parties of non-trade nature	**117**	975
Contract assets	**(530)**	209
Other receivables and other non-current assets	**117,759**	113,451
Total loss allowance on financial assets subject to ECL, net of reversal	**428,457**	1,937,551

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 2022 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021.

15. ACCOUNTS PAYABLES

	At 30 June 2022 *RMB'000* **(unaudited)**	At 31 December 2021 *RMB'000* (audited)
Accounts payables	**975,574**	1,193,091

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 2022 *RMB'000* **(unaudited)**	At 31 December 2021 *RMB'000* (audited)
Within 1 year	**554,142**	1,140,331
1 – 2 years	**421,432**	52,760
	975,574	1,193,091

BUSINESS REVIEW AND OUTLOOK

In the first half of 2022, the property market remained sluggish. The uncertain impact of the pandemic further led to a downturn in the real estate market in the PRC. The sales performance of real estate companies in the first half of 2022 fell short of that of the same period of 2021. Subject to factors such as the overall market downturn and shrinking financing environment, the Group was constantly affected by the chain reaction of the industry. The collection of real estate sales showed a staged downward trend and its overall performance declined. During the Reporting Period, the Group recorded a loss of RMB1,838.3 million. In the face of the complex and volatile market environment and the uncertainties of available working capital, the Company has adopted reasonable and comprehensive debt management measures to cope with the unprecedented financial risks faced by the Group as a whole, and on the other hand, it has continued to actively promote the sound development of various businesses. The Group believes that gradual business recovery will be achieved through synergies among various business segments.

The Group adheres to the two major strategic focuses of digital marketing and digital services, leveraging business synergies to optimize asset value.

1) **With the digital marketing strategy centered on "Tmall Haofang (天貓好房)", the Group built a real estate information service platform and a full-chain platform for online and offline real estate trading:** in September 2021, the Group formed a new strategic cooperation with Alibaba and officially completed the acquisition of Tmall Haofang through an equity swap in November 2021. The exclusive right to operate online real estate marketing and transactions granted by Alibaba to the Group promotes the digital transformation of the real estate industry. Tmall Haofang's services include new housing, second-hand housing and rental business, which fully integrates Alibaba's brand, technology, products and operations, with E-House (China)'s experience and resources in real estate marketing and transaction services, with an aim to conduct innovative digital marketing and transaction strategies tailored to the needs of consumers, developers and the brokerage industry. At present, the construction of Tmall Haofang information service platform has been initially completed, covering more than 300 cities across the country, with 35,000+ online new housing projects, 200,000+ second-hand housing listings, 400,000+ rental housing listings, and more than 20 million monthly active users. Tmall Haofang builds a full-chain trading platform for new houses, second-hand houses and rented houses with a unique business model by inviting developers, real estate brokers, centralized apartments, real estate transaction service centers and other real estate transactions parties to set up stores on the platform.

2) **Adhering to the digital service strategy centered on "CRIC Big Data", the Group built a real estate digital solution platform ecosystem:** through giving full play to the advantages of real estate big data and digitalization, the Group will develop CRIC into a leading real estate digital solution provider in China. CRIC will continue to maintain its leading position in big data services in residential development, follow the trend of real estate development, continue to maintain its consistent advantage, optimize the structure of high-quality customers, and carry out digital innovation and exploration to help real estate developers and property buyers achieve an ecological closed-loop system from precise land acquisition, precise quality to precise customer acquisition. In the meantime, CRIC will reduce costs and increase efficiency, and support the data-driven business upgrade.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue decreased by 61.0% from RMB6,247.9 million for the six months ended 30 June 2021 to RMB2,438.8 million for the six months ended 30 June 2022. The decrease was primarily due to the overall downturn of real estate market.

Revenue derived from real estate agency services in the primary market decreased by 77.6% from RMB1,637.4 million for the six months ended 30 June 2021 to RMB367.2 million for the six months ended 30 June 2022, primarily due to the decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate brokerage network services decreased by 68.1% from RMB2,162.3 million for the six months ended 30 June 2021 to RMB689.0 million for the six months ended 30 June 2022. This decrease was primarily due to the decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate data and consulting services decreased by 40.2% from RMB495.9 million for the six months ended 30 June 2021 to RMB296.3 million for the six months ended 30 June 2022, primarily due to the overall downturn of real estate market.

Revenue derived from digital marketing services decreased by 44.4% to from RMB1,952.3 million for the six months ended 30 June 2021 to RMB1,086.3 million for the six months ended 30 June 2022, primarily due to a decrease in revenue from e-commerce services and online advertising services.

Staff costs

Our staff costs decreased by 37.8% from RMB1,783.6 million for the six months ended 30 June 2021 to RMB1,109.1 million for the six months ended 30 June 2022. Staff costs as a percentage of our revenue increased from 28.5% for the six months ended 30 June 2021 to 45.5% for the six months ended 30 June 2022, primarily due to the decrease of revenue.

Advertising and promotion expenses

Our advertising and promotion expenses decreased by 22.7% from RMB1,450.2 million for the six months ended 30 June 2021 to RMB1,121.1 million for the six months ended 30 June 2022. The advertising and promotion expenses primarily consist of targeted online and offline marketing costs for business expansion from Leju Holdings Limited (a company listed on the New York Stock Exchange with stock Ticker LEJU). The decrease primarily due to the decrease of revenue from digital marketing services.

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

We recorded rental expenses for short-term leases, low-value assets leases and variable leases of RMB60.4 million for the six months ended 30 June 2022 compared to RMB50.9 million for the six months ended 30 June 2021. The increase was primarily due to the increase of expenses relating to variable leases.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 30.4% from RMB210.6 million for the six months ended 30 June 2021 to RMB274.6 million for the six months ended 30 June 2022, primarily due to the increase in amortisation of intangible assets arising from acquisition.

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

Our loss allowance on financial assets subject to ECL, net of reversal decreased by 77.9% from RMB1,937.6 million for the six months ended 30 June 2021 to RMB428.5 million for the six months ended 30 June 2022, 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 in the first half of 2021.

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

We recorded loss on derecognition of receivables at FVTOCI of nil for the six months ended 30 June 2022 and RMB5.7 million for the six months ended 30 June 2021. The nil loss incurred was primarily from the disposal of receivables at FVTOCI through certain factoring arrangement.

Consultancy expenses

Our consultancy expenses decreased by 44.9% from RMB175.2 million for the six months ended 30 June 2021 to RMB96.6 million for the six months ended 30 June 2022, primarily due to the decrease of revenue related to real estate data and consulting services.

Distribution expenses

Our distribution expenses decreased by 67.0% from RMB1,982.4 million for the six months ended 30 June 2021 to RMB654.9 million for the six months ended 30 June 2022, primarily due to the decrease of revenue derived from real estate brokerage network services.

Other operating costs

Our other operating costs decreased by 43.0% from RMB316.9 million for the six months ended 30 June 2021 to RMB180.7 million for the six months ended 30 June 2022, primarily due to the company's reduction of cost.

Other income

Our other income decreased from RMB168.2 million for the six months ended 30 June 2021 to RMB77.1 million for the six months ended 30 June 2022, primarily due to the decrease of interest income.

Other gains and losses

We recorded net other gains of RMB213.5 million for the six months ended 30 June 2021 and net other losses of RMB173.8 million for the six months ended 30 June 2022. Our net other gains for the six months ended 30 June 2021 were primarily attributable to the unrecognised income from a fund that invests in some stocks, and the net other losses for the six months ended 30 June 2022 were primarily attributable to the foreign exchange losses.

Other expenses

Our other expenses decreased from RMB4.7 million for the six months ended 30 June 2021 to RMB1.4 million for the six months ended 30 June 2022. primarily attributable to the expenses related to termination of leasing agreements in advance.

Share of results of associates

We recorded share of profits of associates of RMB6.4 million for the six months ended 30 June 2021 and share of losses of associates of RMB1.7 million for the six months ended 30 June 2022. The share of losses for the six months ended 30 June 2022 was primarily attributable to a company provided digital marketing services.

Finance costs

Our finance costs decreased by 10.0% from RMB269.6 million for the six months ended 30 June 2021 to RMB242.5 million for the six months ended 30 June 2022, primarily due to the decrease in the weighted average balances of interest bearing loans.

Income tax expense

Our income tax expense decreased by 21.5% from RMB11.4 million for the six months ended 30 June 2021 to RMB9.0 million for the six months ended 30 June 2022, primarily due to the decrease of taxable income.

Loss for the period

As a result of the foregoing, our loss for the period amounted to RMB1,838.3 million for the six months ended 30 June 2022, compared to loss for the period of RMB1,562.7 million for the six months ended 30 June 2021.

Total comprehensive expense for the period

As a result of the foregoing, our total comprehensive expense for the period amounted to RMB1,832.4 million for the six months ended 30 June 2022, compared to total comprehensive expense for the period of RMB1,562.4 million for the six months ended 30 June 2021.

Non-IFRS Measures

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

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

Our operating loss amounted to RMB1,487.1 million for the six months ended 30 June 2022 compared to an operating loss of RMB1,665.2 million for the six months ended 30 June 2021. Our operating loss margin was 61.0% for the six months ended 30 June 2022, as compared to our operating loss margin of 26.7% for the six months ended 30 June 2021, primarily due to the overall downturn in the real estate market. The calculation of operating loss and operating loss 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 as (i) loss for the period, adjusted to add back (ii) finance costs (iii) depreciation and amortisation expenses and (iv) income tax expense. We use EBITDA loss to emphasize operating results and it more nearly approximates cash flows.

Our EBITDA loss for the six months ended 30 June 2022 was RMB1,312.3 million, as compared with EBITDA loss of RMB1,071.1 million for the six months ended 30 June 2021. The calculation of EBITDA loss 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 attributable to owners of the Company as (i) loss 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 nil for the six months ended 30 June 2022, 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 2022, we have funded our cash requirements principally from cash generated from our operations and external borrowings. We had cash and cash equivalents of RMB3,314.7 million and RMB2,101.8 million as of 31 December 2021 and 30 June 2022, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the six months ended 30 June 2022, our principal uses of cash have been for the funding of required working capital and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of internally generated cash, external borrowings, the share subscriptions and other funds raised from the capital markets from time to time.

Capital Expenditure

	Six months ended 30 June	
	2022	2021
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Purchase of and deposits placed for property and equipment	**15,384**	64,947
Purchase of intangible assets	**–**	18
Total	**15,384**	64,965

Our capital expenditures are 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 2022, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As of 30 June 2022, the gearing ratio of the Group, which is calculated by dividing total debt (all bank and other borrowings) by total assets as of the end of the period, was 66.7% as compared with 56.6% as of 31 December 2021. The increase was primarily due to the decrease of total assets.

Significant Investments Held

As of 30 June 2022, we did not hold any significant investments in the equity interests of any other companies (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2022).

Future Plans for Material Investments and Capital Assets

As of 30 June 2022, we did not have other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

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

Employee and Remuneration Policy

As of 30 June 2022, we had 8,463 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 2022 were RMB1,109.1 million, representing a decrease of 37.8%.

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 2022, the Group's bank borrowings of RMB911.8 million was secured by Wanju Property (carrying amount of RMB595.9 million), Tangchao Grand Hotel (carrying amount of RMB527.6 million) and 2 units in Hangzhou PingLan business center (carrying amount of RMB17.8 million).

Contingent Liabilities

As at 30 June 2022, we did not have any material contingent liabilities (as at 30 June 2021: nil).

Events after the Reporting Period

In March 2022, the Group announced an offshore debt restructuring (the "**Restructuring**") in respect of its series of senior notes due 2022 and 2023. The proposed scheme of arrangement between the Company and the scheme creditors under section 86 of the Companies Act (2022 Revision) relating to the Restructuring was sanctioned by the Grand Court of the Cayman Islands on 9 November 2022. The Restructuring will become effective only upon the satisfaction or waiver of the restructuring conditions in accordance with the terms of the scheme. Under the terms of the scheme, the long stop date for satisfying or waiving such conditions is currently 14 December 2022. For details, please refer to the announcements of the Company dated 31 March, 7, 11, 14, 18, and 25 April, 21 September, 5, 6, 7 and 12 October, 3, 10 and 16 November 2022.

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 has adopted and complied with all the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The amendments to the CG Code which became effective on 1 January 2022 (the "**New CG Code**") apply to corporate governance reports for a financial year commencing on or after 1 January 2022. The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the measures and standards set out in the New CG Code, and report on its compliance with the New CG Code in its corporate governance report for the financial year ending 31 December 2022.

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 2022 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

OTHER BOARD COMMITTEES

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities 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 2022.

USE OF PROCEEDS BROUGHT FORWARD FROM PREVIOUS FINANCIAL YEARS

1. Use of Proceeds from Subscription

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

The gross proceeds from the subscription amount to HK$828,100,000. As at 30 June 2022, the Group had used HK$446.8 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 one year.

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

2. Use of Proceeds from Issuance of Convertible Note

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

The gross proceeds from the note issuance amount to HK$1,031,900,000. As at 30 June 2022, the Group had used HK$942.6 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 one year.

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

3. 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 Holdings Limited 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 2022, the Group had used around RMB1,959.5 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 proceeds from the 2023 Notes were fully utilised as at the end of the Reporting Period.

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.

EXTRACT FROM THE AUDITOR'S INDEPENDENT REVIEW REPORT

The following is an extract of the independent review report of the Company's auditor, Zhonghui Anda CPA Limited, on the Group's consolidated financial statements for the six months ended 30 June 2022.

Material uncertainties related to going concern

We draw attention to note 2 to the condensed consolidated financial information which mentions that the Group incurred a loss of approximately RMB1,838,303,000 and net cash outflow from operating activities of approximately RMB733,455,000 for the six months period ended 30 June 2022 and, as at 30 June 2022, the Group had net current liabilities and net liabilities approximately RMB4,496,660,000 and approximately RMB1,873,405,000, respectively. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

The aforesaid "note 2 to the consolidated financial statements" in the extract from the independent review report is disclosed as note 2 to the notes to the consolidated financial statements in this announcement.

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 2022 interim report of the Group for the six months ended 30 June 2022 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders on or before 15 December 2022. As of the date of this announcement, the Company confirms that it is not in possession of any unpublished inside information.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 September 2022. As the annual report for the year ended 31 December 2021 and the interim results for the six months ended 30 June 2022 have been published, an application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 1 December 2022.

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

Hong Kong, 30 November 2022

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