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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 Code: 40507)

**(I) PROPOSED RIGHTS ISSUE ON THE BASIS OF TWELVE (12) RIGHTS
SHARES FOR EVERY TEN (10) SHARES HELD ON THE RECORD DATE;
(II) CONNECTED TRANSACTION IN RELATION TO
THE UNDERWRITING AGREEMENT;
(III) APPLICATION FOR WHITEWASH WAIVER;
AND
(IV) SPECIAL DEAL**

Placing Agents

(in alphabetical order)



Independent Financial Adviser



THE NEW SCHEMES

Reference is made to the RSA Announcement. The Company intends to propose the New Schemes to holders of the Old Notes and the holder of the Convertible Note. If each of the New Schemes are sanctioned by the relevant court and become effective, on the Restructuring Effective Date, the Company will pay the restructuring consideration (the “**Restructuring Consideration**”) to the participating Scheme Creditors, consisting of the following:

- (i) US\$60 per US\$1,000 (or the HK\$ equivalent) of the Scheme Creditor Claim held by each Scheme Creditor at the Record Time, payable in cash;
- (ii) in the case of a Scheme Creditor that is a holder of the Old Notes, shares in Creditor SPV issued pro rata by reference to the Scheme Creditor Claim that each such Scheme Creditor held at the Record Time as a proportion to the Scheme Creditor Claim of such Scheme Creditors; and
- (iii) on the Restructuring Effective Date, the Company will cause TM Home to issue a number of new shares of TM Home to Creditor SPV and the CB Shareholder, pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes and the holder of the Convertible Note, respectively, at the Record Time, such that after such issuance, an aggregate 65% equity interest in the share capital of TM Home will be held collectively by Creditor SPV, the CB Shareholder and the TM Home Minority Shareholder. Following such issuance, Creditor SPV will hold approximately 54.207%, and the CB Shareholder and the TM Home Minority Shareholder will collectively hold approximately 10.793%, respectively, of the shares of TM Home. The remaining 35% of the shares of TM Home will be held by the Company and its affiliates, of which 15% will be transferred to a special purpose vehicle held by the members of senior management of TM Home appointed by the Company.

As stated in the RSA Announcement, the Company intends to propose the New Schemes to holders of the Old Notes and the holder of the Convertible Note and fund the cash consideration under the restructuring plan with external financing, including, but not limited to, raising approximately HK\$480 million by way of a potential rights issue which is expected to be underwritten by Mr. Zhou Xin.

PROPOSED RIGHTS ISSUE

In order to fund the cash consideration under the restructuring plan, the Company proposes to issue 2,098,871,436 Rights Shares by way of the Rights Issue, on the basis of twelve (12) Rights Shares for every ten (10) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.23 per Rights Share to raise approximately HK\$483 million before expenses (assuming no new issue or repurchase of Shares on or before the Record Date). The Rights Issue will not be extended to the Non-Qualifying Shareholders. Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained.

The estimated net proceeds from the Rights Issue, after deducting all necessary expenses, will be approximately HK\$465 million (assuming no new issue or repurchase of Shares on or before the Record Date). The Group intends to apply the net proceeds for supporting the New Schemes as detailed in the RSA Announcement.

The Irrevocable Undertaking

Mr. Zhou Xin is interested in an aggregate of 398,613,499 Shares (representing approximately 22.8% of the entire issued share capital of the Company as at the date of this announcement), of which 228,920,000 Shares are held by CRE Corp, 146,918,440 Shares are held by E-House (China) Holdings, 20,000,000 Shares are held by On Chance and 2,775,059 Shares are held by Regal Ace, respectively. CRE Corp is a wholly-owned subsidiary of E-House (China) Holdings, itself a wholly-owned subsidiary of E-House Holdings. E-House Holdings is held as to 33.13% by On Chance, 14.65% by Jun Heng, and 52.22% by Mr. Zhou Xin. Jun Heng is wholly owned by On Chance, which is in turn wholly owned by Mr. Zhou Xin. Regal Ace is wholly owned by Mr. Zhou Xin. The 228,920,000 Shares held by CRE Corp were pledged in favour of Shanghai Pudong Development Bank Co., Ltd. (“**SPD Bank**”) as security for a term loan facility granted by SPD Bank to E-House (China) Holdings. Please refer to the announcement of the Company dated 6 September 2018 for further details.

Pursuant to the Irrevocable Undertaking, Mr. Zhou Xin has undertaken to the Company that (i) he will procure the subscriptions for 478,336,198 Rights Shares which comprise the full amount of provisional entitlements in respect of the aggregate of 398,613,499 Shares beneficially held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace; (ii) he will procure each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace not to dispose of, or agree to dispose of, any of the 228,920,000 Shares, 146,918,440 Shares, 20,000,000 Shares and 2,775,059 Shares currently held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, and such Shares will remain held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, and will remain indirectly and beneficially owned by Mr. Zhou Xin up to and including the Record Date; and (iii) he will procure each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace lodge the Application Form in respect of the subscription of the 274,704,000 Rights Shares, 176,302,128 Rights Shares, 24,000,000 Rights Shares and 3,330,070 Rights Shares, respectively, which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, under the Rights Issue, with the Registrar.

The Compensatory Arrangements and the Placing Agreements

The Company will make arrangements to dispose of the Unsubscribed Rights Shares, comprising the Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares, by offering the Unsubscribed Rights Shares to independent placees who are not Shareholders for the benefit of the relevant No Action Shareholders and the Non-Qualifying Shareholders to whom they were offered under the Rights Issue. After the trading hours of the Stock Exchange on 19 June 2023, the Company entered into the CICC Placing Agreement and the CRIC Securities Placing Agreement with CICC and CRIC Securities, respectively. Pursuant to each of the Placing Agreements, each of the Placing Agents has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price. The final price determination will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares at the time of placement.

The Underwriting Agreement

After the trading hours of the Stock Exchange on 19 June 2023, the Company entered into the Underwriting Agreement with Mr. Zhou Xin in respect of the Rights Issue, pursuant to which Mr. Zhou Xin has agreed to subscribe for the Untaken Rights Shares, being all the Unsubscribed Rights Shares that are not placed by the Placing Agents or they have been placed but the places have not paid therefor at 4:00 p.m. on the Placing Completion Date, pursuant to the terms and subject to the conditions set out in the Underwriting Agreement.

LISTING RULES IMPLICATIONS

The Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%. In accordance with Rule 7.19A and Rule 7.27A of the Listing Rules, the Rights Issue is conditional on approval by the Independent Shareholders (comprising both the Qualifying Shareholders and the Non-Qualifying Shareholders) at the EGM at which the controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue at the EGM. As such, the Directors (excluding independent non-executive Directors) and their associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder at the EGM. As at the date of this announcement, none of the Directors (other than Mr. Zhou Xin) or their associates hold any Shares.

The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 11%, based on the theoretical diluted price of HK\$0.26 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$0.29 per Share.

Mr. Zhou Xin, the Underwriter, is a substantial shareholder, an executive Director and the chairman of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Zhou Xin together with CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, companies that are controlled by Mr. Zhou Xin and interested in the Shares, shall also abstain from voting in favour of the resolution(s) in relation to the Underwriting Agreement at the EGM.

Mr. Zhou Xin (a substantial shareholder, an executive Director and the chairman of the Company) is the Underwriter, and as such, may have conflict of interests in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and/or the Whitewash Waiver. He has abstained from voting at the meeting of the Board convened to consider such matters. In addition, Ms. Jiang Shanshan, a non-executive Director, is currently serving as the investment director at Alibaba Holding and may have conflict of interests in respect of the Special Deal. Ms. Jiang has abstained from voting at the meeting of the Board convened to consider such matter.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER AND SPECIAL DEAL

As at the date of this announcement, Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) are interested in an aggregate of 398,613,499 Shares, representing approximately 22.8% of the issued share capital of the Company. Mr. Zhou Xin has provided the Irrevocable Undertaking to procure the taking up and payment by each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, an aggregate of 478,336,198 Rights Shares to be provisionally allotted to them respectively under the Rights Issue. Assuming no Rights Shares are taken up by the Qualifying Shareholders (other than those to be taken up by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) and no Unsubscribed Rights Shares are successfully placed under the Compensatory Arrangements, Mr. Zhou Xin, as the Underwriter, will be required to take up a maximum of 1,620,535,237 Rights Shares. In such circumstances and upon completion of the Rights Issue, assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares, Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) will, in aggregate, be interested in 2,497,484,934 Shares, representing approximately 64.90% of the issued share capital of the Company as enlarged by the issue of the Rights Shares. Accordingly, Mr. Zhou Xin would be required to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by him and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace), unless the Whitewash Waiver is granted.

An application will be made by Mr. Zhou Xin to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval by at least 75% of the independent votes that are casted by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder. Mr. Zhou Xin, his associates and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace), Taobao China and its associates (including the CB Holder) and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder, and/or the Whitewash Waiver shall abstain from voting on the relevant resolution(s) at the EGM.

As of the date of this announcement, Taobao China is interested in 145,588,000 Shares (representing approximately 8.32% of the issued share capital of the Company as at the date of this announcement) and the Company owes debt obligations to the CB Holder (being an associate of Taobao China) in respect of the Convertible Note. Based on the information available to the Company as at the date of this announcement, save as disclosed above, the Company is not aware that there is any other Scheme Creditor being a Shareholder. The Company will provide updates on this matter in the Circular. Under the Takeovers Code, (i) the use of proceeds from the Rights Issue to pay the Restructuring Consideration to the CB Holder (being an associate of Taobao China and a Scheme Creditor) and other Scheme Creditors who may also be Shareholders and (ii) on the Restructuring Effective Date, the issuance of new shares of TM Home to Creditor SPV (which will be owned by the Scheme Creditors who are holding the Old Notes and may also be Shareholders) and the CB Shareholder (being an associate of Taobao China), pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes and the holder of the Convertible Note, respectively, at the Record Time would constitute a favorable condition not extended to all Shareholders and therefore a special deal under Rule 25 of the Takeovers Code and require the consent of the Executive. The Executive's consent, if granted, will be conditional upon (i) the Independent Financial Adviser to the Takeovers Code IBC publicly giving an opinion that the terms of the Special Deal are fair and reasonable; and (ii) the approval of the Independent Shareholders of the Special Deal at a shareholders' meeting by way of poll. The Company will seek the Executive's consent to the Special Deal under Note 5 to Rule 25 of the Takeovers Code.

The Rights Issue is conditional on, among other things, the granting of the Whitewash Waiver by the Executive, the granting of the Executive's consent to the Special Deal and the approval by the Independent Shareholders at the EGM in respect of the Rights Issue, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder, and the Whitewash Waiver as mentioned above. If the Whitewash Waiver or the Executive's consent to the Special Deal is not granted and/or approvals by the Independent Shareholders are not obtained, or if any other conditions precedent under the Underwriting Agreement is not fulfilled, the Rights Issue will not proceed.

THE LISTING RULES IBC, THE TAKEOVERS CODE IBC AND THE INDEPENDENT FINANCIAL ADVISER

The Listing Rules IBC, comprising all the independent non-executive Directors, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, has been established in accordance with the Listing Rules to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor.

The Takeovers Code IBC, comprising Mr. Yang Yong, Mr. Song Jiajun, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, being all the non-executive Directors (save for Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding and may have conflict of interests in respect of the Special Deal) and independent non-executive Directors, has been established in accordance with Rule 2.8 of the Takeovers Code to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, the Special Deal and the Whitewash Waiver, and as to the voting action therefor.

Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise (i) the Listing Rules IBC and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively; and (ii) the Takeovers Code IBC and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, the Special Deal and the Whitewash Waiver, and as to the voting action therefor. The appointment of the Independent Financial Adviser has been approved by the Takeovers Code IBC pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The Circular containing, among other things, (i) further details of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver; (ii) a letter of recommendations from the Listing Rules IBC in respect of the Rights Issue, the Placing Agreements and the Underwriting Agreement; (iii) a letter of recommendations from the Takeovers Code IBC in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in regard to the aforesaid; (v) other information required under the Listing Rules and the Takeovers Code; and (vi) a notice convening the EGM, should be despatched to the Shareholders (including the Non-Qualifying Shareholders) within 15 Business Days from the date of this announcement pursuant to Rule 14A.68(11) of the Listing Rules and 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier. Having taken into account the estimated time required for the Company to compile the information required for the Circular, the Company plans to despatch the Circular on or before Friday, 4 August 2023, which is beyond the aforesaid deadline. An application will be made by the Company to seek the consent from the Stock Exchange and the Executive for the extension of the deadline for the despatch of the Circular. Further announcement(s) will be made in this regard, as and when necessary, in compliance with the Takeovers Code and the Listing Rules.

Subject to, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder, and the Whitewash Waiver having been approved by the Independent Shareholders at the EGM, the Prospectus Documents or the Prospectus, whichever is appropriate, will be despatched to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

THE NEW SCHEMES

Reference is made to the RSA Announcement. The Company intends to propose the New Schemes to holders of the Old Notes and the holder of the Convertible Note. If each of the New Schemes are sanctioned by the relevant court and become effective, on the Restructuring Effective Date, the Company will pay the Restructuring Consideration to the participating Scheme Creditors, consisting of the following:

- (i) US\$60 per US\$1,000 (or the HK\$ equivalent) of the Scheme Creditor Claim held by each Scheme Creditor at the Record Time, payable in cash;
- (ii) in the case of a Scheme Creditor that is a holder of the Old Notes, shares in Creditor SPV issued pro rata by reference to the Scheme Creditor Claim that each such Scheme Creditor held at the Record Time as a proportion to the Scheme Creditor Claim of such Scheme Creditors; and
- (iii) on the Restructuring Effective Date, the Company will cause TM Home to issue a number of new shares of TM Home to Creditor SPV and the CB Shareholder, pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes and the holder of the Convertible Note, respectively, at the Record Time, such that after such issuance, an aggregate 65% equity interest in the share capital of TM Home will be held collectively by Creditor SPV, the CB Shareholder and the TM Home Minority Shareholder. Following such issuance, Creditor SPV will hold approximately 54.207%, and the CB Shareholder and the TM Home Minority Shareholder will collectively hold approximately 10.793%, respectively, of the shares of TM Home. The remaining 35% of the shares of TM Home will be held by the Company and its affiliates, of which 15% will be transferred to a special purpose vehicle held by the members of senior management of TM Home appointed by the Company.

As stated in the RSA Announcement, the Company intends to propose the New Schemes to holders of the Old Notes and the holder of the Convertible Note and fund the cash consideration under the restructuring plan with external financing, including, but not limited to, raising approximately HK\$480 million by way of a potential rights issue which is expected to be underwritten by Mr. Zhou Xin.

PROPOSED RIGHTS ISSUE

In order to fund the cash consideration under the restructuring plan, the Company proposes to implement the Rights Issue on the basis of twelve (12) Rights Shares for every ten (10) Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$0.23 per Rights Share, to raise gross proceeds of approximately HK\$483 million before expenses by issuing 2,098,871,436 Rights Shares. The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$465 million. The principal terms of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue	:	Twelve (12) Rights Shares for every ten (10) Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.23 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	Approximately HK\$0.23 per Rights Share
Number of Shares in issue as at the date of this announcement	:	1,749,059,530 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	2,098,871,436 Rights Shares (assuming no new issue or repurchase of Shares on or before the Record Date)
Gross proceeds from the Rights Issue (before expenses)	:	Approximately HK\$483 million (assuming no new issue or repurchase of Shares on or before the Record Date)
Net proceeds from the Rights Issue	:	Approximately HK\$465 million (assuming no new issue or repurchase of Shares on or before the Record Date)

On 31 July 2020, the Company entered into a subscription agreement with the CB Holder, pursuant to which the CB Holder conditionally agreed to subscribe for the Convertible Note. The Convertible Note matures on the third anniversary of the date of issue, carries an interest rate of 2% per annum, and is convertible into 99,508,197 Shares at the initial conversion price of HK\$10.37, subject to customary adjustments. In addition, the Company adopted the Pre-IPO Share Option Scheme on 20 April 2018 and the overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Pre-IPO Share Option Scheme at any time shall not exceed 91,568,000 Shares. As at the date of this announcement, options to subscribe for an aggregate of 76,065,600 Shares were outstanding, representing approximately 4.3% of the issued share capital of the Company (assuming no Shares are issued pursuant to the Convertible Note). Details of the Pre-IPO Share Option Scheme are set out in the Company's 2022 annual report.

Assuming there is no new issue or repurchase of Shares (whether pursuant to the Convertible Note, the Pre-IPO Share Option Scheme or otherwise) on or before the Record Date, the 2,098,871,436 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 119% of the total number of existing issued Shares and (ii) 54.6% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

The Subscription Price

The Subscription Price of HK\$0.23 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 20.69% to the closing price of HK\$0.29 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20.14% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.29 per Share;
- (iii) a discount of approximately 24.84% to the average closing prices of the Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.31 per Share; and
- (iv) a discount of approximately 10.56% to the theoretical ex-rights price based on the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.26 per Share.

As at 31 December 2022, the Group recorded a net liabilities position of approximately RMB(5,027,872,000). The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 11%, based on the theoretical diluted price of HK\$0.26 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$0.29 per Share.

The Subscription Price was determined by the Company with reference to, among other things, (i) the recent market prices of the Shares under the prevailing market conditions; and (ii) the financial condition and the funding needs of the Group. After taking into account the terms of the Rights Issue and the reasons for the Rights Issue as disclosed in the section headed “Reasons for and benefits of the Rights Issue and the use of proceeds” in this announcement, the Directors (other than the members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after reviewing and considering the advice from the Independent Financial Adviser) consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Qualifying Shareholders

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 17 August 2023.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date.

Closure of register of members

The register of members of the Company will be closed from Friday, 18 August 2023 to Thursday, 24 August 2023 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

Basis of provisional allotments

The basis of the provisional allotments shall be twelve (12) Rights Shares (in nil-paid form) for every ten (10) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 13.36 of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice to be provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

The Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Arrangements for the NQS Rights Shares

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. If the proceeds from each such sale, less expenses, are more than HK\$100, the excess will be paid on pro-rata basis to the relevant Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred. Any unsold entitlements of Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the Places under the Placing.

Share certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Monday, 9 October 2023 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Tuesday, 10 October 2023 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

Fractional entitlement to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares shall be issued to the Non-Qualifying Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company for its own benefit.

The Irrevocable Undertaking

Mr. Zhou Xin is interested in an aggregate of 398,613,499 Shares (representing approximately 22.8% of the entire issued share capital of the Company as at the date of this announcement), of which 228,920,000 Shares are held by CRE Corp, 146,918,440 Shares are held by E-House (China) Holdings, 20,000,000 Shares are held by On Chance and 2,775,059 Shares are held by Regal Ace, respectively. CRE Corp is a wholly-owned subsidiary of E-House (China) Holdings, itself a wholly-owned subsidiary of E-House Holdings. E-House Holdings is held as to 33.13% by On Chance, 14.65% by Jun Heng, and 52.22% by Mr. Zhou Xin. Jun Heng is wholly owned by On Chance, which is in turn wholly owned by Mr. Zhou Xin. Regal Ace is wholly owned by Mr. Zhou Xin. The 228,920,000 Shares held by CRE Corp were pledged in favour of SPD Bank as security for a term loan facility granted by SPD Bank to E-House (China) Holdings.

Pursuant to the Irrevocable Undertaking, Mr. Zhou Xin has undertaken to the Company that (i) he will procure the subscriptions for 478,336,198 Rights Shares which comprise the full amount of provisional entitlements in respect of the aggregate of 398,613,499 Shares beneficially held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace; (ii) he will procure each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace not to dispose of, or agree to dispose of, any of the 228,920,000 Shares, 146,918,440 Shares, 20,000,000 Shares and 2,775,059 Shares currently held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, and such Shares will remain held by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, and will remain indirectly and beneficially owned by Mr. Zhou Xin up to and including the Record Date; and (iii) he will procure each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace lodge the Application Form in respect of the subscription of the 274,704,000 Rights Shares, 176,302,128 Rights Shares, 24,000,000 Rights Shares and 3,330,070 Rights Shares, respectively, which will be the number of Rights Shares provisionally allotted (on nil-paid basis) to each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, respectively, under the Rights Issue, with the Registrar.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. Other than on the Stock Exchange, no part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms with their board lot size being the same (i.e. 300) as their underlying Shares on the Stock Exchange, or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to the payment of stamp duty, the Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Mr. Zhou Xin, the Underwriter, is a substantial shareholder, executive Director and chairman of the Company interested indirectly through CRE Corp, E-House (China) Holdings, On Chance and Regal Ace in an aggregate of 398,613,499 Shares, representing approximately 22.8% of the entire issued share capital of the Company as at the date of this announcement. Pursuant to Rule 7.21(2) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent places for the benefit of the relevant No Action Shareholders to whom they were offered under the Rights Issue. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

The Company appointed the Placing Agents to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to independent places on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agents (including any other related costs and expenses), that are realised from the Placing (the “**Net Gain**”) will be paid to those No Action Shareholders in the manner set out below. The Placing Agents will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 26 September 2023, acquirers who are not Shareholders for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the No Action Shareholders as set out below:

- (i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL; and
- (ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

THE PLACING AGREEMENTS

On 19 June 2023 (after trading hours of the Stock Exchange), the Company entered into the CICC Placing Agreement and the CRIC Securities Placing Agreement with CICC and CRIC Securities, respectively. Pursuant to each of the Placing Agreements, each of the Placing Agents has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreements are as follows:

Date : 19 June 2023 (after trading hours of the Stock Exchange)

Placing Agents : CICC has been appointed as the placing agent to place, or procure the placing of, a maximum of 1,620,535,237 Unsubscribed Rights Shares other than those actually placed by CRIC Securities, on a best effort basis, to the Placee(s). CICC, to the best of the Directors' knowledge, is an Independent Third Party.

CRIC Securities has been appointed as the placing agent to place, or procure the placing of, up to 40% of the Unsubscribed Rights Shares, on a best effort basis, to the Placee(s). As at the date of this announcement, CRIC Securities is a wholly-owned subsidiary of CRIC Capital Service, which is owned as to 52.01%, 34.99%, 8% and 5% by Mr. Zhou Xin (being a substantial shareholder, executive Director and chairman of the Company as at the date of this announcement) indirectly through E-House (China) Holdings, the Company through its wholly-owned subsidiary and two Independent Third Parties, respectively. Therefore, CRIC Securities is an associate of Mr. Zhou Xin and a connected person of the Company. The transactions with CRIC Securities contemplated under the Placing Agreements constitute de minimis transactions and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

- Placing commission payable to the Placing Agents and expenses : (i) Placing commission payable to CICC: the amount equal to 0.6% of the gross proceeds from the successful issuance of the Rights Shares.
- (ii) Placing commission payable to CRIC Securities: the amount equal to 0.2% of the gross proceeds from the successful issuance of the Rights Shares. In addition, the Company may, taking into account CRIC Securities' performance in relation to the Placing, at its discretion pay an incentive fee of up to 0.4% of the gross proceeds from the successful issuance of the Rights Shares.
- (iii) Out-of-pocket expenses properly and reasonably incurred by the Placing Agents in relation to the Placing, which shall be reimbursed separately by the Company.
- Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price (exclusive of any brokerage, AFRC transaction levy, SFC transaction levy and the Stock Exchange trading fee as may be payable).
- The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares shall only be offered by the Placing Agents to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) and not acting in concert with Mr. Zhou Xin and his concert parties (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) and/or any of the Company's connected persons.
- Ranking of Unsubscribed Rights Shares : The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.

- Placing conditions : The Placing under each of the Placing Agreements is subject to and conditional upon:
- (i) the passing by the Independent Shareholders at the EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deal and the transactions contemplated thereunder; and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code, respectively;
 - (ii) the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Rights Shares (in their nil paid and fully paid forms) on the Stock Exchange;
 - (iii) all necessary consents and approvals to be obtained on the part of the Placing Agents and the Company in respect of the Placing Agreements and the transactions contemplated thereunder having been obtained;
 - (iv) the Placing Agreements not having been terminated in accordance with the termination clause contained therein;
 - (v) the Underwriting Agreement having become unconditional;
 - (vi) the delivery to the Stock Exchange and filing and registration of all documents in relation to the Rights Issue as required by law to be filed by and registered with the Hong Kong Companies Registry; and
 - (vii) the posting of copies of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus (stamped “For Information Only”) to the Non-Qualifying Shareholders for information purpose only.

In addition to the above, the Placing under the CICC Placing Agreement is subject to and conditional upon:

- (i) the representations and warranties made by the Company pursuant to the CICC Placing Agreement being true and accurate and not misleading as of the date of the CICC Placing Agreement and the date of the completion of the Placing;
- (ii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions to be complied with or satisfied under the CICC Placing Agreement on or before the date of the completion of the Placing; and
- (iii) CICC having received on the date of the completion of the Placing: (a) the final draft or substantially complete draft of the filing report in relation to the Rights Issue and the Placing and any transactions contemplated by the CICC Placing Agreement and any relevant supporting materials (including, but not limited to, the PRC legal opinion to be issued by the counsel for the Company on the PRC laws, where applicable) to the CSRC, such drafts to be in form and substance reasonably satisfactory to CICC; (b) a legal opinion from the Company's Cayman legal advisor relating to the matters as CICC shall reasonably request, such opinion to be in form and substance reasonably satisfactory to CICC; and (c) a legal opinion from the Company's Hong Kong legal advisor in form and substance reasonably satisfactory to CICC.

Completion date of the Placing : The day on which the Rights Shares (in fully-paid form) having been duly issued and allotted to the Qualifying Shareholders on the terms as set out in the Prospectus Documents.

The terms of the Placing Agreements (including the placing commission payable to the Placing Agents as described above) were determined after arm's length negotiation between the Placing Agents and the Company with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Directors (other than members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after reviewing and considering the advice from the Independent Financial Adviser) consider that the terms of the Placing Agreements are fair and reasonable.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the No Action Shareholders, the Directors (other than members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after reviewing and considering the advice from the Independent Financial Adviser) consider that the Compensatory Arrangements are in the interest of the minority Shareholders.

THE UNDERWRITING AGREEMENT

The Rights Shares (other than those agreed to be taken up by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) will be fully underwritten by Mr. Zhou Xin in accordance with the terms of the Underwriting Agreement. The principal terms and conditions of the Underwriting Agreement are set out below:

- Date : 19 June 2023 (after trading hours of the Stock Exchange)
- Underwriter : Mr. Zhou Xin is a substantial shareholder, executive Director and chairman of the Company as at the date of this announcement. Mr. Zhou Xin has a right to designate a company wholly-owned by him to subscribe for the Untaken Rights Shares. It is not in the ordinary course of business of Mr. Zhou Xin to underwrite securities.
- Number of Rights Shares to be underwritten by the Underwriter : 1,620,535,237 Rights Shares (assuming no new Shares will be issued or repurchased on or before the Record Date)
- Underwriting Commission : Nil

Subject to the fulfilment of the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms of the Underwriting Agreement, Mr. Zhou Xin has agreed to subscribe or designate a company wholly-owned by him to subscribe for the Untaken Rights Shares (being any Unsubscribed Rights Shares that are not placed by the Placing Agents under the Placing Agreements).

The terms of the Underwriting Agreement were determined after arm's length negotiations between the Company and Mr. Zhou Xin with reference to the financial position of the Group, the size of the Rights Issue, the current and expected market conditions, taking into consideration the intention of the Underwriter to facilitate the Company's fundraising efforts for its restructuring scheme. In cases where the underwriter was a substantial/controlling shareholder, the Company noted that it appears to be a common practice that no underwriting commission would be charged. The Directors (other than members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after reviewing and considering the advice from the Independent Financial Adviser) are of the view that the terms of the Underwriting Agreement are fair and reasonable, and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on the fulfilment of the following conditions:

- (i) the passing by the Independent Shareholders at the EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deal and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the EGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (ii) the passing by the Shareholders at the general meeting of the Company of ordinary resolutions to approve all transactions in relation to the New Schemes that require shareholders' approval in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares by no later than the first day of their dealings;
- (iv) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, not later than the Prospectus Posting Date;
- (v) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;

- (vi) the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (vii) the compliance with and performance of all the undertakings and obligations of the Underwriter under the Irrevocable Undertaking; and
- (viii) the Executive granting consent under Rule 25 of the Takeovers Code in respect of Special Deal.

None of the above conditions precedent is capable of being waived.

If any of the conditions precedent are not satisfied by the Latest Time for Termination, the Underwriting Agreement shall terminate and no party will have any claim against any other party (save for any antecedent breaches and claims thereof).

Termination of the Underwriting Agreement

The Underwriter shall be entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement if, prior to the Latest Time for Termination:

1. in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
2. any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
3. any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which in the reasonable opinion of the Underwriter will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or

4. any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
5. any matter which, had it arisen or been discovered immediately before the date of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, an omission which is material in the context of the Rights Issue; or
6. any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue.

If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, all obligations of all parties under the Underwriting Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any fundraising exercise involving issue of equity securities during the 12 months immediately preceding the date of this announcement.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

Reference is made to the RSA Announcement. As stated in the RSA Announcement, the Company intends to propose the New Schemes to holders of the Old Notes and the holder of the Convertible Note. If each of the New Schemes are sanctioned by the relevant court and become effective, on the Restructuring Effective Date, the Company will pay the Restructuring Consideration to the participating Scheme Creditors, consisting US\$60 per US\$1,000 (or the HK\$ equivalent) of the Scheme Creditor Claim held by each Scheme Creditor at the Record Time, payable in cash. The Company intends to fund the cash consideration under the restructuring plan of the New Schemes with all of the net proceeds from the Rights Issue.

The Board has considered other fund-raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. The Board considered and noted that, in terms of bank borrowings, since borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders, the Directors are of the view that it will further burden the Company's financial situation and would not be beneficial to the Shareholders as a whole. In addition, the 2022 Note limits the ability of the Company to incur additional indebtedness, and hence it is not practical for the Company to opt for bank borrowings as a fund-raising alternative. On the other hand, the Rights Issue offers existing Shareholders to equally participate to avoid dilution of their shareholdings and to freely trade the rights entitlements. The Board considers (other than members of the Listing Rules IBC and the Takeovers Code IBC whose opinion will be set forth in the Circular after reviewing and considering the advice from the Independent Financial Adviser) that the Rights Issue is the most suitable channel for the Company to raise funds to implement the New Schemes and is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE UNDERWRITER

The Rights Issue will be underwritten by Mr. Zhou Xin, a substantial shareholder, executive Director and chairman of the Company. In the event that Mr. Zhou Xin becomes the controlling shareholder of the Company as a result of the taking up of the Unsubscribed Rights Shares under the Underwriting Agreement, it is the intention of Mr. Zhou Xin to continue the existing businesses of the Group. Mr. Zhou Xin has no intention to introduce any major changes to the businesses of the Group or terminate the continued employment of the employees of the Group.

Mr. Zhou Xin, aged 55, is a founder of our business, an executive Director, chairman of the nomination committee, and chairman of the Group. He is primarily responsible for formulating the overall development strategies and business plans of the Group. Mr. Zhou Xin received his bachelor's degree in mechanical design and manufacturing from the Shanghai University (上海大學) in 1990. Mr. Zhou Xin has over 23 years of experience in China's real estate industry. He served as deputy general manager of Shanghai Jinfeng Investments Co., Ltd. (上海金豐投資股份有限公司), a company listed on the Shanghai Stock Exchange with stock code 600606. He has held many roles in E-House (China) Holdings, formerly listed on NYSE with stock code EJ, including as vice chairman and president of E-House Management since 2003, its chairman since 2005 and chief executive officer from 2003 to 2009 and again since 2012. Between 2009 and 2012, Mr. Zhou Xin was the co-chairman and chief executive officer of CRE Corp during the time it was listed on NYSE until it was privatized by E-House (China) Holdings. He has also served as executive chairman of Leju since its inception. Mr. Zhou Xin has also been the director of PRC Holdco since July 2006.

Mr. Zhou has been a director of Leju since its listing in April 2014. Leju is a company listed on NYSE with stock code LEJU and has become a subsidiary of the Company in November 2020. Mr. Zhou was a director of E-House (China) Holdings, a company listed on NYSE with stock code EJ, from its listing in August 2007 to August 2016 when it was delisted.

Mr. Zhou was named the "Person of the Year of Chinese Economy" jointly by SINA Corporation and People's Daily in 2016, received the "China Business Leader Award" from the Eighth China Business Leader Forum in 2016, received the "Outstanding Entrepreneur Award" from Enterprise Asia in 2010, and was awarded the "Special Contribution Award in China's Real Estate Services Industry" in 2005.

Mr. Zhou currently serves as vice-chairman of China Real Estate Association, director of The Nature Conservancy China, vice-chairman of China Real Estate Developers and Investors Associations, and chairman of Real Estate Service Committee of China Real Estate Association. He is also chairman of Shanghai Real Estate Broker Industry Association, and rotating chairman of Shanghai Entrepreneur Association.

Mr. Zhou is also a director of certain of our substantial Shareholders and their subsidiaries and associates, as detailed in the section headed "Relationship with our Controlling Shareholders" in the Company's prospectus in relation to its initial public offering and listing of its Shares on the Main Board of the Stock Exchange dated 10 July 2018.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) following completion of the Rights Issue in different scenarios, in each case assuming no new issue or repurchase of Shares up to completion of the Rights Issue save for the Rights Shares. The scenarios assume:

- (a) full acceptance of the Rights shares by all Qualifying Shareholders;
- (b) nil acceptance of the Rights Shares by the Qualifying Shareholders (other than Mr. Zhou Xin and CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) and 100% of the Unsubscribed Rights Shares are fully placed to the Placees under the Compensatory Arrangements; and
- (c) nil acceptance of the Rights Shares by the Qualifying Shareholders (other than CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) and 100% of the Untaken Rights Shares are taken up by the Underwriter.

	(i) As at the date of this announcement		(a) Full acceptance of the Rights Shares by all Qualifying Shareholders		(b) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) and all of the Unsubscribed Rights Shares are placed to the Placees under the Compensatory Arrangements		(c) Nil acceptance of the Rights Shares by the Qualifying Shareholders (other than CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking), none of the Unsubscribed Rights Shares are placed and all of the Untaken Rights Shares are taken up by Mr. Zhou Xin	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
CRE Corp (Note 1)	228,920,000	13.09	503,624,000	13.09	503,624,000	13.09	503,624,000	13.09
E-House (China) Holdings (Note 2)	146,918,440	8.40	323,220,568	8.40	323,220,568	8.40	323,220,568	8.40
On Chance (Note 3)	20,000,000	1.14	44,000,000	1.14	44,000,000	1.14	44,000,000	1.14
Regal Ace (Note 4)	2,775,059	0.16	6,105,129	0.16	6,105,129	0.16	6,105,129	0.16
Mr. Zhou Xin (Note 5)	398,613,499	22.79	876,949,697	22.79	876,949,697	22.79	2,497,484,934	64.90
							(Note 6)	
Mr. Zhou Xin and parties acting in concert or presumed acting in concert with him (Note 5)	398,613,499	22.79	876,949,697	22.79	876,949,697	22.79	2,497,484,934	64.90
Placees	-	0	-	0	1,620,535,237	42.11	-	0
Taobao China	145,588,000	8.32	320,293,600	8.32	145,588,000	3.78	145,588,000	3.78
Other public Shareholders	1,204,858,031	68.89	2,650,687,668	68.89	1,204,858,031	31.31	1,204,858,031	31.31
Total	1,749,059,530	100.00	3,847,930,965	100.00	3,847,930,965	100.00	3,847,930,965	100.00

Notes:

- (1) CRE Corp is a wholly-owned subsidiary of E-House (China) Holdings, itself a wholly-owned subsidiary of E-House Holdings. The 228,920,000 Shares held by CRE Corp were pledged in favour of SPD Bank as security for a term loan facility granted by SPD Bank to E-House (China) Holdings. Please refer to the announcement of the Company dated 6 September 2018 for further details.
- (2) E-House Holdings is held as to 33.13% by On Chance, 14.65% by Jun Heng, and 52.22% by Mr. Zhou. Jun Heng is wholly owned by On Chance, which is in turn wholly owned by Mr. Zhou.
- (3) On Chance is wholly owned by Mr. Zhou.
- (4) Regal Ace is wholly owned by Mr. Zhou.
- (5) In addition to the Shares set out above, Mr. Zhou Xin is also interested in 14,460,000 Shares to be issued upon exercise of options granted under the Pre-IPO Share Option Scheme (as defined in the prospectus issued by the Company dated 10 July 2018). As at the date of this announcement, the options exercisable into 14,460,000 Shares held by Mr. Zhou Xin remain outstanding. As at the date of this announcement, other than Mr. Zhou Xin, none of the Directors or their associates hold any Shares.
- (6) Pursuant to the Underwriting Agreement, Mr. Zhou Xin has a right to designate a company wholly-owned by him to subscribe for the Untaken Rights Shares. For illustration purposes, we assume that all of the Untaken Rights Shares will be taken up by Mr. Zhou Xin.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below.

Event	Time and date (Hong Kong time)
Expected despatch date of the Circular, proxy form and the notice of the EGM	Friday, 4 August 2023
Latest time for lodging transfer of Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Thursday, 17 August 2023
Closure of register of members of the Company (both days inclusive)	Friday, 18 August 2023 to Thursday, 24 August 2023
Latest time for lodging proxy forms for the EGM	10:00 a.m. on Tuesday, 22 August 2023
Record date for attendance and voting at the EGM	Thursday, 24 August 2023
Expected time and date of the EGM	10:00 a.m. on Thursday, 24 August 2023
Announcement of the poll results of the EGM	Thursday, 24 August 2023
Last day of dealings in the Shares on cum-rights basis relating to the Rights Issue <i>(Note 1)</i>	Friday, 25 August 2023

Event	Time and date (Hong Kong time)
First day of dealings in the Shares on ex-rights basis relating to the Rights Issue	Monday, 28 August 2023
Latest time for the Shareholders to lodge transfer of the Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 29 August 2023
Closure of register of members of the Company for the Rights Issue (both days inclusive)	Wednesday, 30 August 2023 to Tuesday, 5 September 2023
Record date for the Rights Issue	Tuesday, 5 September 2023
Despatch of the Prospectus Documents	Wednesday, 6 September 2023
First day of dealings in nil-paid Rights Shares	Friday, 8 September 2023
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 12 September 2023
Last day of dealings in nil-paid Rights Shares	Friday, 15 September 2023
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Wednesday, 20 September 2023
Latest time for acceptance of and payment for the Rights Shares	4:00 p.m. on Wednesday, 20 September 2023
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements	Friday, 22 September 2023
Commencement of placing of Unsubscribed Rights Shares by the Placing Agent	Monday, 25 September 2023
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	4:00 p.m. on Tuesday, 26 September 2023
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 26 September 2023
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share under the Compensatory Arrangements)	Monday, 9 October 2023
Despatch of share certificates for fully-paid Rights Shares and completion of Placing to take place	Tuesday, 10 October 2023

Event	Time and date (Hong Kong time)
Refund cheques, if any, to be despatched (if the Rights Issue is terminated)	Tuesday, 10 October 2023
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 11 October 2023
Payment of Net Gain to relevant No Action Shareholders and net proceeds from sale of nil-paid Rights Shares to the relevant Non-Qualifying Shareholders (if any)	Tuesday, 24 October 2023

Note:

- (1) Last day of dealings in the Shares on cum-rights basis relating to the Rights Issue is subject to the fulfilment of the conditions of the Underwriting Agreement. This is indicative only and may be varied.

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced by way of an announcement by the Company as and when appropriate.

LISTING RULES IMPLICATIONS

The Rights Issue, if proceeded with, will increase the issued share capital of the Company by more than 50%. In accordance with Rule 7.19A and Rule 7.27A of the Listing Rules, the Rights Issue is conditional on approval by the Independent Shareholders (comprising both the Qualifying Shareholders and the Non-Qualifying Shareholders) at the EGM at which the controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue. As such, the Directors (excluding the independent non-executive Directors) and their associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder at the EGM. As at the date of this announcement, none of the Directors (other than Mr. Zhou Xin) or their associates held any Shares.

The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 11%, based on the theoretical diluted price of HK\$0.26 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK\$0.29 per Share.

Mr. Zhou Xin, the Underwriter, is a substantial shareholder, an executive Director and the chairman of the Company and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Mr. Zhou Xin, CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, companies that are controlled by Mr. Zhou Xin and interested in the Shares, shall also abstain from voting in favour of the resolution(s) in relation to the Underwriting Agreement at the EGM.

Mr. Zhou Xin (a substantial shareholder, an executive Director and the chairman of the Company) is the Underwriter, and as such, may have conflict of interests in respect of the Rights Issue, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and/or the Whitewash Waiver. He has abstained from voting at the meeting of the Board convened to consider such matters. In addition, Ms. Jiang Shanshan, a non-executive Director, is currently serving as the investment director at Alibaba Holding and may have conflict of interests in respect of the Special Deal. Ms. Jiang has abstained from voting at the meeting of the Board convened to consider such matter.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER AND THE SPECIAL DEAL

As at the date of this announcement, Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) are interested in an aggregate of 398,613,499 Shares, representing approximately 22.8% of the issued share capital of the Company. Mr. Zhou Xin has provided the Irrevocable Undertaking to procure the taking up and payment by each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, an aggregate of 478,336,198 Rights Shares to be provisionally allotted to them respectively under the Rights Issue. Assuming no Rights Shares are taken up by the Qualifying Shareholders (other than those to be taken up by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace pursuant to the Irrevocable Undertaking) and no Unsubscribed Rights Shares are successfully placed under the Compensatory Arrangements, Mr. Zhou Xin, as the Underwriter, will be required to take up a maximum of 1,620,535,237 Rights Shares. In such circumstances and upon completion of the Rights Issue, assuming that there is no change in the issued share capital of the Company other than the allotment and issue of the Rights Shares, Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) will, in aggregate, be interested in 2,497,484,934 Shares, representing approximately 64.90% of the issued share capital of the Company as enlarged by the issue of the Rights Shares. Accordingly, Mr. Zhou Xin would be required to make a mandatory offer under Rule 26 of the Takeovers Code for all the Shares not already owned or agreed to be acquired by him and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace), unless the Whitewash Waiver is granted.

An application will be made by Mr. Zhou Xin to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, (i) the approval by at least 75% of the independent votes that are casted by the Independent Shareholders at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders at the EGM by way of poll in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder. Mr. Zhou Xin, his associates and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace), Taobao China and its associates (including the CB Holder) and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and/or the Whitewash Waiver shall abstain from voting on the relevant resolution(s) at the EGM.

As of the date of this announcement, Taobao China is interested in 145,588,000 Shares (representing approximately 8.32% of the issued share capital of the Company) and the Company owes debt obligations to the CB Holder (being an associate of Taobao China) in respect of the Convertible Note. Based on the information available to the Company as at the date of this announcement, save as disclosed above, the Company is not aware that there is any other Scheme Creditor being a Shareholder. The Company will provide updates on this matter in the Circular. Under the Takeovers Code, (i) the use of proceeds from the Rights Issue to pay the Restructuring Consideration to the CB Holder (being an associate of Taobao China and a Scheme Creditor) and other Scheme Creditors who may also be Shareholders and (ii) on the Restructuring Effective Date, the issuance of new shares of TM Home to Creditor SPV (which will be owned by the Scheme Creditors who are holding the Old Notes and may also be Shareholders) and the CB Shareholder (being an associate of Taobao China), pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes and the holder of the Convertible Note, respectively, at the Record Time would constitute a favorable condition not extended to all Shareholders and therefore a special deal under Rule 25 of the Takeovers Code and requires the consent of the Executive. The Executive's consent, if granted, will be conditional upon (i) the Independent Financial Adviser to the Takeovers Code IBC publicly giving an opinion that the terms of the Special Deal are fair and reasonable; and (ii) the approval of the Independent Shareholders of the Special Deal at a shareholders' meeting by way of poll. The Company will seek the consent of the Executive to the Special Deal under Note 5 to Rule 25 of the Takeovers Code.

The Rights Issue is conditional on, among other things, the granting of the Whitewash Waiver by the Executive, the Executive's consent to the Special Deal and the approval by the Independent Shareholders at the EGM in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver as mentioned above. If the Whitewash Waiver is not granted and/or approvals by the Independent Shareholders are not obtained, the Rights Issue will not proceed.

As at the date of this announcement, the Company does not believe that the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver or its consent to the Special Deal if the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver do not comply with other applicable rules and regulations.

DEALINGS OF THE SHARES BY MR. ZHOU XIN AND PARTIES ACTING IN CONCERT WITH HIM

As at the date of this announcement, Mr. Zhou Xin and any parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace):

- (i) do not own, control or have control or direction over any voting rights and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, save for the Shares and options as set out in the section headed “Effects on the Shareholding Structure of the Company” in this announcement;
- (ii) have not received any irrevocable commitment to vote for or against the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and/or the Whitewash Waiver;
- (iii) have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, other than the 228,920,000 Shares held by CRE Corp were pledged in favour of SPD Bank as security for a term loan facility granted by SPD Bank to E-House (China) Holdings;
- (iv) do not have any arrangements referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver and/or the Special Deal, with any other persons, save for the Underwriting Agreement and the Irrevocable Undertaking therein given by Mr. Zhou Xin in respect of the interests in the Shares held by each of CRE Corp, E-House (China) Holdings, On Chance and Regal Ace;
- (v) do not have any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue and/or the Underwriting Agreement and/or the Whitewash Waiver and/or the Special Deal, except that the Rights Issue and the Underwriting Agreement are conditional upon, among other things, obtaining of the Whitewash Waiver by Mr. Zhou Xin and the Executive’s consent to the Special Deal as set out in the sub-section headed “Conditions of the Rights Issue” under the section headed “The Underwriting Agreement” of this announcement; and
- (vi) have not entered into any derivative in respect of the relevant securities in the Company which are outstanding.

As at the date of this announcement,

- (i) apart from the underwriting commission payable by the Company to Mr. Zhou Xin pursuant to the terms of the Underwriting Agreement, the Company has not paid and will not pay any other consideration, compensation or benefit in whatever form to Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) in connection with the Rights Issue and the Underwriting Agreement;
- (ii) apart from the Underwriting Agreement and the Irrevocable Undertaking therein, there is no other understanding, arrangement or special deal between the Group on the one hand, and Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) on the other hand; and
- (iii) save for the Special Deal, there is no understanding, arrangement or agreement or special deal between (a) any Shareholder; and (b) Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace); or the Company, its subsidiaries or associated companies.

During the six-month period preceding the date of this announcement, neither Mr. Zhou Xin nor any parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) has dealt in any relevant securities of the Company.

EGM

The register of members of the Company will be closed from Friday, 18 August 2023 to Thursday, 24 August 2023 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

The EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver. Only the Independent Shareholders will be entitled to vote on the resolution(s) to approve the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver at the EGM.

In accordance with the Listing Rules and the Takeovers Code, Mr. Zhou Xin, his associates and any parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace), Taobao China and its associates (including the CB Holder) and Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and/or the Whitewash Waiver will be required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver at the EGM. Save as disclosed in this announcement, no other Shareholder is involved or interested in or has a material interest in the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver and, hence, is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver at the EGM.

THE LISTING RULES IBC, THE TAKEOVERS CODE IBC AND THE INDEPENDENT FINANCIAL ADVISER

The Listing Rules IBC, comprising all the independent non-executive Directors, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, has been established in accordance with the Listing Rules to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor.

The Takeovers Code IBC, comprising Mr. Yang Yong, Mr. Song Jiajun, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, being all the non-executive Directors (save for Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding and may have conflict of interests in respect of the Special Deal) and independent non-executive Directors, has been established in accordance with Rule 2.8 of the Takeovers Code to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, the Special Deal and the Whitewash Waiver, and as to the voting action therefor.

Maxa Capital Limited has been appointed as the Independent Financial Adviser to advise (i) the Listing Rules IBC and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively; and (ii) the Takeovers Code IBC and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, the Whitewash Waiver and the Special Deal, and as to the voting action therefor. The appointment of the Independent Financial Adviser has been approved by the Takeovers Code IBC pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The Circular containing, among other things, (i) further details of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver; (ii) a letter of recommendations from the Listing Rules IBC in respect of the Rights Issue, the Placing Agreements and the Underwriting Agreement; (iii) a letter of recommendations from the Takeovers Code IBC in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Listing Rules IBC, the Takeovers Code IBC and the Independent Shareholders in regard to the aforesaid; (v) other information required under the Listing Rules and the Takeovers Code; and (vi) a notice convening the EGM, should be despatched to the Shareholders (including the Non-Qualifying Shareholders) within 15 Business Days from the date of this announcement pursuant to Rule 14A.68(11) of the Listing Rules and 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier. Having taken into account the estimated time required for the Company to compile the information required for the Circular, the Company plans to despatch the Circular on or before Friday, 4 August 2023, which is beyond the aforesaid deadline. An application will be made by the Company to seek the consent from the Stock Exchange and the Executive for the extension of the deadline for the despatch of the Circular. Further announcement(s) will be made in this regard, as and when necessary, in compliance with the Takeovers Code and the Listing Rules.

Subject to, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and the Whitewash Waiver having been approved by the Independent Shareholders at the EGM, the Prospectus Documents or the Prospectus, whichever appropriate, will be despatched to the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders in due course. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 28 August 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 8 September 2023 to Tuesday, 12 September 2023. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Right Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2022 Notes”	means the US\$200,000,000 7.625% senior unsecured notes due 2022 issued by the Company (ISIN: XS2066636429, Common Code: 206663642) on 18 October 2019, and the additional US\$100,000,000 7.625% senior unsecured notes due 2022 issued by the Company on 14 August 2020, which have been consolidated with the US\$200,000,000 7.625% senior unsecured notes due 2022 issued on 18 October 2019
“2023 Notes”	means the US\$200,000,000 7.60% senior unsecured notes due 2023 issued by the Company (ISIN: XS2260179762, Common Code: 226017976) on 10 December 2020, and the additional US\$100,000,000 7.60% senior unsecured notes due 2023 issued by the Company on 11 June 2021, which have been consolidated with the US\$200,000,000 7.60% senior unsecured notes due 2023 issued on 10 December 2020
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“AFRC”	means the Accounting and Financial Reporting Council
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depository shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 9988)
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Cayman Scheme”	the scheme of arrangement proposed to be effected pursuant to section 86 of the Cayman Companies Law between the Company and the Scheme Creditors for the purpose of implementing the Restructuring, as contemplated under the Restructuring Support Agreement (CB) and the Term Sheet

“CB Holder”	Alibaba.com Hong Kong Limited, the Noteholder (as defined in the Note Instrument) of the Convertible Note, an associate of Taobao China and a company incorporated under the laws of Hong Kong with limited liability and indirectly wholly owned by Alibaba Holding
“CB Shareholder”	the CB Holder or, at the CB Holder’s election, any affiliate of the CB Holder
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chairman”	chairman of the Board
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 6 (advising on corporate finance) regulated activities under the SFO
“CICC Placing Agreement”	the placing agreement dated 19 June 2023 entered into between the Company and CICC in relation to the Placing
“Circular”	the circular to be despatched by the Company to the Shareholders relating to, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver
“Company”	E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司) (formerly known as Fangyou Information Technology Company Limited (房友信息技術有限公司)), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 22 February 2010 (stock code: 2048)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreements in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Note”	the HK\$1,031,900,000 2.0% convertible note due 4 November 2023 issued by the Company on 4 November 2020, to the CB Holder and guaranteed by certain subsidiaries of the Company which provided unconditional and irrevocable guarantees to secure the Company’s obligations under the Old Notes, as amended and supplemented from time to time

“CRE Corp”	China Real Estate Information Corporation (中國房產信息集團) (formerly known as CRIC Holdings Limited (CRIC 控股有限公司)), a company incorporated in the Cayman Islands with limited liability on 21 August 2008 and one of our substantial shareholders
“Creditor SPV”	a company to be set up by the Company for the purpose of holders of the Old Notes, all the shares of which, on the Restructuring Effective Date, will be allocated pro rata to the Scheme Creditors holding the Old Notes by reference to the Scheme Creditor Claim that each such Scheme Creditor held at the Record Time as a proportion to the Scheme Creditor Claim of such Scheme Creditors
“CRIC Capital Service”	CRIC Capital Service Holdings Limited (克而瑞資本服務控股有限公司), a company incorporated in the British Virgin Islands with limited liability, which is an associate of Mr. Zhou Xin and a connected person of the Company
“CRIC Securities”	CRIC Securities Company Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), and Type 9 (asset management) regulated activities under the SFO
“CRIC Securities Placing Agreement”	the placing agreement dated 19 June 2023 entered into between the Company and CRIC Securities in relation to the Placing
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“E-House (China) Holdings”	E-House (China) Holdings Limited (易居(中國)控股有限公司), a company incorporated in the Cayman Islands with limited liability on 27 August 2004 and one of our substantial shareholders
“E-House Holdings”	E-House Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 31 July 2015 and one of our substantial shareholders
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder, and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company, its subsidiaries and its consolidated affiliated entities held through contractual arrangements from time to time
“HKSCC”	Hong Kong Securities Clearing Company Limited

“HK Scheme”	the scheme of arrangement proposed to be effected pursuant to sections 673 and 674 of the Companies Ordinance between the Company and the Scheme Creditors for the purpose of implementing the Restructuring, as contemplated under the Restructuring Support Agreement (CB) and the Term Sheet
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Financial Adviser”	Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company, for the purpose of advising (i) the Listing Rules IBC and the Independent Shareholders in respect of the Rights Issue, the Placing Agreements and the Underwriting Agreement; and (ii) the Takeovers Code IBC and the Independent Shareholders in relation to the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the Whitewash Waiver, and as to the voting action therefor
“Independent Shareholder(s)”	the Shareholders other than Mr. Zhou Xin, its associates and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) and any Shareholders who are involved in, or interested in (other than by being a Shareholder), or have a material interest in the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal and the transactions contemplated thereunder and/or the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) who is not a connected person of the Company within the meaning ascribed to it under the Listing Rules
“Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Zhou Xin in favour of the Company under the Underwriting Agreement and described in the paragraph headed “The Irrevocable Undertaking” under the section headed “Proposed Rights Issue” in this announcement
“Jun Heng”	Jun Heng Investment Limited, a company incorporated in the British Virgin Islands on 13 June 2002 and is wholly owned by On Chance
“Last Trading Day”	19 June 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Latest Placing Time”	4:00 p.m. on Tuesday, 26 September 2023, or such later date and time as the Company and the Placing Agent may agree in writing, being the latest date and time for the Placing Agent to effect the Compensatory Arrangements

“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 20 September 2023, or such other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 26 September 2023, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Underwriting Agreement
“Leju”	Leju Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 20 November 2013 and listed on NYSE with stock symbol LEJU and is a subsidiary of the Company
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	the independent committee of the Board, comprising all the independent non-executive Directors, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, which has been established in accordance with the Listing Rules to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, and as to the voting action therefor
“Macau”	the Macao Special Administrative Region of the PRC
“Mr. Zhou Xin”	Mr. Zhou Xin, a substantial shareholder, executive Director and chairman of the Company
“New Schemes”	the Cayman Scheme and the HK Scheme
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Obligors”	collectively, the Issuer and the Subsidiary Guarantors; and “Obligor” means any one of them
“Old Notes”	the 2022 Notes and the 2023 Notes
“On Chance”	On Chance, Inc., a company incorporated in the British Virgin Islands on 21 January 2002 and is wholly owned by Mr. Zhou Xin
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Record Date is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders for the Rights Issue
“Placee(s)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall not be a Shareholder and shall be Independent Third Party(ies) and not acting in concert with Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) and/or the connected persons of the Company, procured by the Placing Agents and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreements
“Placing”	the placing of a maximum of 1,620,535,237 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreements
“Placing Agents”	collectively, CICC and CRIC Securities, being the placing agents appointed by the Company pursuant to the Placing Agreements, and “Placing Agent” means any of them
“Placing Agreements”	collectively, CICC Placing Agreement and CRIC Securities Placing Agreement, and “Placing Agreement” means any of them
“Placing Completion Date”	the third Business Day following the satisfaction of the placing conditions set out in the Placing Agreements or such other date as the Company and the Placing Agent may agree
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau and Taiwan
“Prospectus”	the prospectus to be despatched to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) in connection with the Rights Issue

“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Wednesday, 6 September 2023, or such other date as may be agreed in writing between the Company and the Underwriter, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Tuesday, 5 September 2023, or such other date as may be agreed in writing between the Company and the Underwriter, being the record date for determining the entitlements of the Shareholders to participate in the Rights Issue
“Record Time”	the time designated by the Company for the determination of the Scheme Creditor’s claim for the purposes of voting at (i) the meeting of the Scheme Creditors in relation to the Cayman Scheme as convened by order of the Cayman Court for the purpose of considering and, if thought fit, approving the Cayman Scheme, and any adjournment thereof and (ii) the meeting of the Scheme Creditors in relation to the HK Scheme as convened by order of the High Court of Hong Kong for the purpose of considering and, if thought fit, approving the HK Scheme, and any adjournment thereof
“Regal Ace”	Regal Ace Holdings Limited, a company incorporated in the British Virgin Islands on 10 July 2015 and is owned as to 51% by Mr. Zhou Xin
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Restructuring”	the restructuring of the indebtedness of the Obligors in respect of the Old Notes and the Convertible Note, to be conducted in the manner envisaged by, and on the terms set out in, the Term Sheet
“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
“Restructuring Support Agreement (CB)”	the restructuring support agreement, dated 2 April 2023, entered into by the Company, the CB Holder and D.F. King Ltd. in relation to the New Schemes

“Rights Issue”	the proposed issue of new Shares by way of rights on the basis of twelve (12) Rights Shares for every ten (10) Shares held at the close of business on the Record Date at the Subscription Price pursuant to the Prospectus Documents
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of China
“RSA Announcement”	the Company’s announcement dated 3 April 2023 in relation to the Company’s invitation for irrevocable restructuring support
“Scheme Creditors” or “Scheme Creditor”	the creditors of the Company whose claims against the Obligors are (or will be) the subject of the New Schemes
“Scheme Creditor Claim”	the sum of: (1) the outstanding principal amount of the Old Notes held by the Scheme Creditors at the Record Time; (2) all accrued and unpaid interest on the Old Notes up to (but excluding) the 30 June 2023; (3) the outstanding principal amount of the Convertible Note held by the Scheme Creditors at the Record Time; and (4) all accrued and unpaid interest on the Convertible Note up to (but excluding) the 30 June 2023
“Settlement Date”	Wednesday, 27 September 2023, being the fifth Business Day following the Latest Time for Acceptance (or such other time or date as the Underwriter and the Company may agree in writing) as the day for settlement of the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the issued Shares
“Special Deal”	(i) the use of the proceeds from the Rights Issue for the payment of the Restructuring Consideration to the CB Holder (being an associate of Taobao China and a Scheme Creditor) and other Scheme Creditors who may also be Shareholders and (ii) on the Restructuring Effective Date, the issuance of new shares of TM Home to Creditor SPV (which will be owned by the Scheme Creditors who are holding the Old Notes and may also be Shareholders) and the CB Shareholder (being an associate of Taobao China), pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes and the holder of the Convertible Note, respectively, at the Record Time, which constitute a special deal under Note 5 to Rule 25 of the Takeovers Code

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.23 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Taobao China”	Taobao China Holding Limited, a company incorporated under the laws of Hong Kong with limited liability and indirectly wholly owned by Alibaba Holding
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Takeovers Code IBC”	the independent board committee, comprising Mr. Yang Yong, Mr. Song Jiajun, Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin, being all the non-executive Directors (save for Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding and may have conflict of interests in respect of the Special Deal) and independent non-executive Directors, which has been established in accordance with Rule 2.8 of the Takeovers Code to give recommendation to the Independent Shareholders in respect of the Rights Issue, the Placing Agreements, the Underwriting Agreement and the transactions contemplated thereunder respectively, the Special Deal and the Whitewash Waiver, and as to the voting action therefor
“Term Sheet”	the term sheet attached to the Restructuring Support Agreement (CB) (as may be amended from time to time)
“TM Home”	TM Home Limited, a company incorporated in the Cayman Islands with limited liability and a subsidiary of the Company
“TM Home Minority Shareholder”	Alibaba Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly owned subsidiary of Alibaba Holding
“Underwriter”	Mr. Zhou Xin
“Underwriting Agreement”	the underwriting agreement dated 19 June 2023 entered into between the Company and the Underwriter in relation to the Rights Issue
“United States”	United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the paragraph headed “Arrangements for the NQS Rights Shares” in this announcement

“Untaken Rights Shares”	all the Unsubscribed Rights Shares that are not placed by the Placing Agents or they have been placed but the placees have not paid therefor at 4:00 p.m. on the Placing Completion Date
“Whitewash Waiver”	a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of Mr. Zhou Xin to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) as a result of the taking up of the Rights Shares by Mr. Zhou Xin as the underwriter pursuant to the Underwriting Agreement
“%”	per cent.

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

Hong Kong, 19 June 2023

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 and Mr. Song Jiajun as non-executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.