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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **E-House (China) Enterprise Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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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)

### RIGHTS ISSUE ON THE BASIS OF TWELVE (12) RIGHTS SHARES FOR EVERY TEN (10) SHARES HELD ON THE RECORD DATE

*Placing Agents of the Rights Issue  
(in alphabetical order)*



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Capitalised terms used in this cover have the same meanings as those defined in this prospectus.

It should be noted that the Shares have been dealt on an ex-rights basis from Friday, 2 February 2024. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 19 February 2024 to Monday, 26 February 2024, (both dates inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled, and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company served prior to the Latest Time for Termination, the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These certain events are set out in the section headed "Termination of the Underwriting Agreement" on pages 20 to 21 of this prospectus. If the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional. Accordingly, the Rights Issue may or may not proceed. The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 29 February 2024. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 32 to 33 of this prospectus.

15 February 2024

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## DEFINITIONS

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*In this prospectus, unless the context otherwise requires, the following terms shall have the following meaning:*

“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 meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any 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

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## DEFINITIONS

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“Cayman Scheme”	the scheme of arrangement proposed to be effected pursuant to section 86 of the Cayman Companies Act 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
“CCASS Operational Procedures”	a document which stipulates the operation, services, available facilities of CCASS and the procedures to be followed by participants of CCASS
“Chairman”	chairman of the Board
“China” or “PRC”	the People’s Republic of China for the purpose of this document and for geographical reference only, except where the context requires, references in this document to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan Region
“China Clear”	China Securities Depository and Clearing Corporation Limited
“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

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## DEFINITIONS

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“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 arrangements involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agents 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 same 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, ultimately controlled by Mr. Zhou Xin and one of our substantial shareholders, the director of which is Mr. Zhou Xin
“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”	Shanghai CRIC Information Technology Co., Ltd. (上海克而瑞信息技術有限公司), a company established in the PRC with limited liability and a subsidiary of the Company prior to the completion of the Disposal

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## DEFINITIONS

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“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
“CSRC Filing Requirements”	the “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21) promulgated by the CSRC
“Director(s)”	the director(s) of the Company
“Disposal”	the deemed disposal by the Company as a result of the issuance of 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 Claims held by the holders of the Old Notes and the CB Holder, respectively, at the Record Time, representing an aggregate 65% equity interest in TM Home’s enlarged share capital after such issuance
“Disposal Circular”	the Company’s circular dated 16 January 2024 in relation to, among other things, the Disposal, the Special Deal 2 and the Special Deal 3
“Disposal EGM”	the extraordinary general meeting of the Company convened to consider and, if thought fit, approve, among other things, the Disposal, the Special Deal 2 and the Special Deal 3
“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, ultimately controlled by Mr. Zhou Xin and one of our substantial shareholders

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## DEFINITIONS

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“E-House Holdings”	E-House Holdings Limited, a company incorporated in the Cayman Islands with limited liability on 31 July 2015, ultimately controlled by Mr. Zhou Xin and one of our substantial shareholders, the director of which is Mr. Zhou Xin
“Equity Transfer Agreements”	the equity transfer agreement dated 31 July 2020 entered into between the Company and the SINA Parties in respect of the acquisition of ordinary shares and ADSs in Leju and the issuance of the aggregate of 245,595,230 Shares of US\$0.00001 each in the capital of the Company to be issued at the Issue Price to the Zhou Parties and the SINA Parties and the equity transfer agreement dated 31 July 2020 entered into between the Company and the Zhou Parties in respect of the acquisition of ordinary shares and ADSs in Leju and the issuance of the aggregate of 245,595,230 Shares of US\$0.00001 each in the capital of the Company to be issued at the Issue Price to the Zhou Parties and the SINA Parties
“Executive”	the Executive Director of the Corporate Finance Division of SFC or any of his or her delegate(s)
“Group”	the Company, its subsidiaries and its consolidated affiliated entities held through contractual arrangements from time to time
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“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 Deals and the Whitewash Waiver, and as to the voting action therefor at the Rights Issue EGM and the Disposal EGM (as the case may be)
“Independent Shareholder(s)”	the Shareholders other than 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 Deals 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 sub-section headed “Irrevocable Undertaking” under the section headed “The Rights Issue” in this prospectus
“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 and ultimately controlled by Mr. Zhou Xin
“Last Trading Day”	19 June 2023, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Rights Issue Announcement



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## DEFINITIONS

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“Latest Practicable Date”	6 February 2024, being the latest practicable date prior to the publication of this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 29 February 2024, 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 Thursday, 7 March 2024, 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 prior to the completion of the Disposal
“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
“NASDAQ”	National Association of Securities Dealers Automated Quotations
“New Schemes”	the Cayman Scheme and the HK Scheme

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## DEFINITIONS

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“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, or Non-Qualifying Shareholders (as the case may be)
“Non-Hong Kong Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company as of the close of business on the Record Date is(are) outside Hong Kong
“Non-Qualifying Shareholder(s)”	those Non-Hong Kong 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
“NYSE”	the New York Stock Exchange
“Obligors”	collectively, the Company 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, the director of which is Mr. Zhou Xin
“PAL(s)”	the provisional allotment letter(s) issued to the Qualifying Shareholders in connection with 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

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## DEFINITIONS

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“Placing”	the placing of a maximum of 1,620,535,238 Unsubscribed Rights Shares on a best effort basis by the Placing Agents and/or its sub-placing agent(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 Agents may agree
“PRC Holdco”	E-House Enterprise (China) Group Co., Ltd. (易居企業(中國)集團有限公司) (formerly known as 易居(中國)企業集團有限公司), a company established in the PRC with limited liability on 3 July 2006, and an indirect wholly-owned subsidiary of the Company
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Company on 20 April 2018
“Prospectus Documents”	this prospectus and the PAL, among other documents
“Prospectus Posting Date”	Thursday, 15 February 2024, 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 as of close of business of the Company on the Record Date

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## DEFINITIONS

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“Record Date”	Wednesday, 14 February 2024, 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, the director of which is 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

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## DEFINITIONS

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“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 Issue Announcement”	the Company’s announcement dated 19 June 2023 in relation to, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Whitewash Waiver and the Special Deals
“Rights Issue Circular”	the Company’s circular dated 30 November 2023 in relation to, among other things, the Rights Issue, the Whitewash Waiver and the Special Deal 1
“Rights Issue EGM”	the extraordinary general meeting of the Company convened to consider and, if thought fit, approve, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deal 1 and the transactions contemplated thereunder, and the Whitewash Waiver
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“RMB”	Renminbi, the lawful currency of China
“Scheme Conditions”	means each of the conditions precedent to the effectiveness of the Schemes, as set out in Clause 5.2 of the Cayman Scheme and Clause 5.2 of HK Scheme, as the case may be
“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) 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) 30 June 2023

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## DEFINITIONS

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“Scheme Effective Date”	means the first Business Day on which all of the Scheme Conditions have been satisfied
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Clear
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the issued Shares
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shenzhen Stock Exchange and China Clear
“SINA Parties”	SINA Corporation, a company incorporated in the Cayman Islands with limited liability and listed on the Nasdaq Global Select Market (Stock symbol: SINA) and MemeStar Limited, a company incorporated in the British Virgin Islands and an Independent Third Party
“Special Deal 1”	the use of the proceeds from the Rights Issue for the payment of the Cash Consideration to the CB Holder (being an associate of Taobao China and a Scheme Creditor) and other Scheme Creditors who may also be Shareholders which constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code
“Special Deal 2”	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), pro rata by reference to the proportion of the aggregate Scheme Creditor Claim held by the holders of the Old Notes at the Record Time, which constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code

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## DEFINITIONS

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“Special Deal 3”	on the Restructuring Effective Date, the issuance of new shares of TM Home to 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 CB Holder at the Record Time, which constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code
“Special Deals”	collectively, the Special Deal 1, the Special Deal 2 and the Special Deal 3
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.23 per Rights Share
“Subsidiary Guarantors”	certain subsidiaries of the Company which provided unconditional and irrevocable guarantees to secure the Company’s obligations under the Old Notes
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“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. Chen Daiping, 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 Deals) 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 Deals and the Whitewash Waiver, and as to the voting action therefor
“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
“Term Sheet”	the term sheet attached to the Restructuring Support Agreement (CB) (as may be amended from time to time)

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## DEFINITIONS

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“TM Home”	TM Home Limited, a company incorporated in the Cayman Islands with limited liability and a subsidiary of the Company prior to the completion of the Disposal
“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
“TM Home WFOE”	Shanghai TM Home E-Commence Limited (上海天貓好房電子商務有限公司), a company incorporated under the laws of the PRC and an indirectly wholly-owned subsidiary of TM Home (Hong Kong) Limited. TM Home (Hong Kong) Limited is a wholly-owned subsidiary of TM Home, which is in turn approximately 89.207% owned by the Company
“Tmall Network”	Zhejiang Tmall Network Co., Ltd. (浙江天貓網絡有限公司), a company incorporated under the laws of the PRC and a consolidated entity of Alibaba Holding
“Trial Administrative Measures”	the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (Announcement [2023] No. 43) promulgated by the CSRC
“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
“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 prospectus
“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



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## DEFINITIONS

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“US\$”	United States dollars, the lawful currency of the United States
“Whitewash Waiver”	a waiver 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
“Zhou Parties”	Kanrich Holdings Limited, On Chance, Jun Heng, E-House Holdings and Mr. Zhou Xin
“%”	per cent.

For the purpose of this prospectus, unless otherwise stated, (a) the conversion between HK\$ and RMB was made at the rate of HK\$1.0997 to RMB1.00; (b) the conversion between HK\$ and US\$ was made at the rate of HK\$7.8226 to US\$1.00; and (c) the conversion between RMB and US\$ was made at the rate of RMB7.1134 to US\$1.00. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rate or at all.

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## EXPECTED TIMETABLE

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Set out below is the expected timetable of the Rights Issue:

<b>Event</b>	<b>Time and Date 2024</b>
First day of dealings in nil-paid Rights Share . . . . .	Monday, 19 February
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. on Wednesday, 21 February
Last day of dealings in nil-paid Rights Shares . . . . .	Monday, 26 February
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements . . . . .	4:00 p.m. on Thursday, 29 February
Latest time for acceptance of and payment for the Rights Shares . . . . .	4:00 p.m. on Thursday, 29 February
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements . . . . .	Monday, 4 March
Commencement of placing of Unsubscribed Rights Shares by the Placing Agents . . . . .	Wednesday, 6 March
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agents . . . . .	4:00 p.m. on Thursday, 7 March
Latest time for terminating the Underwriting Agreement and for the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Thursday, 7 March
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) . . . . .	Friday, 8 March
Despatch of share certificates for fully-paid Rights Shares and completion of the Placing to take place . . . . .	Monday, 11 March
Refund cheques, if any, to be despatched (if the Rights Issue is terminated) . . . . .	Monday, 11 March

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## EXPECTED TIMETABLE

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Commencement of dealings in  
fully-paid Rights Shares. . . . .9:00 a.m. on  
Tuesday, 12 March

Payment of the 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). . . . .Thursday, 21 March

All times stated in this prospectus refer to Hong Kong times. Any changes to the anticipated timetable for the Rights Issue, if required, will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The Latest Time for Acceptance and payment for the Rights Shares will not take place if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” announced by the Government of Hong Kong, or a black rainstorm warning is:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance and payment for the Rights Shares will be extended to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m.

If the Latest Time for Acceptance and payment for the Rights Shares are postponed in accordance with the foregoing, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

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## CONDITIONS OF THE RIGHTS ISSUE

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Since the purpose of the Rights Issue is to fund the Cash Consideration (as defined below) under the New Schemes, the completion of the Rights Issue is conditional on:

1. the passing by the Independent Shareholders at the Rights Issue EGM and the Disposal EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the Rights Issue EGM and the Disposal EGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the Rights Issue EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
2. the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
3. the Executive granting consent under Rule 25 of the Takeovers Code in respect of the Special Deals;
4. 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;
5. 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 (including the Disposal) by no later than the Prospectus Posting Date;
6. the Scheme Creditors having approved the Cayman Scheme at the Cayman Scheme Meetings convened to consider the Cayman Scheme; and
7. the Scheme Creditors having approved the HK Scheme at the HK Scheme Meetings convened to consider the HK Scheme.

In addition, the transactions under each of the Placing Agreements and the Underwriting Agreement are subject to certain conditions. The conditions to which each of the Placing Agreements is subject are set out in the section headed "Placing Agreements for the Unsubscribed Rights Shares" in this prospectus. The conditions to which the Underwriting Agreement is subject are set out in the section headed "Conditions of the Underwriting Agreement" in this prospectus. None of the above conditions may be waived.

The Cayman Scheme Meetings and HK Scheme Meetings were held on 14 November 2023. A total of 614 holders of the Old Notes holding Voting Scheme Claims in respect of the Old Notes of US\$597,147,318 attended and voted by proxy at the Noteholders HK Scheme Meeting and the Noteholders Cayman Scheme Meeting. Of those present and voting at the aforementioned meetings, a total of 602 holders of the Old Notes holding Voting Scheme

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## CONDITIONS OF THE RIGHTS ISSUE

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Claims of US\$561,989,163 (representing 94.11% by value and 98.05% by number of holders of the Old Notes present and voting at the aforementioned meetings) voted in favour of the New Schemes. In addition, the CB Holder, holding Voting Scheme Claims in respect of the Convertible Note of HK\$1,050,760,838.89 attended and voted by proxy in favour of the New Schemes at the CB Holder HK Scheme Meeting and the CB Holder Cayman Scheme Meeting. As such, both the HK Scheme and the Cayman Scheme have been approved by the requisite majorities of Scheme Creditors. The HK Scheme and the Cayman Scheme will be subject to the approval and sanction of the High Court and the Cayman Court, respectively. For details of the results of the Cayman Scheme Meetings and HK Scheme Meetings, please refer to the announcement of the Company dated 15 November 2023.

As further announced by the Company on 28 November 2023, (i) by an order made at the hearing held on 23 November 2023 (Hong Kong time), the High Court sanctioned the HK Scheme; (ii) by an order made at the hearing held on 24 November 2023 (Cayman Islands time), the Cayman Court sanctioned the Cayman Scheme; and (iii) all of the Scheme Conditions have been satisfied and the Scheme Effective Date occurred on 28 November 2023 (Hong Kong time) in respect of the HK Scheme and 27 November 2023 (Cayman Islands time) in respect of the Cayman Scheme. Each of the HK Scheme and the Cayman Scheme has therefore become effective in accordance with its terms.

The Rights Issue EGM and the Disposal EGM were held on 31 January 2024. All of the resolutions proposed at the Right Issue EGM and the Disposal EGM were passed. For details of the polls results of the Right Issue EGM and the Disposal EGM, please refer to the announcement of the Company dated 31 January 2024.

As at the Latest Practicable Date, save for conditions 1, 3, 5, 6 and 7, none of the conditions of the Rights Issue mentioned above has been fulfilled.

In respect of condition 2, on 26 January 2024, The Executive has, on 26 January 2024, granted the Whitewash Waiver, subject to the fulfilment of the conditions that:

- A. (i) the Whitewash Waiver being approved by at least 75%, and (ii) the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder being approved by more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and
- B. unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Mr. Zhou Xin and his concert parties between the announcement of the Rights Issue and the completion of the Rights Issue.

As at the Latest Practicable Date, the aforesaid condition A has been fulfilled.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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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:
  - (a) 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
  - (b) 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

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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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 Rights Issue 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.**

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LETTER FROM THE BOARD

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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)**

**Board of Directors:**

*Executive Directors*

Mr. Zhou Xin (*Chairman*)  
Mr. Huang Canhao (*Vice Chairman*)  
Dr. Ding Zuyu (*Chief Executive Officer*)  
Dr. Cheng Li-Lan (*Chief Financial Officer*)

*Non-executive Directors*

Ms. Jiang Shanshan  
Mr. Yang Yong  
Mr. Song Jiajun  
Mr. Chen Daiping

*Independent Non-executive Directors*

Mr. Zhang Bang  
Mr. Zhu Hongchao  
Mr. Wang Liqun  
Mr. Li Jin

**Registered Office:**

Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

**Headquarters:**

11/F, Yinli Building  
383 Guangyan Road, Jing'an District  
Shanghai 200072, China

**Principal Place of Business in**

**Hong Kong:**

40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

15 February 2024

*To the Qualifying Shareholders, and for information only, the Non-Qualifying Shareholders*

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF  
TWELVE (12) RIGHTS SHARES FOR EVERY  
TEN (10) SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

References are made to the Rights Issue Announcement and the Rights Issue Circular in relation to, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Whitewash Waiver and the Special Deals.



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## LETTER FROM THE BOARD

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At the Rights Issue EGM and the Disposal EGM convened and held on 31 January 2024, the necessary resolutions for approving, among other things, the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Whitewash Waiver and the Special Deals were duly passed by the Independent Shareholders. Mr. Zhou Xin, his associates and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace) and Taobao China have abstained from voting on the relevant resolutions at the Rights Issue EGM and the Disposal EGM as described in the announcement of the Company dated 31 January 2024.

The purpose of this prospectus is to provide you with further details of the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

### THE RIGHTS ISSUE

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 (the aggregate Subscription Price of the maximum number of Rights Shares to be issued less costs and expenses estimated to be incurred in the Rights Issue divided by the maximum number of Rights Shares to be issued):	Approximately HK\$0.23 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	1,749,059,530 Shares
Number of Rights Shares:	2,098,871,436 Rights Shares
Aggregate nominal value of the Rights Shares to be issued:	US\$20,988.7
Number of issued Shares upon completion of the Rights Issue:	3,847,930,966 Shares (assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)

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## LETTER FROM THE BOARD

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Gross proceeds from the Rights Issue (before expenses):      Approximately HK\$483 million

Net proceeds from the Rights Issue:      Approximately HK\$465 million

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, carries an interest at a 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. The Convertible Note matured on the third anniversary of the date of issue, being 4 November 2023, and no Shares were issued pursuant to the Convertible Note. The Convertible Note forms part of the indebtedness of the Company subject to the Restructuring. 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 Latest Practicable Date, 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. Details of the Pre-IPO Share Option Scheme are set out in the Company's 2022 annual report.

Assuming that no new Shares (whether pursuant to the Pre-IPO Share Option Scheme or otherwise) will be allotted and issued on or before completion of the Rights Issue, the 2,098,871,436 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent approximately (i) 120% of the total number of existing issued Shares and (ii) 54.5% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

### **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;

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## LETTER FROM THE BOARD

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- (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;
- (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; and
- (v) a premium of approximately 21.69% to the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

As at 31 December 2022 and 30 June 2023, the Group recorded a net liabilities position of approximately RMB5,027,872,000 and RMB5,907,549,000, respectively. 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. Based on proposed Subscription Price of HK\$0.23 and the total funds proposed to be raised by the Company, the number of Rights Shares to be issued would be 2,098,871,436 Rights Shares, representing approximately 120% of the total Shares in issue as of the Latest Practicable Date. The Company considers the subscription ratio to be in the interests of the Company and its Independent Shareholders as a whole as (i) implementing the Rights Issue at such a ratio would enable the Company to raise the amount of proceeds that is necessary for the Restructuring, so that the Company could proceed with its restructuring plan and reduce the level of debt liability under the Old Notes and the Convertible Note; and (ii) in addition to satisfying the need for capital, the Company also considers such ratio to be within the “low-end” of the range of subscription ratios for rights issues that were implemented by other companies shares of which are listed on the Stock Exchange in the first half of 2023, which ranged from approximately 10% to approximately 250% based on the public information available on the website of the Stock Exchange. Accordingly, such ratio would not result in material dilution to the shareholders’ existing shareholdings.

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 prospectus, the Directors (other than (i) members of the Listing Rules IBC and the Takeovers Code IBC whose opinion are set forth in the Listing Rules IBC Letter and Takeovers Code IBC Letter in the Rights Issue Circular, respectively, after reviewing and considering the advice from the Independent Financial Adviser and (ii) Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding, may have conflict of interests in respect of the Special Deals and has abstained from voting at the meeting of the Board convened to consider such matter) 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.

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## LETTER FROM THE BOARD

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### Conditions of the Rights Issue

Since the primary purpose of the Rights Issue is to fund the Cash Consideration (as defined below) under the New Schemes, the completion of the Rights Issue is conditional on:

1. the passing by the Independent Shareholders at the Rights Issue EGM and the Disposal EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the Rights Issue EGM and the Disposal EGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the Rights Issue EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
2. the Executive granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
3. the Executive granting consent under Rule 25 of the Takeovers Code in respect of the Special Deals;
4. 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;
5. 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 (including the Disposal) by no later than the Prospectus Posting Date;
6. the Scheme Creditors having approved the Cayman Scheme at the Cayman Scheme Meetings convened to consider the Cayman Scheme; and
7. the Scheme Creditors having approved the HK Scheme at the HK Scheme Meetings convened to consider the HK Scheme.

In addition, the transactions under each of the Placing Agreements and the Underwriting Agreement are subject to certain conditions. The conditions to which each of the Placing Agreements is subject are set out in the section headed "Placing Agreements for the Unsubscribed Rights Shares" in this Letter from the Board. The conditions to which the Underwriting Agreement is subject are set out in the section headed "Conditions of the Underwriting Agreement" in this Letter from the Board. None of the above conditions may be waived.

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## LETTER FROM THE BOARD

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The Cayman Scheme Meetings and HK Scheme Meetings were held on 14 November 2023. A total of 614 holders of the Old Notes holding Voting Scheme Claims in respect of the Old Notes of US\$597,147,318 attended and voted by proxy at the Noteholders HK Scheme Meeting and the Noteholders Cayman Scheme Meeting. Of those present and voting at the aforementioned meetings, a total of 602 holders of the Old Notes holding Voting Scheme Claims of US\$561,989,163 (representing 94.11% by value and 98.05% by number of holders of the Old Notes present and voting at the aforementioned meetings) voted in favour of the New Schemes. In addition, the CB Holder, holding Voting Scheme Claims in respect of the Convertible Note of HK\$1,050,760,838.89 attended and voted by proxy in favour of the New Schemes at the CB Holder HK Scheme Meeting and the CB Holder Cayman Scheme Meeting. As such, both the HK Scheme and the Cayman Scheme have been approved by the requisite majorities of Scheme Creditors. The HK Scheme and the Cayman Scheme were subject to the approval and sanction of the High Court and the Cayman Court, respectively. For details of the results of the Cayman Scheme Meetings and HK Scheme Meetings, please refer to the announcement of the Company dated 15 November 2023.

As further announced by the Company on 28 November 2023, (i) by an order made at the hearing held on 23 November 2023 (Hong Kong time), the High Court sanctioned the HK Scheme; (ii) by an order made at the hearing held on 24 November 2023 (Cayman Islands time), the Cayman Court sanctioned the Cayman Scheme; and (iii) all of the Scheme Conditions have been satisfied and the Scheme Effective Date occurred on 28 November 2023 (Hong Kong time) in respect of the HK Scheme and 27 November 2023 (Cayman Islands time) in respect of the Cayman Scheme. Each of the HK Scheme and the Cayman Scheme has therefore become effective in accordance with its terms.

The Rights Issue EGM and the Disposal EGM were held on 31 January 2024. All of the resolutions proposed at the Right Issue EGM and the Disposal EGM were passed. For details of the polls results of the Right Issue EGM and the Disposal EGM, please refer to the announcement of the Company dated 31 January 2024.

As at the Latest Practicable Date, save for conditions 1, 3, 5, 6 and 7, none of the conditions of the Rights Issue mentioned above has been fulfilled.

In respect of condition 2, on 26 January 2024, The Executive has, on 26 January 2024, granted the Whitewash Waiver, subject to the fulfilment of the conditions that:

- A. (i) the Whitewash Waiver being approved by at least 75%, and (ii) the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder being approved by more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and
- B. unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Mr. Zhou Xin and his concert parties between the announcement of the Rights Issue and the completion of the Rights Issue.

As at the Latest Practicable Date, the aforesaid condition A has been fulfilled.

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## LETTER FROM THE BOARD

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### **Irrevocable Undertaking**

Mr. Zhou Xin is interested in an aggregate of 398,613,499 Shares (excluding 14,460,000 Shares to be issued upon exercise of options granted under the Pre-IPO Share Option Scheme, and representing approximately 22.8% of the entire issued share capital of the Company as at the Latest Practicable Date), 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.

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.

### **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.

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## LETTER FROM THE BOARD

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### Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company as at the close of business on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder as at the close of business on the Record Date.

The Company has sent the Prospectus Documents to the Qualifying Shareholders but has only sent this prospectus (without the PAL), for information purposes only, to the Non-Qualifying Shareholders (if any).

The latest time for acceptance of and payment for Rights Shares is expected to be 4:00 p.m. on Thursday, 29 February 2024, being the Latest Time for Acceptance.

Beneficial owners whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

### Rights of the Non-Hong Kong Shareholders

The Prospectus Documents are not intended to be, have not been and will not be registered or filed under the securities law of any jurisdiction other than (a) Hong Kong and (b) the PRC in accordance with the CSRC Filing Requirements and the Trial Administrative Measures. The Non-Hong Kong Shareholders may not be eligible to take part in the Rights Issue.

According to the register of members of the Company, as at the Latest Practicable Date, there are 2 Non-Hong Kong Shareholders with registered addresses in the PRC and the British Virgin Islands, who hold an aggregate of 173,969,668 Shares, representing approximately 9.95% of the issued share capital of the Company.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made enquiries with the legal advisers of each of the PRC and the British Virgin Islands regarding the legal restrictions and regulatory requirements in each of these jurisdictions on extending the Rights Issue to the relevant Non-Hong Kong Shareholders. The legal advisers to the Company as to the PRC laws and British Virgin Islands laws are of view that there are no legal restrictions in the PRC or British Virgin Islands which prohibit the PRC or British Virgin Islands Shareholders from receiving the Rights Shares under the Rights Issue; and there are no requirements of any relevant regulatory body in the PRC or British Virgin Islands that limits the right of the PRC or British Virgin Islands Shareholder to receive the Rights Shares under the Rights Issue. In addition, there is no restriction under British Virgin Islands law on the

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## LETTER FROM THE BOARD

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Company offering the Rights Shares to the British Virgin Islands Shareholder, provided the Prospectus Documents are not sent by or on behalf of the Company from the British Virgin Islands. Accordingly, the extension of the Rights Issue to the PRC and British Virgin Islands Shareholders and the offering of the Rights Shares to them will not violate any applicable law or regulations in PRC or British Virgin Islands. It is the responsibility of the PRC and British Virgin Islands Shareholders to observe the local legal and regulatory requirements applicable to them in their own jurisdiction for taking up and onward sale (if applicable) of the Rights Shares including the obtaining of any governmental or other consents and to pay any taxes and duties required to be paid in such jurisdictions in connection with the taking up and onward sale of the Rights Shares. Based upon such advice, the Directors have decided to extend the Rights Issue to the PRC and British Virgin Islands Shareholders, and the PRC and British Virgin Islands Shareholders shall therefore be Qualifying Shareholders.

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, the Non-Hong Kong Shareholders should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any), 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 (if any). 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 (if any) will be offered for subscription by the Placing Agents to the Places under the Placing.

Any unsold entitlements of the Non-Qualifying Shareholders (if any) will be placed by the Placing Agents under the Compensatory Arrangements together with the Rights Shares that are not being taken up by the Qualifying Shareholders.

For details of the Compensatory Arrangements, please refer to the section headed "Procedures in respect of the Unsubscribed Rights Shares" in this Letter from the Board.

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, the Non-Hong Kong Shareholders should exercise caution when dealing in the Shares.



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## LETTER FROM THE BOARD

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### **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 (if any), 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 (if any). 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 (if any) will be offered for subscription by the Placing Agents to the Places under the Placing.

### **Rights of PRC Southbound Trading Investors**

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the Latest Practicable Date, China Clear held 230,383,800 Shares, representing approximately 13.17% of the total number of the issued Shares.

The Board was advised that, the PRC Southbound Trading Investors who hold Shares through China Clear as nominee under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

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## LETTER FROM THE BOARD

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The Rights Shares in nil-paid form issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

The Company will complete the necessary filing procedures in accordance with the CSRC Filing Requirements and the Trial Administrative Measures.

### **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. The board lot of the nil-paid Rights Shares will be 300 Shares.

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.

### **Fractions of 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 (if any). 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.

### **Procedures for Acceptance or Transfer**

Qualifying Shareholders should find enclosed with this prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 29 February 2024. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**E-House (China) Enterprise Holdings Limited – Rights Issue Account**" and crossed "**ACCOUNT PAYEE ONLY**".

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## LETTER FROM THE BOARD

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 29 February 2024, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for placing to independent placees by the Placing Agents under the Placing Agreements. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 21 February 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

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## LETTER FROM THE BOARD

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### **Stamp duty and other applicable fees and charges**

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

### **Taxation**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising their rights in, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Non-Qualifying Shareholders (if any), their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

### **Share certificates for the Rights Shares and refund cheques**

Subject to fulfilment of the conditions of the Rights Issue and the conditions of the Underwriting Agreement, share certificates for the fully-paid Rights Shares are expected to be sent on or before Monday, 11 March 2024 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 Rights Issue is not becoming unconditional or the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Monday, 11 March 2024 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms).

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 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.

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## LETTER FROM THE BOARD

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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.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 300 Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy and other applicable fees and charges in Hong Kong.

### **Procedures in respect of the Unsubscribed Rights Shares**

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 (excluding 14,460,000 Shares to be issued upon exercise of options granted under the Pre-IPO Share Option Scheme), representing approximately 22.8% of the entire issued share capital of the Company as at the Latest Practicable Date. 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 placees 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 placees 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 Thursday, 7 March 2024, 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.

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## LETTER FROM THE BOARD

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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.

### Placing Agreements for the Unsubscribed Rights Shares

Details of the Placing Agreements are summarised as follows:

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

Issuer: The Company

Placing agent: CICC has been appointed as the placing agent to place, or procure the placing of, a maximum of 1,620,535,238 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 1,620,535,238 Unsubscribed Rights Shares, on a best effort basis, to the Placee(s). As at the Latest Practicable Date, 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 Latest Practicable Date) 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.

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## LETTER FROM THE BOARD

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Placing period:

The period commencing on the Business Day following the announcement of the number of the Unsubscribed Rights Shares to be published by the Company on the Stock Exchange's website and the Company's website ("Commencement Date"), and terminating at 6:00 p.m. on the Commencement Date, unless otherwise agreed between the parties or terminated earlier pursuant to the terms of the Placing Agreements. As the parties agreed, the period shall commence on 6 March 2024 and terminate at 4:00 p.m. on 7 March 2024. For details, please see the section headed "Expected Timetable" in this prospectus.

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. When the Company determines the amount of the incentive fee payable to CRIC Securities, it will take into account various factors, including (i) the actual number of the Unsubscribed Rights Shares successfully placed by CRIC Securities, (ii) the final placing price of the Unsubscribed Rights Shares, and (iii) the proportion of the number of Unsubscribed Rights Shares successfully placed by CRIC Securities to the total number of Unsubscribed Rights Shares successfully placed by the Placing Agents.
- (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.

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## LETTER FROM THE BOARD

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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 the 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 Rights Issue EGM and the Disposal EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder; and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the Rights Issue 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;



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## LETTER FROM THE BOARD

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- (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

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## LETTER FROM THE BOARD

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- (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.

None of the above conditions is capable of being waived in whole or in part by any party to the Placing Agreements.

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 (i) members of the Listing Rules IBC and the Takeovers Code IBC whose opinion are set forth in the Listing Rules IBC Letter and Takeovers Code IBC Letter in the Rights Issue Circular, respectively, after reviewing and considering the advice from the Independent Financial Adviser and (ii) Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding, may have conflict of interests in respect of the Special Deals and has abstained from voting at the meeting of the Board convened to consider such matter) 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 (i) members of the Listing Rules IBC and the Takeovers Code IBC whose opinion are set forth in the Listing Rules IBC Letter and Takeovers Code IBC Letter in the Rights Issue Circular, respectively, after reviewing and

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## LETTER FROM THE BOARD

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considering the advice from the Independent Financial Adviser and (ii) Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding, may have conflict of interests in respect of the Special Deals and has abstained from voting at the meeting of the Board convened to consider such matter) consider that the Compensatory Arrangements are in the interest of the minority Shareholders.

As at the Latest Practicable Date, none of the conditions of the Placing Agreements mentioned above has been fulfilled.

### 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 Latest Practicable Date. 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: 1,620,535,238 Rights Shares

Underwriting Commission: Nil

Save for the Underwriting Agreement, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associates.

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 Agreement).

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## LETTER FROM THE BOARD

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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. Given the Company's circumstances (including its financial conditions) and the terms of the underwriting arrangement which would have involved no underwriting fees or commissions, after several attempts to seek a financial institution that agrees to be an underwriter of the Rights Issue, the Company subsequently concluded that (i) it was impractical to engage a third party who is not related to the Company to be an underwriter of the Rights Issue, and (ii) Mr. Zhou Xin, being a founder and the single largest Shareholder of the Company, was the most appropriate and relevant stakeholder to be the underwriter.

The Directors (other than (i) members of the Listing Rules IBC and the Takeovers Code IBC whose opinion are set forth in the Listing Rules IBC Letter and Takeovers Code IBC Letter in the Rights Issue Circular, respectively, after reviewing and considering the advice from the Independent Financial Adviser and (ii) Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding, may have conflict of interests in respect of the Special Deals and has abstained from voting at the meeting of the Board convened to consider such matter) 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 Rights Issue EGM and the Disposal EGM of (1) ordinary resolutions to approve the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the Rights Issue EGM and the Disposal EGM by way of poll); and (2) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the Rights Issue 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;

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## LETTER FROM THE BOARD

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- (iv) the delivery to the Stock Exchange for authorization 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 Deals.

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

The Rights Issue EGM and the Disposal EGM were held on 31 January 2024. All of the resolutions proposed at the Right Issue EGM and the Disposal EGM were passed. For details of the polls results of the Right Issue EGM and the Disposal EGM, please refer to the announcement of the Company dated 31 January 2024.

As at the Latest Practicable Date, except that conditions (i), (ii), (iv) and (viii) have been satisfied and condition (v) is expected to be satisfied on the Prospectus Posting Date, none of the conditions of the Rights Issue mentioned above has been fulfilled.

In respect of condition (vi), on 26 January 2024, The Executive has, on 26 January 2024, granted the Whitewash Waiver, subject to the fulfilment of the conditions that:

- A. (i) the Whitewash Waiver being approved by at least 75%, and (ii) the Underwriting Agreement, the Placing Agreements, the Rights Issue, the Special Deals and the transactions contemplated thereunder being approved by more than 50%, respectively, of the independent vote (as defined in Note 1 on dispensations from Rule 26 of the Takeovers Code) that are cast either in person or by proxy at a general meeting of the Company, to be taken on a poll; and

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## LETTER FROM THE BOARD

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- B. unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Mr. Zhou Xin and his concert parties between the announcement of the Rights Issue and the completion of the Rights Issue.

As at the Latest Practicable Date, the aforesaid condition A has been fulfilled.

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).

As at the Latest Practicable Date, save for the approvals set out in conditions (i), (ii), (iii), (iv), (vi) and (viii) above, the authorisation and registration of the Prospectus Documents, and the approval of the Underwriting Agreement by the board of directors of the Underwriter, the Company is not aware of other consents or approvals that require to be obtained on the part of each of the Underwriter and the Company in respect of the Underwriting Agreement and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Company does not believe that the Rights Issue, the Underwriting Agreement, the Placing Agreements, the Special Deals and the transactions contemplated thereunder and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable laws or regulations (including the Listing Rules).

### **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:
  - (a) 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 Group as a whole or is materially adverse in the context of the Rights Issue; or
  - (b) 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

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## LETTER FROM THE BOARD

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trading position or prospects of the Group 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 Group 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 Group 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 Rights Issue 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.

## LETTER FROM THE BOARD

**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.**

### SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (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.

	(ii) Immediately following completion of the Rights Issue, and assuming							
	(i) As at the Latest Practicable Date		(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	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
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



## LETTER FROM THE BOARD

	(ii) Immediately following completion of the Rights Issue, and assuming									
	(i) As at the Latest Practicable Date		(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		(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	%
Mr. Zhou Xin (Note 5)	398,613,499	22.79	876,949,697	22.79	876,949,697	22.79	2,497,484,934 (Note 6)	64.90		
<b>Mr. Zhou Xin and parties acting in concert or presumed acting in concert with him (Note 5)</b>	398,613,499	22.79	876,949,697	22.79	876,949,697	22.79	2,497,484,934	64.90		
Placees	-	0	-	0	1,620,535,238	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		
<b>Total (Note 7)</b>	<b>1,749,059,530</b>	<b>100.00</b>	<b>3,847,930,966</b>	<b>100.00</b>	<b>3,847,930,966</b>	<b>100.00</b>	<b>3,847,930,966</b>	<b>100.00</b>		

*Notes:*

- (1) CRE Corp is a wholly-owned subsidiary of E-House (China) Holdings, itself a wholly-owned subsidiary of E-House Holdings.
- (2) E-House (China) Holdings is a subsidiary of E-House Holdings, which 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.
- (3) On Chance is wholly owned by Mr. Zhou Xin.
- (4) Regal Ace is wholly owned by Mr. Zhou Xin.
- (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 at the Latest Practicable Date, the options exercisable into 14,460,000 Shares held by Mr. Zhou Xin remain outstanding. As at the Latest Practicable Date, 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.

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## LETTER FROM THE BOARD

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- (7) The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places. The aggregate of the number Shares shown in the above table may not add up to the aggregate of number of Shares in issue as at the Latest Practicable Date and the number of Rights Shares to be issued, due to the treatment of fractional entitlements. 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 (if any). 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.

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

As stated in above, the Company intends to conduct the Restructuring with respect to the Old Notes and the Convertible Note in accordance with the New Schemes. As each of the New Schemes has been 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, among other things, 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 “**Cash Consideration**”). The Company intends to fund the Cash Consideration under the New Schemes with all of the net proceeds from the Rights Issue.

The Board has considered other fund-raising alternatives to pay for the Cash Consideration before resolving to the proposed Rights Issue, including but not limited to debt financing, placing and open offer. The Board considered and noted that bank borrowings usually carry interest costs and may require the provision of security. Further, as creditors under bank borrowings and other forms of debt financing will rank before the Shareholders in insolvency, the Directors are of the view that such financing alternatives will further burden the Company’s financial situation and would not be beneficial to the Shareholders as a whole. In addition, the terms of the Old Notes limit the ability of the Company to incur additional indebtedness, and hence it would not be practical for the Company to opt for bank borrowings as a fund-raising alternative. On the other hand, the Rights Issue offers existing Shareholders the opportunity to participate equally to avoid dilution of their shareholdings and to freely trade their rights entitlements. The Board considers (other than (i) members of the Listing Rules IBC and the Takeovers Code IBC whose opinion are set forth in the Listing Rules IBC Letter and Takeovers Code IBC Letter in the Rights Issue Circular, respectively, after reviewing and considering the advice from the Independent Financial Adviser and (ii) Ms. Jiang Shanshan who is currently serving as the investment director at Alibaba Holding, may have conflict of interests in respect of the Special Deals and has abstained from voting at the meeting of the Board convened to consider such matter) that the Rights Issue is the most suitable method 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. The Company intends to apply all the net proceeds from the Rights Issue to pay for the Cash Consideration, which amounted to RMB350 million (equivalent to approximately HK\$379.7 million) as at 30 June 2023. The remaining part of the net proceeds, if any, will be used for working capital and general corporate purposes.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE UNDERWRITER

The Rights Issue will be underwritten by Mr. Zhou Xin, a substantial shareholder, executive Director and chairman of the Company. Given that Mr. Zhou Xin is a substantial shareholder of the Company, he has satisfied the requirement under Rule 7.19(1)(b) of the Listing Rules that an underwriter of a right issue must be a controlling or substantial shareholder of the relevant issuer. 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 56, 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 Xin has been a director of Leju since its listing in April 2014. Leju is a company listed on NYSE with stock code LEJU which became a subsidiary of the Company in November 2020. Mr. Zhou Xin 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 Xin 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 Xin 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.

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## LETTER FROM THE BOARD

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Mr. Zhou Xin 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.

### **FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any fundraising activity involving issue of equity securities in the past twelve months immediately preceding the Rights Issue Announcement and up to the Latest Practicable Date.

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

**Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among other things, the Rights Issue having become unconditional. Accordingly, the Rights Issue may or may not proceed.**

**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 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. 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).**

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

## SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the years ended 31 December 2020, 2021 and 2022 and the unaudited consolidated financial information of the Group for the nine months ended 30 September 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.ehousechina.com](http://www.ehousechina.com)):

- (i) the audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 25 April 2023, from pages 151 to 345 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501232.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 29 November 2022, from pages 119 to 337 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1129/2022112900389.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 December 2020 is disclosed in the annual report of the Company for the year ended 31 December 2020 published on 27 April 2021, from pages 143 to 387 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700463.pdf>); and
- (iv) the unaudited financial information of the Group for the nine months ended 30 September 2023 is disclosed in the Disposal Circular, from pages 91 to 123 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0115/2024011500894.pdf>).

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 December 2020, 2021 and 2022, and the unaudited interim results of the Group for the nine months ended 30 September 2022 and 2023.

	For the year ended 31 December			For the nine months ended	
	2020	2021	2022	30 September 2022	2023
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Revenue	8,051,509,000	8,865,987,000	5,033,279,000	3,423,442,000	3,346,667,000
Staff costs	(2,734,263,000)	(3,243,221,000)	(1,967,347,000)	(1,611,813,000)	(855,634,000)
Advertising and promotion expenses	(946,816,000)	(3,048,306,000)	(2,374,608,000)	(1,593,653,000)	(1,477,479,000)
Rental expenses for short-term leases, low-value assets leases and variable leases	(33,628,000)	(111,398,000)	(103,457,000)	(83,069,000)	(28,164,000)
Depreciation and amortisation expenses	(210,570,000)	(435,347,000)	(537,521,000)	(404,496,000)	(221,507,000)

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

	For the year ended 31 December			For the nine months ended	
	2020	2021	2022	30 September	
	RMB	RMB	RMB	2022	2023
	RMB	RMB	RMB	RMB	RMB
Loss allowance on financial assets subject to expected credit loss (“ECL”), net of reversal	(172,548,000)	(8,963,718,000)	(995,959,000)	(501,181,000)	(79,911,000)
Loss on derecognition of receivables at fair value through other comprehensive income (“FVTOCI”)	(14,651,000)	(5,651,000)	(38,000)	-	-
Impairment losses recognized on non-current assets	-	(858,534,000)	(1,034,791,000)	-	-
Consultancy expenses	(228,357,000)	(305,714,000)	(461,971,000)	(229,064,000)	(147,836,000)
Distribution expenses	(2,395,799,000)	(2,462,261,000)	(1,465,853,000)	(934,193,000)	(1,069,959,000)
Other operating costs	(359,388,000)	(717,743,000)	(458,984,000)	(311,001,000)	(273,105,000)
Other income	140,199,000	198,396,000	150,781,000	102,993,000	62,994,000
Other gains and losses	72,345,000	(214,741,000)	(316,944,000)	(382,345,000)	(133,791,000)
Other expenses	(15,583,000)	(29,667,000)	(5,174,000)	(3,269,000)	(8,839,000)
Share of results of associates	21,056,000	(33,039,000)	2,826,000	(1,149,000)	2,683,000
Finance costs	(481,913,000)	(538,800,000)	(471,752,000)	(353,675,000)	(345,915,000)
<b>Profit/(loss) before taxation</b>	691,593,000	(11,903,757,000)	(5,007,513,000)	(2,882,473,000)	(1,229,796,000)
Income tax (expense)/credit	(252,371,000)	(360,902,000)	38,989,000	27,170,000	37,320,000
<b>Profit/(loss) for the year/period</b>	439,222,000	(12,264,659,000)	(4,968,524,000)	(2,855,303,000)	(1,192,476,000)
<b>Other comprehensive (expense)/income for the year/period</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Fair value changes on receivables measured at FVTOCI	(119,196,000)	(4,671,979,000)	(635,581,000)	(135,392,000)	54,268,000
Net changes in ECL of receivables measured at FVTOCI	119,196,000	4,671,979,000	635,581,000	135,392,000	(54,268,000)
Exchange differences arising on translation of foreign operations	19,465,000	3,780,000	(6,109,000)	7,537,000	748,000

**APPENDIX I**
**FINANCIAL INFORMATION OF THE GROUP**

	For the year ended 31 December			For the nine months ended	
				30 September	
	2020	2021	2022	2022	2023
	RMB	RMB	RMB	RMB	RMB
Other comprehensive income/(expense) for the year/period, net of income tax	19,495,000	3,780,000	(6,109,000)	7,537,000	748,000
<b>Total comprehensive income/(expense) for the year/period</b>	<u>458,687,000</u>	<u>(12,260,879,000)</u>	<u>(4,974,633,000)</u>	<u>(2,847,766,000)</u>	<u>(1,191,728,000)</u>
<b>Profit/(loss) for the year attributable to:</b>					
– Owners of the Company	<u>304,413,000</u>	<u>(11,642,687,000)</u>	<u>(3,896,299,000)</u>	<u>(2,313,684,000)</u>	<u>(1,004,714,000)</u>
– Non-controlling interests	<u>134,809,000</u>	<u>(621,972,000)</u>	<u>(1,072,225,000)</u>	<u>(541,619,000)</u>	<u>(187,762,000)</u>
<b>Total comprehensive income/(expense) for the year/period</b>					
– Owners of the Company	<u>315,255,000</u>	<u>(11,640,065,000)</u>	<u>(3,900,590,000)</u>	<u>(2,308,391,000)</u>	<u>(1,004,047,000)</u>
– Non-controlling interests	<u>143,432,000</u>	<u>(620,814,000)</u>	<u>(1,074,043,000)</u>	<u>(539,375,000)</u>	<u>(187,681,000)</u>
<b>Earnings/(loss) per share</b>					
– Basic (RMB cents)	<u>21.11</u>	<u>(665.65)</u>	<u>(222.77)</u>	<u>(132.28)</u>	<u>(57.44)</u>
– Diluted (RMB cents)	<u>17.70</u>	<u>(665.65)</u>	<u>(222.77)</u>	<u>(132.28)</u>	<u>(57.44)</u>
Final dividend per share (RMB cents)	<u>5.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Final dividend	<u>91,324,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interim dividend	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The management discussion and analysis of the Company for each of the financial years ended 31 December 2020, 2021 and 2022, and the nine months ended 30 September 2022 and 2023, are disclosed in the annual reports of the Company for the financial years ended 31 December 2020, 2021 and 2022, and the Disposal Circular, respectively.

**Material uncertainty related to going concern**

The auditors of the Company have set out in the consolidated financial statements for each of the financial years ended 31 December 2021 and 2022 multiple material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern:

For the year ended 31 December 2021, the Group incurred a loss of approximately RMB12,264,659,000 and net cash outflow from operating activities of approximately RMB2,370,896,000 for the year ended 31 December 2021 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB1,031,973,000 and approximately RMB9,995,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

For the year ended 31 December 2022, the Group incurred a loss of approximately RMB4,968,524,000 and net cash outflow from operating activities of approximately RMB1,086,174,000 for the year ended 31 December 2022 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB7,261,358,000 and approximately RMB5,027,872,000, respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

We also draw attention to note 2 to the financial information in the Disposal Circular for the nine months ended 30 September 2023, which describes the multiple material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Save for the above, no qualified or modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the auditor's reports of the Company issued by its auditors for each of the financial years ended 31 December 2020, 2021 and 2022.

**STATEMENT OF INDEBTEDNESS**

As at 31 December 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group's indebtedness are set out below.

The Group had outstanding borrowings of approximately RMB6,128,057,000 comprising bank loans of approximately RMB779,811,000; unsecured and guaranteed senior notes of approximately RMB4,235,807,000; unsecured and unguaranteed convertible notes of approximately RMB935,112,000; and unsecured and unguaranteed non-trade nature of amount



due to related parties of approximately RMB36,995,000. As at 31 December 2023, (i) bank loans of approximately RMB200,000,000 were secured and guaranteed; and (ii) approximately RMB579,811,000 were secured and unguaranteed bank loan.

As at the close of business on 31 December 2023, the Group had lease liabilities with the amount of approximately RMB140,332,000, which were unsecured and unguaranteed.

Save as disclosed above and apart from intra-group liabilities, at the close of business on 31 December 2023, the Group did not have any loan capital issued and outstanding or agreed to be issued, other debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other contingent liabilities.

The Directors confirmed that, save as disclosed above, there has been no material change in the indebtedness and contingent liabilities of the Group since 31 December 2023 up to the Latest Practicable Date.

#### **SUFFICIENCY OF WORKING CAPITAL**

The Group was unable to confirm that it would have sufficient working capital for its present requirements for at least the next 12 months from the date of this prospectus as required under paragraph 30 of Appendix D1B to the Listing Rules. The Group has the following plans to ensure that the it would have sufficient working capital for at least the next 12 months from the date of this prospectus:

- as part of the Restructuring, the Company has proposed the New Schemes to holders of the Old Notes and the CB Holder. As each of the New Schemes has been sanctioned by the relevant court and become effective, the Company will pay the Restructuring Consideration to the participating Scheme Creditors on the Restructuring Effective Date;

- 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 CB Holder, 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;
- the Company proposes to issue 2,098,871,436 rights shares by way of the Rights Issue to raise approximately HK\$483 million before expenses;
- the Group will look for opportunity for disposal of investment property of the Group; and
- the Group will implement cost-saving measures to improve its operating cash flows and financial position.

#### MATERIAL CHANGE

The Directors confirm that, save for the following information, there was no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) as disclosed in the interim report for the six months ended 30 June 2023, the Group's revenue of approximately RMB2.3 billion for the six months ended 30 June 2023 ("1H2023"), representing a decrease of approximately RMB139.3 million or 5.7%, as compared to approximately RMB2.4 billion for the six months ended 30 June 2022 ("1H2022"). The decrease in revenue was mainly due to the decrease of revenue derived from real estate agency services in the primary market, which resulted from the decline of GTV caused by the disposal of Shanghai Weijia Real Estate Consulting Co., Ltd. on 29 March 2022. As disclosed in the interim report for the six months ended 30 June 2023, the Group recorded loss for the period attributable to owners of the Company of approximately RMB725.9 million for 1H2023 as compared to approximately RMB1.4 billion for 1H2022, which was primarily due to the decrease in staff cost by approximately RMB486.9 million primarily due to improved operational efficiency and the decrease in loss allowance on financial assets subject to expected credit loss ("ECL") by approximately RMB395.3 million primarily due to the decrease in provision/(reversal) for loss allowance on receivables at FVTOCI and accounts receivables and bills receivables;
- (ii) as disclosed in the interim report for the six months ended 30 June 2023, the Group recorded net current liabilities of approximately RMB8.0 billion as at 30 June 2023 as compared to net current liabilities of approximately RMB7.3 billion as at 31 December 2022. The widening of net current liabilities was mainly due to (i) the

decrease in receivables at FVTOCI – accounts receivables and bills receivables by approximately RMB256.0 million, mainly due to the Company focused on collection and derecognition of receivables; (ii) the decrease in cash and cash equivalents by approximately RMB225.3 million, which was mainly attributable to the repayment of bank loans and related interests and the provision of daily operation; and (iii) the increase in other payables by approximately RMB180.7 million mainly due to the increase in accrued interest on USD-denominated senior notes as well as the increase in other borrowings by approximately RMB165.0 million mainly due to the increase in exchange rate; and

- (iii) on 27 December 2023, Leju, a subsidiary of the Company, announced that it has received a letter dated 28 November 2023 from the NYSE, notifying Leju that it is below compliance standards. As of 28 November 2023, Leju’s 30 trading-day average market capitalization was approximately US\$15.7 million and its stockholders’ equity as of 30 June 2023, was approximately US\$32.9 million, which are considered “below criteria” by the NYSE as its total market capitalization is less than US\$50 million over a 30 trading-day period and its stockholders’ equity is less than US\$50 million. Accordingly, Leju is subject to the procedures as set forth in Sections 801 and 802 of the NYSE Listed Company Manual and is required to respond within 90 days of the letter with a business plan that demonstrates compliance with the continued listing standard within 18 months of receipt of the letter. Leju intends to comply with the applicable procedures and is considering its options to regain compliance.

## BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is a real estate transaction service provider in the PRC, mainly offering real estate agency services in the primary market, real estate data and consulting services and real estate brokerage network services, as of the Latest Practicable Date. Upon the completion of the Restructuring and the Disposal, the Group will continue to provide (i) real estate agency services in the primary market that primarily include formulating and executing marketing and sales strategies for real estate projects developed by real estate developers and facilitating sales transactions, and (ii) real estate brokerage network services, under the “Fangyou” brand, which primarily include integrating small and medium-sized secondary real estate brokerage stores in the PRC and empowering them with rich resources to enhance their business operations (collectively, the “**Remaining Businesses**”). The Restructuring and the Disposal serve as integral parts of the Group’s plan to restructure its debt obligations. Having considered its options, the Board considers the Restructuring as the most appropriate next step to meet the needs of all stakeholders while maintaining a significant portion of the Group’s core businesses for operation as a leading real estate service provider in the PRC. The Group’s real estate agency services in the primary market have been the Group’s main business segment since its establishment and listing on the Stock Exchange in 2018. In addition, the Group has also been providing real estate brokerage network services since 2016.

In 2022, China's real estate industry experienced unprecedented challenge and turmoil, partly as a result of COVID-19 related disruptions in economic activities and negative market sentiment. Many leading developers, including the majority of the Group's clients, faced sharply decreased sales and serious liquidity constraints and many of them defaulted on their external liabilities. This led to not only a substantial decline in the Group's revenues, especially from real estate agency services in the primary market, but further delays in collection of accounts receivables. Since late 2022, the Chinese government has removed substantially all COVID-19 control-related policies and restrictions. In July 2023, the Chinese government issued a series of policy statements aiming to stimulate the economy and stabilise the real estate industry in the PRC. Since then, more specific policies have been announced including the lowering of benchmark lending rates and down payment requirements for home purchases, and removal or relaxation of purchase restrictions by many large cities. These measures are expected to help improve both the economy and the real estate market in the PRC.

In response to the downturn of the PRC real estate industry and the resulting liquidity constraints, the Group has sharply reduced its expenditures and focused on implementing cost-control measures, collection of receivables and continuing to operate the Remaining Businesses only to the extent that positive cash flow can be generated during the current period. The Remaining Businesses are the Group's core business segments with a long operating history. Even at a reduced scale, the Remaining Businesses have maintained continuity, including brand reputation, client relationships, experienced core management team, operational knowhow, and internal management and control systems to ensure smooth operation. Going forward, the Group's strategy is to control the scale and geographic scope of the Remaining Businesses according to industry environment. Expansion will be considered and carried out only if the industry shows substantial improvement in terms of market sentiment and transactional activities. Positive cash flow will be the Group's primary focus and consideration when deciding the pace of its expansion.

After the Disposal, the Group will focus its efforts on stabilising the revenue generated from the Remaining Businesses, details of which are set out below:

- **Real estate agency services:** The Group's real estate agency services primarily include formulating and executing marketing and sales strategies for new real estate projects developed by its developer customers, managing the sales center and show room, and facilitating sales transactions. Once a development project is ready to enter the sales phase, the Group's sales staff specially trained for the project will be stationed at the project site until most of the units are sold. The Group's sales staff provide prospective buyers with a presentation on the property, recommend appropriate floor plans based on their purchase criteria and provide assistance in contract signing. While the Group's sales staff also pursue sales leads, in recent years the Group's real estate agency services have increasingly focused on the execution of sales transactions for new development projects. While this has been the Group's core business, the Group has substantially reduced the scale of operation

since the financial year of 2021 in light of the challenging market conditions. Going forward, the Group will focus on development projects that have strong sales prospects and can promptly settle its commission to ensure positive cash flow.

- **Real estate brokerage network services:** The Group launched its real estate brokerage network services under the “Fangyou” brand in January 2016 to integrate small and medium-sized real estate brokerage firms that each operate one or several brokerage stores. The Group does not open or operate its own brokerage stores, but authorises the participating brokerage stores to use the “Fangyou” brand, and provides software, training and other related services to them. The Group does not charge the brokerage firms for these services, but charges service fees when a real estate transaction is completed through a transaction service centre managed by the Group. Although real estate brokerage stores in China traditionally focused almost exclusively on executing transactions in the secondary market, in recent years they have become an increasingly important sales channel for new development projects. Developers have become more dependent on brokerage stores to source potential buyers and bring them into the showroom and are willing to pay a channels fee to brokerage stores for a successful transaction. At the same time, brokerage stores also actively seek access to new development projects to bring their customers more choices and increase revenues through the channels fee. The Group leverages its relationship with real estate developers and offers access to new home projects to brokerage stores that participate in the Group’s brokerage network services, helping them generate new home transactions. For this service, the Group keeps a portion of the channels fee paid by the developers and passes on the remainder to the Fangyou brokerage firms.
- The Group’s real estate agency services and real estate brokerage network services are complementary to, and do not compete with, each other in the primary market because they serve two distinct components in a new home transaction. While the primary real estate agency services focus on facilitating and executing transactions, the brokerage network services mainly help brokerage stores become an effective distribution channel for new home projects. For a new home project, the developer may simultaneously engage the Fangyou brokerage network to source potential buyers and the Group’s real estate agency services to execute transactions. If a home buyer brought in by the Fangyou network completes a transaction at the project site where the Group is contracted to provide real estate agency services, the Group is generally entitled to a commission for the provision of real estate agency services as well as the channels fee received by the Fangyou network.

Upon completion of the Restructuring, TM Home will hold and operate the Group's two lines of business, being (i) the real estate data and consulting services business currently operated under CRIC and (ii) the online digital real estate marketing service business in partnership with Tmall Network, which also includes a controlling stake in Leju, a company listed on the New York Stock Exchange. Set out below are the details of the businesses to be disposed of by the Group upon completion of the Restructuring:

- **Real estate data and consulting services business currently operated under CRIC:** The real estate data and consulting services business focuses on serving developers at various stages of the project development and sales process and other clients with particular requests and needs. These services mainly include data services, rating and ranking services, and consulting services. In respect of the real estate data services, the Group charges its clients to service fees in a fixed amount depending on the number of cities covered, modules subscribed and user accounts, as well as the amount and type of additional services they require. In respect of the rating and ranking services, leveraging on the Group's data research and analysis system and published research reports and rankings, the Group charges service fees to its clients by providing value-added services after it has completed the relevant reports or rankings, such as compiling media reports on the ratings and rankings related to the customers for their marketing use. In respect of consulting services, the Group provides real estate consulting services to its developer clients throughout the design, development and sales stages and address specific issues encountered by them and, additionally, provides real estate consulting services to commercial banks, real estate trade associations and governmental property and planning agencies, as well as investors interested in investing in the real estate industry, pursuant to which the Group charges service fees to them.
- **Online real estate marketing service business in partnership with Tmall Network:** The online digital real estate marketing service business operated by TM Home has been built as a real estate information service platform and a virtual transaction platform. TM Home invites developers, real estate brokerage agencies and other real estate transaction agencies to open online stores on the platform. TM Home charges annual fees for maintaining these online stores and commission for transactions conducted through the online platform.
- **Leju:** Leju is a company listed on the New York Stock Exchange and a leading online-to-offline real estate services provider in China that is principally engaged in offering real estate e-commerce, online advertising, and online listing services through its online platform. Leju integrates its online platform with complementary offline services to facilitate residential property transactions. Leju offers real estate e-commerce services primarily in connection with new residential property sales, which include selling discount coupons to potential home buyers and facilitating property visits, marketing events and pre-sale customer support. In respect of the online advertising services, Leju mainly provides comprehensive advertisement placement services to advertisers, mainly property developers and home furnishing

suppliers, through a packaged online cross-media and cross-platform product portfolio, including those owned by Leju and other independent outlets, by which Leju earns advertising revenue. In respect of the online listing services, Leju offers fee-based online property listing services to real estate agents and free services to individual property sellers.

The Group has operated and will continue to operate the Remaining Businesses independently from the businesses to be disposed of by the Group upon completion of the Restructuring. The Group has been providing real estate agency services since its inception in 2000 and has been carrying on real estate brokerage network services since 2016. In contrast, the online digital marketing platform operated by TM Home was established only in 2021. TM Home and Leju complement the Remaining Businesses to the extent that when the Group markets itself to real estate developers, it can offer an array of online and offline services and provide one-stop shop for the developers' marketing requirements, but are not otherwise connected, essential to or indispensable for the Remaining Businesses. Given the long operating history, the specific business models of the Remaining Businesses as described above and the independence of the management team which looks after the Remaining Business from the management team which looks after the entities and businesses to be disposed of by the Group upon completion of the Restructuring (the "Disposal Group"), there is clear delineation between the Remaining Business on one hand, and the Disposal Group on the other hand, the Disposal will only have minimal impact on the Group's operation of the Remaining Businesses.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES OF THE GROUP**

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed rights issue of 2,098,871,436 rights shares (the “**Rights Shares**”) at the subscription price of HK\$0.23 per Rights Share (the “**Rights Issue**”), on the basis of twelve rights shares for every ten shares held on the Record Date, on the consolidated net tangible liabilities of the Group attributable to owners of the Company as if the Rights Issue had taken place on 30 September 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net liabilities of the Group attributable to owners of the Company as at 30 September 2023, with adjustment described below, and is adjusted for the effect of the Rights Issue as if the Rights Issue had taken place on 30 September 2023.

Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2023 <i>(Note 1)</i> RMB'000	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> RMB'000	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners immediately after the completion of the Rights Issue <i>(Note 3)</i> RMB'000	Unaudited consolidated net tangible liabilities per share attributable to owners of the Company before the completion of the Rights Issue <i>(Note 4)</i> RMB	Unaudited pro forma adjusted consolidated net tangible liabilities per share attributable to owners of the Company immediately after the completion of the Rights Issue RMB
Based on 2,098,871,436 Rights Shares to be issued at the subscription price of HK\$0.23 per rights share	(6,776,824)	430,315	(6,346,509)	(3.87)
	(1.65)			



*Notes:*

- (1) The unaudited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 30 September 2023 is extracted from the unaudited consolidated net liabilities attributable to the owners of the Company as at 30 September 2023 of approximately RMB6,312,893,000 as adjusted by exclusion of intangible assets of approximately RMB463,931,000, as shown on consolidated statement of financial position of the Group extracted from the Group's published unaudited consolidated financial statements for the nine months ended 30 September 2023 contained in the Company's circular published on 16 January 2024.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$464,740,000 (equivalents to approximately RMB430,315,000) are based on gross proceeds from maximum number of 2,098,871,436 Rights Shares at the subscription price of HK\$0.23 per Rights Shares of approximately HK\$482,740,000 (equivalents to approximately RMB446,982,000), after deduction of the estimated related expenses of approximately HK\$18,000,000 (equivalents to approximately RMB16,667,000), assuming that the Rights Issue had been completed on 30 September 2023.
- (3) The unaudited consolidated net tangible liabilities per share attributable to owners of the Company before the completion of the Rights Issue is determined based on the consolidated net tangible liabilities of approximately RMB6,776,824,000 as disclosed in note 1 above, divided by 1,749,059,530 shares of the Company in issue at the Record Date and immediately before the completion of the Rights Issue, assuming that the Rights Issue had been completed on 30 September 2023.
- (4) The unaudited pro forma adjusted consolidated net tangible liabilities per share attributable to owners of the Company immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company immediately after the completion of the Rights Issue of approximately RMB6,346,509,000 divided by 3,847,930,966 shares of the Company which comprise 1,749,059,530 shares of the Company in issue at the Record Date and immediately before the completion of the Rights Issue and 2,098,871,436 Rights Shares to be issued immediately after the completion of the Rights Issue, as if the Rights Issue had been completed on 30 September 2023.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the accountants' report received from Zhonghui Anda CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's Unaudited Pro Forma Financial Information prepared for the purpose of inclusion in this prospectus.*

**ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

15 February 2024

The Board of Directors  
E-house (China) Enterprise Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of E-house (China) Enterprise Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible liabilities as at 30 September 2023 as set out on pages 62 to 63 of the prospectus (the “**Prospectus**”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are described in Section A of Appendix II of the Prospectus.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Rights Issue on the Group's net tangible liabilities as at 30 September 2023 as if the transaction had been taken place at 30 September 2023. As part of this process, information about the Group's net tangible liabilities has been extracted by the directors from the Group's consolidated financial statements for the nine months ended 30 September 2023 as included in the Company's circular dated 16 January 2024 in relation to, among other things, the Disposal, the Special Deal 2 and the Special Deal 3, on which a review report has been published.

**Directors' Responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountant’s Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Open Offer, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and benefits of the Rights Issue and use of proceeds" set out on page 48 of the Prospectus.

### **Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,  
**ZHONGHUI ANDA CPA Limited**  
*Certified Public Accountants*  
**Li Shun Fai**  
Practising Certificate Number P05498  
Hong Kong

**RESPONSIBILITY STATEMENT**

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus (other than those relating to Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace)) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this prospectus (other than those relating to Mr. Zhou Xin and parties acting in concert with him (including CRE Corp, E-House (China) Holdings, On Chance and Regal Ace)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this prospectus (other than those expressed by Mr. Zhou Xin) have been arrived at after due and careful consideration and there are no other facts not contained in this prospectus, the omission of which would make any statement in this prospectus misleading.

Mr. Zhou Xin accepts full responsibility for the accuracy of the information contained in this prospectus, and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this prospectus have been arrived at after due and careful consideration and there are no other facts not contained in this prospectus, the omission of which would make any statement in this prospectus misleading.

**SHARE CAPITAL**

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Rights Issue (assuming no further issue or repurchase of Shares on or before the completion of the Rights Issue) will be as follows:

**As at the Latest Practicable Date**

	<i>USD</i>
Authorised share capital:	
5,000,000,000 Shares of USD0.00001 each	<u>50,000.00</u>
Issued and paid-up share capital:	
1,749,059,530 Shares of USD0.00001 each	<u>17,490.60</u>

**Immediately following the completion of the Rights Issue (assuming no other issue or repurchase of Shares up to completion of the Rights Issue)**

USD

Authorised share capital:

5,000,000,000 Shares of USD0.00001 each 50,000.00

Issued and paid-up share capital:

3,847,930,966 Shares of USD0.00001 each immediately following  
the completion of the Rights Issue 38,479.31

All the Shares rank *pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. Holders of 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 issue of the fully-paid Rights Shares.

The Company has applied to the Stock Exchange for the listing of, and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

The Company had not issued any Shares since 31 December 2022, being the end of the last financial year of the Company, and up to the Latest Practicable Date.

Save for the Old Notes, the Convertible Note and the options granted under Company's Pre-IPO Share Option Scheme, as at the Latest Practicable Date, the Company had no other outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

## DISCLOSURE OF INTERESTS

As of the Latest Practicable Date and in accordance with the records of the Company maintained in accordance with the SFO and the Listing Rules, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executives of the Company are taken and deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) or which are required to be disclosed under the Takeovers Code are as follows:

Name of Director/ chief executive	Nature of Interest	Number of Shares	Approximate percentage of the Company’s total issued share capital <sup>(1)</sup>
Mr. Zhou Xin <sup>(2)</sup>	Interest in controlled corporations and beneficial owner	413,073,499 (L)	65.28%
	Underwriter	1,620,535,238 (L)	
Mr. Huang Canhao <sup>(3)</sup>	Beneficial owner	9,600,000 (L)	0.549%
Dr. Ding Zuyu <sup>(3)</sup>	Beneficial owner	9,600,000 (L)	0.549%
Dr. Cheng Li-Lan <sup>(3)</sup>	Beneficial owner	1,446,000 (L)	0.083%

Notes:

- (1) In respect of Mr. Zhou Xin’s shareholding percentage, the calculation is based on the enlarged total number of 3,847,930,966 Shares in issue immediately following the issue and allotment of the Rights Shares. In respect of other shareholding percentages stated above, the calculation is based on the total number of 1,749,059,530 Shares in issue as at the Latest Practicable Date.
- (2) 413,073,499 Shares are held as to 228,920,000 Shares by CRE Corp, 146,918,440 Shares by E-House (China) Holdings, 20,000,000 Shares by On Chance and 2,775,059 Shares by Regal Ace, respectively, and including 14,460,000 Shares to be issued upon exercise of options granted under the Pre-IPO Share Option Scheme. 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.

Mr. Zhou Xin has provided the Irrevocable Undertaking to procure the taking up and payment by CRE Corp, E-House (China) Holdings, On Chance and Regal Ace, an aggregate of 478,336,198 Rights Shares, of which 274,704,000 Rights Shares, 176,302,128 Rights Shares, 24,000,000 Rights Shares and 3,330,070 Rights Shares, will be 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. 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 1,620,535,238 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 65.28% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

- (3) These Shares represent the Shares to be issued upon exercise of options granted under the Pre-IPO Share Option Scheme.
- (4) The letter “L” denotes the person’s long position (as defined under Part XV of the SFO) in the Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or the chief executive of the Company, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executives of the Company are taken or deemed to have under such provisions of the SFO), were required to be and are recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, or were required to be disclosed under the Takeovers Code.

As at the Latest Practicable Date, the following Directors were directors or employees of companies which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Zhou Xin is a director of CRE Corp, E-House (China) Holdings, E-House Holdings, On Chance and Regal Ace;
- (b) Mr. Huang Canhao is a director of CRE Corp and E-House (China) Holdings;
- (c) Ms. Jiang Shanshan is an employee of Alibaba Holding;
- (d) Mr. Yang Yong is an employee of Vanke; and
- (e) Mr. Chen Daiping is an employee of China Evergrande Group.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.



**Interest of substantial shareholders**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following person, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

***Long position in the Shares***

<b>Name</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Shareholding</b>
CRE Corp <sup>(2)</sup>	Beneficial owner	228,920,000 (L)	13.088%
E-House (China) Holdings <sup>(2)</sup>	Beneficial owner and interest of controlled corporations	375,838,440 (L)	21.488%
E-House Holdings <sup>(3)</sup>	Interest of controlled corporations	375,838,440 (L)	21.488%
Alibaba Holding <sup>(4)</sup>	Interest of controlled corporations	245,096,197 (L)	14.013%
Taobao China Holding Limited <sup>(4)</sup>	Beneficial owner	145,588,000 (L)	8.324%
Taobao Holding Limited <sup>(4)</sup>	Interest of controlled corporations	145,588,000 (L)	8.324%
Alibaba.com Hong Kong Limited <sup>(4)</sup>	Beneficial owner	99,508,197 (L)	5.689%
Alibaba.com Investment Holding Limited <sup>(4)</sup>	Interest of controlled corporations	99,508,197 (L)	5.689%
Alibaba.com Limited <sup>(4)</sup>	Interest of controlled corporations	99,508,197 (L)	5.689%
Jovial Idea Developments Limited <sup>(5)</sup>	Beneficial owner	171,690,000 (L)	9.816%
Central Sino Global Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Tianji Holding Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Hengda Real Estate Group Company Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Guangzhou Kailong Real Estate Company Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%

Name	Capacity	Number of Shares	Shareholding
Guangzhou Chaofeng Land Company Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Anji (BVI) Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
China Evergrande Group (“Evergrande”) <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Xin Xin (BVI) Limited <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Mr. Hui Ka Yan <sup>(5)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Captain Valley (Cayman) Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Climax Fame (BVI) Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Vanke Finance (Hong Kong) Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Vanke Property (Hong Kong) Company Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Shanghai Vanke Company Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
Shanghai Vanke Investment and Management Company Limited <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%
China Vanke Co., Ltd. (“Vanke”) <sup>(6)</sup>	Interest of controlled corporations	171,690,000 (L)	9.816%

*Notes:*

- (1) The calculation is based on the total number of 1,749,059,530 Shares in issue as at the Latest Practicable Date.
- (2) 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.
- (3) 375,838,440 Shares are held as to 228,920,000 Shares by CRE Corp and 146,918,440 Shares by E-House (China) Holdings. 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.

- (4) 145,588,000 Shares are held by Taobao China Holding Limited and 99,508,197 underlying Shares pursuant to the Convertible Notes are held by Alibaba.com Hong Kong Limited. Taobao China Holding Limited is a wholly-owned subsidiary of Taobao Holding Limited, which is a wholly-owned subsidiary of Alibaba Holding. Alibaba.com Hong Kong Limited is wholly-owned by Alibaba.com Investment Holding Limited, which is a wholly-owned subsidiary of Alibaba.com Limited. Alibaba.com Limited is 80.02% held by Alibaba Holding.
- (5) Jovial Idea Developments Limited is wholly-owned by Central Sino Global Limited (中華環球有限公司), which is in turn wholly-owned by Tianji Holding Limited (天基控股有限公司). Tianji Holding Limited is wholly-owned by Hengda Real Estate Group Company Limited (恒大地產集團有限公司), which is owned as to 63.46% by Guangzhou Kailong Real Estate Company Limited (廣州市凱隆置業有限公司), wholly-owned by Guangzhou Chaofeng Land Company Limited (廣州市超豐置業有限公司). Guangzhou Chaofeng Land Company Limited is wholly-owned by Anji (BVI) Limited (安基BVI有限公司), which is wholly-owned by Evergrande. Evergrande is held as to 70.30% by Xin Xin (BVI) Limited, itself is wholly-owned by Mr. Hui Ka Yan. Hence, Central Sino Global Limited, Tianji Holding Limited, Hengda Real Estate Group Company Limited, Guangzhou Kailong Real Estate Company Limited, Guangzhou Chaofeng Land Company Limited, Anji (BVI) Limited, Evergrande, Xin Xin (BVI) Limited and Mr. Hui Ka Yan are deemed to be interested in the Shares held by Jovial Idea Developments Limited.
- (6) Captain Valley (Cayman) Limited is wholly-owned by Climax Fame (BVI) Limited, which is in turn wholly-owned by Vanke Finance (Hong Kong) Limited. Vanke Finance (Hong Kong) Limited is wholly-owned by Vanke Property (Hong Kong) Company Limited, which is in turn wholly-owned by Shanghai Vanke Enterprise Company Limited (上海萬科企業有限公司). Shanghai Vanke Enterprise Company Limited is wholly-owned by Shanghai Vanke Investment and Management Company Limited (上海萬科投資管理有限公司), which is in turn wholly-owned by Vanke. Hence, Climax Fame (BVI) Limited, Vanke Finance (Hong Kong) Company Limited, Vanke Property (Hong Kong) Company Limited, Shanghai Vanke Company Limited, Shanghai Vanke Investment and Management Company Limited and Vanke are deemed to be interested in the Shares held by Captain Valley (Cayman) Limited.
- (7) The letter “L” denotes the person’s long position (as defined under Part XV of the SFO) in the Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### **DIRECTORS’ SERVICES CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

### **COMPETING INTERESTS**

As at the Latest Practicable Date, none of our Directors had any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

**DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, there is no contract or arrangement subsisting in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

**MATERIAL CONTRACTS**

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group during the two years immediately preceding the date of this prospectus up to and including the Latest Practicable Date:

- (i) the agreement for the issuance and subscription of shares in TM Home Limited, dated 2 April 2023, entered into by and among Alibaba Investment Limited, the Company and TM Home Limited, pursuant to which (1) the Company agreed (a) to cause TM Home Limited to issue 50,209,195 new shares to the Company, in consideration of US\$5,020.92, on the date of the completion of the issuance and subscription of these shares (the “**First Completion Date**”), (b) to cause TM Home Limited to undergo a reverse share split to convert each 1,000 of TM Home Limited’s shares into 1 share, and (c) to cause TM Home to issue 1,000,000 new shares to the Company, in consideration of US\$100,000, on the date of the completion of the issuance and subscription of these shares (the “**Second Completion Date**”), and (2) the Company agreed to pay Alibaba Investment Limited, on the First Completion Date, an amount of US\$1,275,000 in consideration for Alibaba Investment Limited electing not to subscribe for additional shares in TM Home Limited pursuant to this agreement;
- (ii) the new business cooperation agreement, dated 2 April 2023, entered into by and among Zhejiang Tmall Network Co., Ltd. (浙江天貓網絡有限公司) (“**Tmall Network**”), Shanghai TM Home E-Commence Limited (上海天貓好房電子商務有限公司) (“**TM Home WFOE**”) and TM Home Limited, pursuant to which and for nil consideration, (1) the parties agreed to terminate the TM Home Business Cooperation Agreement (天貓好房原業務合作協議) dated 1 September 2021 entered into between Tmall Network and TM Home WFOE, the amended and restated strategic cooperation framework agreement (經二次重述及修訂的阿里與易居之戰略合作框架協議) dated 1 September 2021 entered into between Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司) and the Company and the IP Licensing Agreement (品牌使用授權協議) dated 1 September 2021 entered into between Alibaba Singapore Holding Private Limited and TM Home WFOE, upon the Company’s shareholders’ approval (obtained at the extraordinary general meeting of the Company on 27 July 2023), (2) the parties also agreed that Tmall Network and TM Home WFOE would continue the cooperation on the Tmall Haofang (天貓好房) platform business with TM Home WFOE being designated as the exclusive Tmall partner for the online real estate platform on Tmall, for the period from 2 April 2023 to 31 August 2024 and (3) the parties also agreed that TM Home Limited be renamed;

- (iii) the restructuring support agreement, dated 2 April 2023, entered into by the Company, Alibaba.com Hong Kong Limited, D.F. King Ltd. and certain subsidiaries of the Company including Fangyou Information Technology Holdings Ltd., Hong Kong Fangyou Software Technology Co. Ltd., CRIC Holdings Limited and CRIC Holdings (HK) Limited (the “**Convertible Note RSA**”), in relation to the Restructuring, pursuant to which Alibaba.com Hong Kong Limited agreed to exercise its voting rights attributable to the Convertible Note in favour of approving the Cayman Scheme and the HK Scheme, in consideration of an instruction fee in an amount equal to (or, at the Company’s sole discretion, any amount greater than) 0.25% of the aggregate outstanding principal amount of the Convertible Note plus accrued and unpaid interest of the Convertible Note up to (but excluding) 30 June 2023, on the terms and subject to the conditions set out in the Convertible Note RSA;
- (iv) the restructuring support agreement, dated 2 April 2023, entered into by, among others, the Company, D.F. King Ltd. and certain subsidiaries of the Company including Fangyou Information Technology Holdings Ltd., Hong Kong Fangyou Software Technology Co. Ltd., CRIC Holdings Limited and CRIC Holdings (HK) Limited (the “**RSA**”), in relation to the Restructuring, pursuant to which each eligible holder of the Old Notes that acceded to the RSA by submitting an electronic consent instruction and necessary documentations via the relevant clearing system during the designated period (pursuant to clauses 4 and 6 of the RSA) agreed to use and vote its interest in the Old Notes to approve and fully support the Restructuring, the Cayman Scheme and the HK Scheme, in consideration of an instruction fee in an amount equal to (or, at the Company’s sole discretion, any amount greater than) 0.25% of the aggregate outstanding principal amount of the Old Notes plus accrued and unpaid interest of the Old Notes up to (but excluding) 30 June 2023, on the terms and subject to the conditions set out in the RSA;
- (v) the placing agreement dated 19 June 2023 entered into between the Company and CICC in relation to the Placing, pursuant to which CICC agreed to act as the placing agent for the Company to procure, on a best effort basis, the Placees to subscribe for the Unsubscribed Rights Shares (other than the Unsubscribed Rights Shares actually placed by CRIC Securities), each in its fully-paid form, in consideration of a placing commission in an amount equal to 0.6% of the gross proceeds from the successful issuance of the Rights Shares, subject to the conditions set out in this placing agreement;
- (vi) the placing agreement dated 19 June 2023 entered into between the Company and CRIC Securities in relation to the Placing, pursuant to which CRIC Securities agreed to act as the placing agent for the Company to procure, on a best effort basis, the Placees to subscribe for the Unsubscribed Rights Shares, each in its fully-paid form, in consideration of a placing commission in an amount equal to 0.2% of the gross proceeds from the successful issuance of the Rights Shares and, at the Company’s sole discretion, an incentive fee of up to 0.4% of the gross proceeds from the successful issuance of the Rights Shares, subject to the conditions set out in this placing agreement; and

- (vii) the underwriting agreement dated 19 June 2023 entered into between the Company and the Underwriter, Mr. Zhou Xin, in relation to the Rights Issue, pursuant to which, without underwriting commission, the Underwriter agreed to take up all such Unsubscribed Rights Shares that have not been placed by the Placing Agents or that have been placed but the placees have not paid, on the terms of the Prospectus Documents.

**LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

**EXPERT AND CONSENT**

The qualification of the expert who has given opinion, letter or advice contained in this prospectus is set out below:

<b>Name</b>	<b>Qualification</b>
Zhonghui Anda CPA Limited	Certified Public Accountants

Zhonghui Anda CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion therein of its letter, advice, report and/or references to its names, in the form and context in which they are respectively included.

As at the Latest Practicable Date, Zhonghui Anda CPA Limited was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor did it have any interest, either directly or indirectly, in the assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**EXPENSES**

The expenses payable by the Company in connection with the Rights Issue, the Placing Agreements, the Underwriting Agreement, the Special Deals and the Whitewash Waiver, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$18 million.

**PARTICULARS OF DIRECTORS AND COMPANY SECRETARY**

Biographies of the existing Directors are set out below:

**Executive Directors and Senior Management**

**Mr. Zhou Xin (周忻)**, aged 56, is a founder of our business, an executive Director, chairman of the nomination committee, and chairman of our Group. He is primarily responsible for formulating the overall development strategies and business plans of our 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 24 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 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 privatised 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.

Currently, Mr. Zhou Xin holds directorships in the following listed company:

- director of Leju since its listing in April 2014. Leju is a company listed on NYSE with stock code LEJU and has since the completion of the Equity Transfer Agreements become a subsidiary of the Company.

Mr. Zhou Xin 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 Xin 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 Xin 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 Xin 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.

**Mr. Huang Canhao (黃燦浩)**, aged 66, is an executive Director and vice chairman of our Group. He is primarily responsible for overseeing the management and strategic development of our Group. Mr. Huang received his diploma in Economics Management from the International Business School of Shanghai University in 1998.

In 2000, he joined our business, serving at E-House Management from 2000 to 2007 as vice president and serving at E-House (China) Holdings from 2007 to 2009 as head of operations. He has also held various roles in PRC Holdco, including vice president of the real estate agency services business division in the primary market from 2009 to 2015, and a director and vice chairman since 2016.

Mr. Huang 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 since the completion of the Equity Transfer Agreements become a subsidiary of the Company. Mr. Huang was a director of our substantial shareholder, CRE Corp, from its listing in October 2009 to May 2012 when it was delisted. Additionally, Mr. Huang was previously 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. Huang was re-appointed as a director of E-House (China) Holdings Limited in March 2017.

**Dr. Ding Zuyu (丁祖昱)**, aged 50, is an executive Director of our Company and chief executive officer of the Group. Dr. Ding is primarily responsible for overseeing the management and strategic development of our Group. He received his bachelor's degree in Real Estate Business Management in July 1998 and his doctorate in Economics in December 2013, both from East China Normal University (華東師範大學).

Between September 2000 and November 2001, he served as manager of the research and development department of E-House Management, after which he served as vice president and technology director of E-House Management until January 2008. He also served as co-president of CRE Corp from September 2009 to September 2011 and as director from March 2011 to April 2012. Dr. Ding was the co-president of E-House (China) Holdings from April 2012 to August 2016. He has been the president of real estate data and consulting services division of PRC Holdco since July 2006 and chief executive officer of PRC Holdco since August 2016.

He serves as a vice principal of the E-House Research and Training Institute (易居研究院). He is also an executive member of the China Real Estate Association (中國房地產業協會) and served as an adviser on the real estate market for the China's Ministry of Housing and Urban-Rural Development (國家住房和城鄉建設部). He was named as "Shanghai Outstanding Young Merchant" (上海傑出青商) in 2012 and was named one of the "Top Ten Shanghai Young Economics Figures" (上海十大傑出青年經濟人物) for 2011 to 2012. Dr. Ding currently also serves as the general manager Beijing CREA Technology Services Ltd. (北京中房研協技術服務有限公司).



Dr. Ding was an independent director of Sanxiang Impression Co., Ltd (三湘印象股份有限公司), a company listed on the Shenzhen Stock Exchange with stock code 00863 from January 2012 until his resignation in January 2018. Dr. Ding has also been an independent non-executive director of Powerlong Real Estate Holdings Limited, a company listed on the Hong Kong Stock Exchange with stock code 1238, since December 2014. Dr. Ding was also an independent director of Shanghai Chengtou Holdings Co., Ltd. (上海城投控股股份有限公司), a company listed on the Shanghai Stock Exchange with stock code 600649, from July 2011 to March 2017.

**Mr. Cheng Li-Lan (程立瀾)**, aged 59, is currently an executive Director of the Company, a position he has held since 2018. In addition, he has been chief financial officer of the Company since 19 February 2023, was acting chief financial officer of Leju, a subsidiary of the Company, from 2017 to February 2023, and was its executive director from 2014 to 2017. Mr. Cheng served as the chief operating officer of E-House (China) Holdings Limited (formerly NYSE: EJ), an affiliate of the Company, from 2012 to 2018 and its chief financial officer from 2006 to 2012.

Prior to joining E-House, Mr. Cheng served as the chief financial officer of SouFun Holdings Limited, an online real estate service company in China, from 2005 to 2006. From 2002 to 2004, Mr. Cheng served as an executive director and the chief financial officer of SOHO China Limited, a real estate developer in Beijing. Mr. Cheng was an assistant director and the head of the Asian transportation sector investment banking group of ABN AMRO Asia from 1997 to 2002. From 1995 to 1997, Mr. Cheng was a senior analyst at the National Economic Research Associates, Inc., an economic and financial consulting firm in New York. From 1989 to 1991, he was an investment trainee and analyst at the Prudential Investment Corporation, the institutional investment subsidiary of the Prudential Insurance Company of America based in Newark, NJ.

Mr. Cheng is an independent director and audit committee chairman of Yunji Inc. (NASDAQ: YJ), a Nasdaq-listed social e-commerce platform in China. He also served as an independent director and on the audit committee of 51job, Inc. (formerly NASDAQ: JOBS), LAIX Inc. (formerly NYSE: LAIX), Country Style Cooking Restaurant Chain Co., Ltd. (formerly NYSE: CCSC), and Le GAGA Holdings Limited (formerly NASDAQ: GAGA).

Mr. Cheng received a bachelor's degree in Economics from Swarthmore College and a Ph.D. degree in Economics from the Massachusetts Institute of Technology. Mr. Cheng is a chartered financial analyst (CFA).

**Non-Executive Directors**

**Ms. Jiang Shanshan** (蔣珊珊), aged 40, is a non-executive Director. Ms. Jiang currently serves as investment director at Alibaba Group Holding Ltd. From 2016 to 2018, Ms. Jiang was an investment director at Permira Advisers (China) Limited. Between 2010 and 2015, Ms. Jiang served as vice president at Uritas Capital. She was a senior associate of strategic consulting at PricewaterhouseCoopers from 2008 to 2010. Ms. Jiang received a master's degree in operational research and control sciences from Fudan University in 2008.

**Mr. Yang Yong** (楊勇), aged 51, is a non-executive Director. Mr. Yang holds the professional title of senior economist. Mr. Yang graduated with a bachelor's degree in Economics from Guanghua School of Management of Peking University (北京大學光華管理學院) in 1995. Since 1995, Mr. Yang has served in several senior positions at Shanghai Star (Group) Co., Ltd. (上海中星(集團)有限公司), including as a general manager in the investment management department and a deputy chief economist. Between 2014 and 2019, Mr. Yang served as a general manager in the strategic investment department of the Shanghai Land (Group) Co., Ltd.. He was a general manager of Shen Shou Run Investment Management Co., Ltd. from 2019 to 2021. Since 2021, Mr. Yang has served as a general manager in the investment and development facilitation centre of China Vanke Co., Ltd. (萬科企業股份有限公司上海區域投資和發展促進中心).

**Mr. Song Jiajun** (宋家俊), aged 51, currently serves as a deputy general manager of Shenzhen Overseas Chinese Town Capital Investment Management Company Limited (深圳華僑城資本投資管理有限公司) ("Shenzhen OCT"), a deputy general manager of Hong Kong Overseas Chinese Town Company Limited (香港華僑城有限公司) and a director of several subsidiaries of the OCT group. Mr. Song joined Shenzhen OCT in 2017. Previously, he had worked in investment banking and merger and acquisitions at CITIC Securities Company Limited (中信証券股份有限公司), and served as a senior executive at Languang Investment Holdings Group Co., Ltd. (藍光投資控股集團). Mr. Song received his bachelor's degree in Arts and bachelor's degree in Laws, both from Wuhan University (武漢大學) in 1995. Since 31 March 2023, Mr. Song has been a non-executive director of Yuzhou Group Holdings Company Limited, a company listed on the Stock Exchange (HKEX:1628).

**Mr. Chen Daiping** (陳代平), aged 41, currently serves as a manager of finance of a Hong Kong subsidiary of China Evergrande Group. Mr. Chen joined China Evergrande Group in July 2008 and has more than 15 years of working experience in financial management positions. Mr. Chen received his bachelor's degree in Management from Nankai University (南開大學) in June 2008.

**Independent Non-executive Directors**

**Mr. Zhang Bang** (張磅), aged 55, was appointed as an independent non-executive Director and the chairman of the audit committee with effect from 10 July 2018. He is our Director with appropriate professional accounting or related financial management experience for the purpose of Rule 3.10(2) of the Listing Rules through his experiences described below. Additionally, Mr. Zhang is both a fellow of the Chartered Institute of Management Accountants and a chartered global management accountant of the Association of International Certified Professional Accountants.

Mr. Zhang received his master's degree in business administration in June 2001 from Jinan University in China.

Mr. Zhang is currently the chief corporate officer of Octave (Shanghai) Enterprise Management Company Limited (音昱(上海)企業管理有限公司), having held that position since April 2018. Previously, Mr. Zhang served as the chief financial officer of DG Group (雙志偉業集團) and Golden Jaguar Group (金錢豹餐飲集團). He was also the chief financial officer of MecoxLane Co. Ltd. (麥考林集團), a company previously listed on the NASDAQ with stock code MCOX, from July 2009 to December 2013. Between April 1994 and June 2009, Mr. Zhang was the chief financial officer of McDonald's (China) Company Limited (麥當勞(中國)有限公司).

Currently, Mr. Zhang holds directorships in the following listed companies:

- independent non-executive director of Arrail Group Limited, a company listed on the Stock Exchange with stock code 6639 since November 2021.

**Mr. Zhu Hongchao** (朱洪超), aged 64, was appointed as an independent non-executive Director, chairman of the remuneration committee, and a member of the nomination committee with effect from 10 July 2018. Mr. Zhu received his bachelor's degree in law from Fudan University (復旦大學) in 1983 and his master's degree in Foreign Legal studies from Fudan University (復旦大學) in July 1996. In 1993, he obtained a Qualification Certificate for the Securities Law Consulting Business (中國證券監督管理委員會從事證券法律業務資格) by the CSRC.

Mr. Zhu serves as the head of office and senior partner at Shanghai United Law Firm, having held that position since 1986. He has previously served as the vice president and chief supervisor of the Shanghai Lawyers Association. Mr. Zhu also served as the vice president of the All-China Lawyers' Association, and between 2008 and 2018 Mr. Zhu served as a representative member of the 13th and 14th Shanghai Municipal People's Congress. Mr. Zhu is also an arbitrator at both the Shanghai Arbitration Commission and the Shanghai International Arbitration Centre since September 2008 and May 2015, respectively, and is an

accredited mediator of the Shanghai Commercial Mediation Centre. He has been a part-time professor at the Lawyer Academy of East China University of Political Science and Law since September 2012, and part-time supervisor of postgraduates at Shanghai International Studies University since October 2015.

Currently, Mr. Zhu holds directorships in the following listed companies:

- independent director of Leju since March 2017. Leju is a company listed on NYSE with stock code LEJU and has since the completion of the Equity Transfer Agreements become a subsidiary of the Company;
- independent non-executive director of Haitong Securities Co., Ltd. (Stock Exchange stock code: 6837, and Shanghai Stock Exchange stock code: 600837) since June 2019; and
- independent director of Shanghai Hysea Industrial Communications Co., Ltd.\* (上海海希工業通訊股份有限公司) (National Equities Exchange and Quotations (NEEQ) stock code: 831305) since July 2020.

Mr. Zhu is also an independent non-executive director of Sansheng Holdings (Group) Co. Ltd. (Stock Exchange stock code: 2183, delisted in December 2023) since February 2021. Mr. Zhu was also an independent non-executive director of E-House (China) Holdings Limited from 2007 to 2016, an independent non-executive director of PRC Holdco since 2017, an independent director of Wonders Information Co., Ltd. (Shenzhen Stock Exchange stock code: 300168) from December 2013 to October 2019 and an independent non-executive director of Chiho Environmental Group Limited (Stock Exchange stock code: 976) from April 2018 to February 2020.

**Mr. Wang Liqun (王力群)**, aged 70, was appointed as an independent non-executive Director and a member of each of the audit committee, remuneration committee and nomination committee, with effect from 10 July 2018. He received his diploma in Economic Management from the University of Shanghai Urban Construction College in July 1987, and received his bachelor's degree in Economics in December 1993 from Correspondence Institute of the Party School of the Central Committee of the Communist Party of China (中國共產黨中央委員會黨校函授學院). Mr. Wang obtained the senior economist certificate issued by the Working Group for the National Reform of the Professional Ranking System of Shanghai (上海市職稱改革工作領導小組) in December 1992.

Mr. Wang is the chairman and founder of Stone Capital Co., Ltd., a private equity fund management company based in China, which he founded in September 2008. Prior to that, he was the chief executive officer of Shanghai Bus Corporation from 1992 to 2007, president of the Shanghai Urban Construction and Investment Corporation from 1999 to 2001, chairman of the Shanghai Public Transportation Card Corporation from 1999 to 2004 and chairman of the Shanghai Modern Rail Transit Corporation from 2000 to 2007.

**Mr. Li Jin (李勁)**, aged 56, was appointed as an independent non-executive Director and a member of the audit committee with effect from 10 July 2018. Mr. Li received his juris doctor degree in law from Columbia University in May 1994.

Mr. Li served as the chief financial officer of Inke Limited since March 2018 until his resignation in February 2019. He also served as the executive director of China Linong International Limited from 2006 to 2013, as the chief financial officer of Sungy Mobile Limited from July 2013 to August 2014, and as chief financial officer of Baby Space Corporation from December 2015 to December 2016.

Mr. Li is an independent director of Leju since April 2014. Leju is a company listed on the NYSE with stock code LEJU and has since the completion of the Equity Transfer Agreements become a subsidiary of the Company. He is also an independent non-executive director of Kingbo Strike Ltd., a company listed on the Stock Exchange with stock code 1421, since June 2017. He also served as a director of Le GAGA Holdings Ltd., an agricultural products producer company formerly listed on NASDAQ with stock code GAGA, from 2006 until it was delisted in 2014.

#### **Business address of the Directors**

The business address of the Directors is the same as the Company's principal office in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

#### **Company Secretary**

**Mr. Cheng Ching Kit (鄭程傑)** was appointed as the company secretary on 12 June 2018. Mr. Cheng is an assistant vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specialising in corporate services, and has over 11 years of experience in the corporate secretarial field. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. In addition, he holds a Bachelor of Commerce in Finance from the University of Queensland, Australia and a Master of Laws in Chinese law from the University of Hong Kong.

## CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

<b>Registered office:</b>	Maples Corporate Services Limited PO Box 309 Ugland House Grand Cayman, KY1-1104 Cayman Islands
<b>Headquarters:</b>	11/F, Yinli Building 383 Guangyan Road, Jing'an District Shanghai 200072 China
<b>Principal place of business in Hong Kong:</b>	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
<b>Legal advisers to the Company as to Hong Kong law:</b>	Skadden, Arps, Slate, Meagher & Flom and affiliates 42/F, Edinburgh Tower The Landmark 15 Queen's Road Central Central, Hong Kong
<b>Legal advisers to the Company as to the laws of the PRC:</b>	Grandall (Shanghai) Law Firm 27/F, Garden Square 968 West Beijing Road, Jing'an District Shanghai 200041 China
<b>Principal share registrar and transfer office:</b>	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman, KY1-1102 Cayman Islands
<b>Hong Kong branch share registrar and transfer office:</b>	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre No. 183 Queen's Road East Wanchai, Hong Kong

<b>Auditors and reporting accountants:</b>	Zhonghui Anda CPA Limited 23rd Floor, Tower 2 Enterprise Square Five 38 Wang Chiu Road Kowloon Bay Kowloon, Hong Kong
<b>Principal bankers:</b>	Shanghai Pudong Development Bank Co., Ltd. (Nanhui Branch) 3388 Renmin East Road Pudong New Area Shanghai  China CITIC Bank (Shanghai Hongkou Branch) 1666 North Sichuan Road Hongkou District Shanghai  Bank of Communications (Shanghai Zhabei Branch) 211 Hengtong Road Jing'an District Shanghai  China Merchants Bank (Dongfang Branch) No. 032, L1/F, Century Plaza, No. 1192 Century Avenue Pudong New Area Shanghai
<b>Authorised representatives:</b>	Dr. Cheng Li-Lan Flat 802, Building 5 333 Shimenyi Road Shanghai, China  Mr. Huang Canhao Room 3833, Four Seasons Place 8 Finance Street Central, Hong Kong

**Company Secretary:**

Mr. Cheng Ching Kit

**Placing Agents: (in alphabetical order)**

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

CRIC Securities Company Limited  
8/F, Prosperity Tower  
39 Queen's Road Central  
Hong Kong

**Underwriter:**

Mr. Zhou Xin  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai  
Hong Kong

**GENERAL**

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

**DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Company ([www.ehousechina.com](http://www.ehousechina.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) during the period of 14 days from the date of this prospectus:

- (i) the annual reports of the Company for each of the financial years ended 31 December 2020, 2021 and 2022;
- (ii) the interim report of the Company for the six months ended 30 June 2023;
- (iii) the Disposal Circular;
- (iv) the report from Zhonghui Anda CPA Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (v) the written consent of the expert as referred to in the sub-section headed "Expert and Consent";



(vi) the material contracts referred to in the sub-section headed “Material Contracts”;  
and

(vii) the Prospectus Documents.

**BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents together with the written consent as referred to in the paragraph headed “Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).