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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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of E-House (China) Enterprise Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and consolidated affiliated entities (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”). These annual results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

HIGHLIGHTS

- Total revenue amounted to RMB3,797.9 million for the Reporting Period.
- The total gross transaction value (“**GTV**”) of real estate agency services was RMB15.9 billion for the Reporting Period.
- The total GTV of real estate brokerage network services amounted to RMB20.3 billion for the Reporting Period.
- Loss for the year amounted to RMB1,431.2 million, and total comprehensive expense for the year amounted to RMB1,428.4 million for the Reporting Period.

BUSINESS REVIEW AND OUTLOOK

In 2024, many cities in China introduced policies to encourage real estate purchase. Since the second half of the year, the central government has stepped up its policy efforts, and the Political Bureau meeting on 26 September 2024 emphasized “promoting stability and recovery in the real estate market”. While the real estate market has shown signs of stabilization, the overall conditions remained weak. Over 80% of the top 100 real estate developers recorded year-on-year decrease in cumulative results. The Group continued to be affected by such weakness of the industry, with total sales revenue falling by 14.6% year-on-year during the Reporting Period.

Amid this challenging environment, the Group continued to focus on cost reduction and cash flow, and achieved a 6.1% year-on-year reduction in total net loss. The majority of the Group’s business units became profitable on a regular operating basis.

The Company continued to work closely with its creditors and advisors on the restructuring of its offshore debt (the “**Restructuring**”) in 2024. Reference is made to the announcement of the Company dated 2 April 2024 in relation to the Restructuring (the “**Announcement**”). As disclosed in the Announcement, in light of the termination of the Prior Schemes described in the announcement dated 28 March 2024, the Company intends to propose New Schemes to the holders of the Old Notes and the holders of the Convertible Note (each as defined in the Announcement). The Company is actively working with its financial adviser on the new restructuring proposal and will provide an update to its creditors as soon as possible.

Looking ahead to 2025, the Group expects that the outlook for the real estate industry will remain challenging, and the stabilization real estate sales and the recovery of confidence on the demand side will take some time to materialize. The Group will continue to focus on cost control and cash flow to maintain sustainable operations. With effective cost control and the eventual success of the debt restructuring, the Group believes that it is well positioned to benefit from the market recovery once it occurs.

The Board announces the audited results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	3,797,932	4,446,439
Staff costs		(621,992)	(1,093,235)
Advertising and promotion expenses		(1,838,491)	(1,986,871)
Rental expenses for short-term leases and low-value assets leases		(62,863)	(49,669)
Depreciation and amortisation expenses		(213,902)	(285,760)
Loss allowance on financial assets subject to expected credit loss ("ECL"), net of reversal		(54,654)	(65,511)
Impairment losses recognised on non-current assets		(378,555)	(40,817)
Consultancy expenses		(151,953)	(198,949)
Distribution expenses		(1,116,000)	(1,432,642)
Other operating costs		(268,354)	(361,126)
Other income		26,338	72,084
Other gains and losses		(144,275)	(96,169)
Other expenses		(5,924)	(9,597)
Share of results of associates		4,820	1,962
Finance costs	6	(504,769)	(443,054)
Loss before taxation		(1,532,642)	(1,542,915)
Income tax credit	7	101,479	18,118
Loss for the year		(1,431,163)	(1,524,797)
Other comprehensive income/(expense) for the year			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value changes on receivables measured at FVTOCI		(22,834)	(41,289)
Net changes in ECL of receivables measured at FVTOCI		22,834	41,289
Exchange differences arising on translation of foreign operations		2,737	1,251
Other comprehensive income for the year, net of income tax		2,737	1,251
Total comprehensive expense for the year	8	(1,428,426)	(1,523,546)

	<i>Notes</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss for the year attributable to:			
– Owners of the Company		(1,273,302)	(1,239,749)
– Non-controlling interests		(157,861)	(285,048)
		<u>(1,431,163)</u>	<u>(1,524,797)</u>
Total comprehensive expense for the year			
– Owners of the Company		(1,270,860)	(1,238,633)
– Non-controlling interests		(157,566)	(284,913)
		<u>(1,428,426)</u>	<u>(1,523,546)</u>
Loss per share	<i>10</i>		
– Basic (RMB cents)		<u>(72.80)</u>	<u>(70.88)</u>
– Diluted (RMB cents)		<u>(72.80)</u>	<u>(70.88)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property and equipment		787,177	924,569
Right-of-use assets		123,552	181,858
Investment properties		24,826	528,316
Intangible assets		11,302	435,499
Interests in associates		74,432	73,106
Amounts due from related parties		49	46
Deferred tax assets		–	387,664
Other non-current assets		22,294	31,220
		<u>1,043,632</u>	<u>2,562,278</u>
Current assets			
Accounts receivables and bills receivables	11	11,436	12,156
Other receivables		394,217	330,127
Amounts due from related parties		20,462	59,117
Receivables at FVTOCI	12		
– accounts receivables and bills receivables		105,517	156,091
– amounts due from related parties – accounts receivables		84,804	133,491
Financial assets at fair value through profit or loss (“FVTPL”)		45,839	50,556
Restricted bank balances		76,774	139,800
Cash and cash equivalents		321,820	638,848
		<u>1,060,869</u>	<u>1,520,186</u>
Current liabilities			
Accounts payables	13	813,338	888,862
Advance from customers		412,408	397,241
Accrued payroll and welfare expenses		196,226	244,057
Other payables		1,728,919	1,215,408
Contract liabilities		135,331	200,201
Tax payables		940,314	1,329,248
Amounts due to related parties		223,956	171,355
Bank borrowings		128,915	282,865
Other borrowings		4,298,402	4,235,807
Note payable		955,542	935,112
Lease liabilities		22,800	45,804
		<u>9,856,151</u>	<u>9,945,960</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net current liabilities	<u>(8,795,282)</u>	<u>(8,425,774)</u>
Total assets less current liabilities	<u>(7,751,650)</u>	<u>(5,863,496)</u>
Non-current liabilities		
Deferred tax liabilities	2,726	108,035
Bank borrowings	204,016	496,946
Lease liabilities	<u>31,919</u>	<u>94,467</u>
	<u>238,661</u>	<u>699,448</u>
NET LIABILITIES	<u><u>(7,990,311)</u></u>	<u><u>(6,562,944)</u></u>
EQUITY		
Share capital	116	116
Share premium	6,148,273	6,148,273
Reserves	<u>(13,966,728)</u>	<u>(12,695,868)</u>
Equity attributable to owners of the Company	<u>(7,818,339)</u>	<u>(6,547,479)</u>
Non-controlling interests	<u>(171,972)</u>	<u>(15,465)</u>
TOTAL EQUITY	<u><u>(7,990,311)</u></u>	<u><u>(6,562,944)</u></u>

1. GENERAL INFORMATION

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

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

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

2. GOING CONCERN BASIS

The Group incurred a loss of approximately RMB1,431,163,000 and net cash outflow from operating activities of approximately RMB205,193,000 for the year ended 31 December 2024 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB8,795,282,000 and approximately RMB7,990,311,000, 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.

In order to improve the Group’s financial position, to provide liquidity and cash flows and sustain the Group as a going concern, the Group has been implementing a number of measures, including but not limited to:

- (i) The Group continues to work closely with its creditors and advisors on the restructuring of its offshore debt (the “**Restructuring Plan**”). The Group intends to propose new schemes to the holders of note payable;
- (ii) The Group continues to focus on cost reducing and is actively negotiating with customers on the settlement of accounts receivables (Cost Reduction and Cash Flow Plan);
- (iii) The Group is seeking opportunity to dispose the Group’s non-current assets to finance the Group’s operation.

Accordingly, the management of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements, to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by International Accounting Standards Board (the “**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

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

4. REVENUE

The Group derives its revenue from (1) real estate agency services in the primary market, (2) real estate data and consulting services, (3) real estate brokerage network services, (4) digital marketing services and (5) others. This is consistent with the revenue information that is disclosed for each operating and reportable segment under IFRS 8:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Real estate agency services in the primary market, recognised at a point in time	172,771	219,624
Real estate data and consulting services		
– consulting services, recognised at a point in time	225,849	256,147
– data services, recognised over time (<i>note a</i>)	103,452	128,054
	<u>329,301</u>	<u>384,201</u>
Real estate brokerage network services		
– distribution business in the primary market, recognised at a point in time	1,158,743	1,499,043
– other services, recognised at a point in time	19,463	11,365
	<u>1,178,206</u>	<u>1,510,408</u>
Digital marketing services		
– E-commerce, recognised at a point in time (<i>note b</i>)	1,650,497	1,859,516
– Online advertising services, recognised over time on a gross basis	430,953	410,052
– Online advertising services, recognised over time on a net basis	–	2,931
	<u>2,081,450</u>	<u>2,272,499</u>
Others (<i>note c</i>)		
– other services, recognised at a point in time	36,204	59,707
	<u><u>3,797,932</u></u>	<u><u>4,446,439</u></u>

Notes:

- (a) As at 31 December 2024, the transaction price allocated to the remaining performance obligations in relation to the consulting fee income and fee-based subscription fee income that were unsatisfied or partially unsatisfied amounted to RMB73,931,000 (2023: RMB84,281,000) and were accounted for as contract liabilities.
- (b) As at 31 December 2024, the transaction price allocated to the remaining performance obligations in relation to the E-commerce service income that were unsatisfied or partially unsatisfied amounted to RMB61,400,000 (2023: RMB115,920,000) and were accounted for as contract liabilities.
- (c) As at 31 December 2024, the management of the Group remeasured the reportable segment as set out in note 5. The changes included the reclassification of revenue in different segments.

The management of the Group expects the transaction price allocated to the abovementioned unsatisfied or partially unsatisfied contracts will be recognised in full as revenue within the coming twelve months period.

5. SEGMENT INFORMATION

The Group's operating segments are determined based on information reported to Chief Executive Officer, being the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are as follows:

(i) Real estate agency services in the primary market

The Group provides 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, promoting the projects to prospective purchasers, and facilitating sales transactions.

(ii) Real estate data and consulting services

The Group mainly provides the following services:

- providing customers with a wide range of data services, leveraging the powerful CRIC systems;
- offering real estate rating and ranking services; and
- providing real estate consulting services that are tailored to meet the needs of property developer clients throughout the design, development and sales stages and address specific issues encountered by them.

The Group receives consulting services fee income and subscription-based fee income in relation to its proprietary CRIC system, which is a series of proprietary real estate database and analysis system developed by the Group, for a fixed amount upon entering into the subscription contract, normally for a one year subscription period contract.

(iii) Real estate brokerage network services

The Group provides real estate brokerage network services under the Fangyou brand of integrating small and medium-sized secondary real estate brokerage stores in the PRC, and empowering them with rich resources in their business operations. In addition, the Group can help their property developer customers expand their sales channels by sourcing buyers of new properties through Fangyou-branded stores and other real estate brokerage firms that the Group cooperates with.

(iv) Digital Marketing services

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

a) E-commerce services

The Group offers individual property buyers discount coupons that enable them to purchase specified properties from property developers at discounts greater than the face value of the fees charged by the Group. Discount coupons are collected initially upfront from the property buyers and are refundable at any time before they are used to purchase the specified properties.

b) Online advertising services

Revenue from online advertising services is principally from online advertising services, and also rebates from certain media publishers from the rendering of advertising placement services of its advertisers (i.e. property developers). Online advertising services allow customers to place advertisements on particular areas of the online media and platforms (including those owned by the Leju Group and other independent publishers) in particular formats and over a specified period of time.

(v) Others

The Group provides hotel management, conference services and real estate education service. During the year, the Group separated this segment from real estate data and consulting services to provide a more appropriate presentation of the state of affairs of the Group.

Segment revenue and results

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

For the year ended 31 December 2024

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue							
External sales	172,771	329,301	1,178,206	2,081,450	36,204	–	3,797,932
Inter-segment sales	–	2,487	1,250	480	6,737	(10,954)	–
Total	172,771	331,788	1,179,456	2,081,930	42,941	(10,954)	3,797,932
SEGMENT (LOSS)/PROFIT	(43,653)	11,900	(8,408)	(536,265)	(247,018)	–	(823,444)
Unallocated expenses							(164,236)
Unallocated net exchange loss							(42,126)
Unallocated net fair value							
loss on financial assets at FVTPL							(4,717)
Share of results of associates							4,820
Bank and other interest income							2,816
Finance costs							(504,769)
Equity-settled share-based payment expenses							(986)
Loss before taxation							(1,532,642)

For the year ended 31 December 2023

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue							
External sales	219,624	384,201	1,510,408	2,272,499	59,707	–	4,446,439
Inter-segment sales	95,374	1,451	95,226	471	10,170	(202,692)	–
Total	<u>314,998</u>	<u>385,652</u>	<u>1,605,634</u>	<u>2,272,970</u>	<u>69,877</u>	<u>(202,692)</u>	<u>4,446,439</u>
SEGMENT (LOSS)/PROFIT	<u>(148,869)</u>	<u>15,976</u>	<u>(75,083)</u>	<u>(586,890)</u>	<u>(145,344)</u>	<u>–</u>	<u>(940,210)</u>
Unallocated expenses							(77,071)
Unallocated net exchange loss							(63,061)
Unallocated net fair value loss on financial assets at FVTPL							(22,933)
Fair value gain on convertible note							1,563
Share of results of associates							1,962
Bank and other interest income							11,846
Finance costs							(443,054)
Equity-settled share-based payment expenses							<u>(11,957)</u>
Loss before taxation							<u>(1,542,915)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the loss incurred and profit earned by each segment without allocation of unallocated expenses, unallocated net exchange loss, unallocated net fair value loss on financial assets at FVTPL, fair value gain on convertible note, share of results of associates, interest income, finance costs and equity-settled share-based payment expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Segment assets and liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Other segment information

For the year ended 31 December 2024

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Others <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment loss:							
Depreciation and amortisation	2,072	13,360	1,832	68,429	3,697	124,512	213,902
Net loss allowance on financial assets subject to ECL recognised	(15,748)	2,633	17,527	(5,223)	22,843	32,622	54,654
Impairment losses recognised on non-current assets	–	–	–	356,703	21,852	–	378,555
Net loss on disposal of intangible assets	–	–	–	–	–	107	107
Net (profit)/loss on disposal of property and equipment	(1,699)	3	84	19,223	628	–	18,239
Net loss on disposal of investment properties	3,676	–	–	–	104,665	–	108,341

For the year ended 31 December 2023

	Real estate agency services in the primary market <i>RMB'000</i>	Real estate data and consulting services <i>RMB'000</i>	Real estate brokerage network services <i>RMB'000</i>	Digital Marketing services <i>RMB'000</i>	Others <i>RMB'000</i>	Unallocated <i>RMB'000</i>	Total <i>RMB'000</i>
Amounts included in the measure of segment loss:							
Depreciation and amortisation	6,873	56,703	2,685	135,320	48,705	35,474	285,760
Net loss allowance on financial assets subject to ECL recognised	6,326	5,999	81,847	(34,095)	5,434	–	65,511
Impairment losses recognised on non-current assets	–	–	–	–	40,817	–	40,817
Loss on disposal of subsidiaries	2,350	–	–	–	–	–	2,350
Net loss on disposal of intangible assets	–	–	–	–	–	193	193
Net loss on disposal of property and equipment	3,403	–	23	9,002	7	–	12,435
Net gain on disposal of investment properties	5,925	–	–	–	–	–	5,925

Geographical information

For the year ended 31 December 2024, the Group's operations are located in the PRC (including Hong Kong) (2023: PRC (including Hong Kong)). Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (<i>note</i>)	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The PRC (including Hong Kong)	3,797,932	4,446,439	1,033,133	2,151,139

Note: Non-current assets excluded amounts due from related parties, deferred tax assets, and certain other non-current assets classified as financial instruments.

Information about major customers

Revenue from customer which individually contributed over 10% of the Group's revenue as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A	962,638	744,803

6. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank borrowings	33,494	35,662
Interest on other borrowings	325,618	331,157
Interest on lease liabilities	2,326	7,673
Effective interest expense on note payable	143,331	68,562
	504,769	443,054

7. INCOME TAX CREDIT

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PRC Enterprise Income Tax		
Current tax	13,193	27,869
Overprovision in prior years	(397,027)	(20,749)
	(383,834)	7,120
Deferred tax charge/(credit)	282,355	(25,238)
	(101,479)	(18,118)

8. TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

Total comprehensive expense for the year has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Directors' remuneration	<u>3,068</u>	<u>4,234</u>
Other staff costs:		
– Salaries, bonus and other allowances	514,046	915,343
– Retirement benefit scheme contributions	103,994	162,994
– Equity-settled share-based payment expenses	<u>884</u>	<u>10,664</u>
	<u>618,924</u>	<u>1,089,001</u>
Total staff costs	<u><u>621,992</u></u>	<u><u>1,093,235</u></u>
Depreciation of property and equipment	81,334	91,014
Depreciation of right-of-use assets	28,788	42,425
Depreciation of investment properties	34,896	34,718
Amortisation of intangible assets	<u>68,884</u>	<u>117,603</u>
Total depreciation and amortisation	<u><u>213,902</u></u>	<u><u>285,760</u></u>
Auditor's remuneration	5,295	8,730
Research costs recognised as an expense and included in:		
– Staff costs	67,274	61,590
– Depreciation and amortisation expenses	1,695	1,691
– Other operating costs	<u>14,682</u>	<u>17,866</u>
	<u><u>83,651</u></u>	<u><u>81,147</u></u>

9. DIVIDENDS

No dividend was proposed nor declared by the Company for the year ended 31 December 2024 and 2023.

10. LOSS PER SHARE

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u><u>(1,273,302)</u></u>	<u><u>(1,239,749)</u></u>
	<u><u>2024</u></u> <u><u>'000</u></u>	<u><u>2023</u></u> <u><u>'000</u></u>
Number of shares:		
Weighted average number of ordinary share for the purpose of basic and diluted loss per share	<u><u>1,749,060</u></u>	<u><u>1,749,060</u></u>

For the year ended 31 December 2024 and 2023, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

11. ACCOUNTS RECEIVABLES AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Accounts receivables and bills receivables measured at amortised cost	533,088	549,100
Less: Loss allowance for accounts receivables and bills receivables measured at amortised cost	<u>(521,652)</u>	<u>(536,944)</u>
Total accounts receivables and bills receivables measured at amortised cost	<u>11,436</u>	<u>12,156</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 1 year	–	–
1 – 2 years	–	–
Over 2 years	<u>11,436</u>	<u>12,156</u>
	<u>11,436</u>	<u>12,156</u>

12. RECEIVABLES AT FVTOCI

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Receivables at FVTOCI comprise:		
– Accounts receivables	105,517	156,054
– Bills receivables	–	37
– Amounts due from related parties – accounts receivables	<u>84,804</u>	<u>133,491</u>
	<u>190,321</u>	<u>289,582</u>

Note:

As at 31 December 2024, the gross contractual amount of the account receivables, bills receivables and amounts due from related parties – accounts receivables amounted to RMB3,375,809,000, RMB1,304,755,000 and RMB1,857,348,000 (31 December 2023: RMB3,458,967,000, RMB1,306,697,000 and RMB1,848,673,000), respectively. The difference between the fair value and the gross contractual amount mainly arose from the ECL impact. Included in the fair values of the account receivables, bills receivables and amounts due from related parties – accounts receivables were with ECL amounted to RMB3,270,292,000, RMB1,304,755,000 and RMB1,772,542,000 (31 December 2023: RMB3,302,913,000, RMB1,306,660,000 and RMB1,715,182,000), respectively.

The Group allows all of its customers a credit period of 30 days (2023: 30 days) upon satisfaction of the terms and conditions of the relevant agreements and relevant invoices have been issued.

The following is an aged analysis of the fair value of the Group's accounts receivables at FVTOCI (including both amounts due from independent third parties and related parties), presented based on the dates of rendering the services and the dates when the sales target for higher commission was achieved for the real estate agency service in the primary market at the end of the reporting period, which approximated the respective revenue recognition dates:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 year	67,683	114,011
1 – 2 years	35,824	49,616
Over 2 years	86,814	125,918
	<u>190,321</u>	<u>289,545</u>

13. ACCOUNTS PAYABLES

	2024 RMB'000	2023 <i>RMB'000</i>
Accounts payables	<u>813,338</u>	<u>888,862</u>

Accounts payables mainly represent consultancy fee payables to suppliers of the Group's real estate agency services in the primary market whereby no general credit terms are granted. For real estate brokerage network services, account payables mainly represent brokerage network intermediary fees. The balance as at 31 December 2024 and 2023 also included those outstanding payables for advertising fee, E-commerce service fee, and cultural media related expenses. The Group is obliged to settle the amounts due upon the completion of or pursuant to the terms and conditions of the relevant agreements. The following is an aged analysis of accounts payables presented based on the date of receipts of services by the Group at the end of each reporting period:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 1 year	388,185	447,835
Over 1 year	425,153	441,027
	<u>813,338</u>	<u>888,862</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue decreased by 14.6% from RMB4,446.4 million in 2023 to RMB3,797.9 million in 2024. The decrease was primarily due to the decrease of revenue derived from real estate brokerage network services.

Revenue derived from real estate agency services in the primary market decreased by 21.3% from RMB219.6 million in 2023 to RMB172.8 million in 2024, primarily due to the decline of GTV caused by the overall downturn in the real estate market.

Revenue derived from real estate brokerage network services decreased by 22.0% from RMB1,510.4 million in 2023 to RMB1,178.2 million in 2024. The decrease was primarily due to the decline of GTV.

Revenue derived from real estate data and consulting services decreased by 14.3% from RMB384.2 million in 2023 to RMB329.3 million in 2024. The decrease was primarily due to a decrease in revenue from our rating and ranking services and data services.

Revenue derived from digital marketing services decreased by 8.4% from RMB2,272.5 million in 2023 to RMB2,081.5 million in 2024 primarily due to the decrease in revenues from e-commerce services and online advertising services.

Revenue derived from other services decreased by 39.4% from RMB59.7 million in 2023 to RMB36.2 million in 2024. Revenue derived from other services was primarily composed of the hotel management, conference services and real estate education sector.

Staff costs

Our staff costs decreased by 43.1% from RMB1,093.2 million in 2023 to RMB622.0 million in 2024. Staff costs as a percentage of our revenue decreased from 24.6% in 2023 to 16.4% in 2024, primarily due to improved operational efficiency.

Advertising and promotion expenses

Our advertising and promotion expenses decreased by 7.5% from RMB1,986.9 million in 2023 to RMB1,838.5 million in 2024. The advertising and promotion expenses primarily consist of targeted online and offline marketing costs for business expansion from Leju Holdings Limited (a company previously listed on the New York Stock Exchange with stock ticker LEJU which has been delisted since May 2024). The decrease was primarily due to cost reduction.

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

We recorded rental expenses for short-term leases and low-value assets leases of RMB62.9 million in 2024, and RMB49.7 million in 2023. The increase was primarily due to the management fee of properties.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses decreased by 25.1% from RMB285.8 million in 2023 to RMB213.9 million in 2024, primarily due to the decrease in amortization of intangible assets arising from acquisition.

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

Our loss allowance on financial assets subject to ECL, net of reversal decreased by 16.6% from RMB65.5 million in 2023 to RMB54.7 million in 2024, primarily due to the decrease in accounts receivables and bills receivables.

Impairment losses recognised on non-current assets

We recorded impairment losses recognised on non-current assets of RMB378.6 million in 2024, and RMB40.8 million in 2023. The cost incurred in 2024 was primarily from the loss recognised on intangible assets.

Consultancy expenses

Our consultancy expenses decreased by 23.6% from RMB198.9 million in 2023 to RMB152.0 million in 2024, primarily due to the decrease in project consultation in line with the decrease in our revenue.

Distribution expenses

Our distribution expenses decreased by 22.1% from RMB1,432.6 million in 2023 to RMB1,116.0 million in 2024, primarily due to the decrease in revenue derived from real estate brokerage network services.

Other operating costs

Our other operating costs decreased by 25.7% from RMB361.1 million in 2023 to RMB268.4 million in 2024, primarily due to the Company’s reduction of cost.

Other income

Our other income decreased by 63.5% from RMB72.1 million in 2023 to RMB26.3 million in 2024, primarily due to the decrease in bank and other interest income.

Other gains and losses

We recorded net other losses of RMB96.2 million in 2023 and net other losses of RMB144.3 million in 2024. Our net other losses in the year ended 31 December 2024 were primarily attributable to the net loss on disposal of several properties.

Other expenses

Our other expenses decreased from RMB9.6 million in 2023 to approximately RMB5.9 million in 2024, primarily attributable to the expenses related to the disposal of the property and equipment.

Share of result of associates

We recorded share of profits of associates of RMB2.0 million in 2023 and share of profits of associates of RMB4.8 million in 2024. The share of profits in 2024 was primarily attributable to a company providing high quality financial service.

Finance costs

Our finance costs increased by 13.9% from RMB443.1 million in 2023 to RMB504.8 million in 2024, primarily due to the interest of convertible borrowings.

Income tax credit

Our income tax credit was RMB101.5 million in 2024 compared to RMB18.1 million in 2023, primarily due to the loss before taxation.

Loss for the year

As a result of the foregoing, our loss for the year amounted to RMB1,431.2 million in 2024, compared to loss for the year of RMB1,524.8 million in 2023.

Total comprehensive expense for the year

As a result of the foregoing, our total comprehensive expense for the year amounted to RMB1,428.4 million in 2024, compared to total comprehensive expense for the year of RMB1,523.5 million in 2023.

Non-IFRS Measures

To supplement our condensed consolidated financial information which is presented in accordance with IFRS, we also use (i) operating loss and operating loss margin and (ii) EBITDA loss as additional measures for illustrative purposes only. We believe that these measures provide useful information to investors and others in understanding and evaluating our condensed consolidated financial results in the same manner as our management. The calculation of operating loss and operating loss margin and EBITDA loss are not in accordance with IFRS and may not be directly comparable with similarly named financial measures of other companies. The use of these measures has limitations as an analytical tool, and you should not consider them in isolation from other measures as reported in accordance with IFRS.

We define our operating loss as revenue net of operating costs, which consist of staff costs, advertising and promotion expenses, rental expenses for short-term leases and low-value assets leases, depreciation and amortisation expenses, loss allowance on financial assets subject to ECL, net of reversal, loss on derecognition of financial assets measured at amortised cost (RMB0 for the Reporting Period), loss on derecognition of receivables at FVTOCI (RMB0 for the Reporting Period), consultancy expenses, distribution expenses, and other operating costs. We define operating loss margin as operating loss divided by revenue for the year. We believe that the operating loss and operating loss margin facilitate a comparison of our operating performance from year to year by eliminating potential impacts of certain non-operational or non-recurring expenses that do not affect our ongoing operating performance.

Our operating loss amounted to RMB530.3 million for the year ended 31 December 2024 compared to an operating loss of RMB1,027.3 million for the year ended 31 December 2023. Our operating loss margin was 14.0% for the year ended 31 December 2024, as compared to 23.1% for the year ended 31 December 2023, primarily due to the decrease of operating loss.

We define EBITDA loss as (i) loss for the period, adjusted to add back (ii) finance costs (iii) depreciation and amortisation expenses and (iv) income tax expense. We use EBITDA loss to emphasise operating results and it more nearly approximates cash flows.

Our EBITDA loss for the year ended 31 December 2024 was RMB814.0 million as compared to RMB814.1 million for the year ended 31 December 2023.

Liquidity and Financial Resources

During the year ended 31 December 2024, we funded our cash requirements principally from cash generated from our operations and external borrowings. We had cash and cash equivalents of RMB638.8 million and RMB321.8 million as of 31 December 2023 and 31 December 2024, respectively. We generally deposit our excess cash in interest bearing bank accounts and current accounts.

During the year ended 31 December 2024, our principal uses of cash were for the funding of required working capital and other recurring expenses to support the expansion of our operations. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of internally generated cash, external borrowings and other funds raised from the capital markets from time to time.

Capital Expenditure

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Purchase of and deposits placed for property and equipment	<u>11,919</u>	<u>12,259</u>
Total	<u>11,919</u>	<u>12,259</u>

Our capital expenditures primarily related to purchases of property, equipment and capitalised prepayment. Leasehold improvements, mainly including capitalised decoration and maintenance costs, account for the majority of property and equipment purchases.

Off-Balance Sheet Commitments and Arrangements

As of 31 December 2024, we had not entered into any off-balance sheet transactions.

Gearing Ratio

As at 31 December 2024, the gearing ratio of the Group, which is calculated by dividing total debt (all bank and other borrowings) by total assets as at the end of the Reporting Period, was 265.5%, representing an increase of 119.7 percentage points as compared with 145.8% as at 31 December 2023. The increase was primarily due to the decrease of total assets.

Significant Investments Held

As at 31 December 2024, we did not hold any significant investments in the equity interests of any other companies (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2024).

Future Plans for Material Investments and Capital Assets

As of 31 December 2024, we did not have plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

We did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associated companies or joint ventures during the Reporting Period.

Employee and Remuneration Policy

As at 31 December 2024, we had 1,770 full-time employees, most of whom were based in our headquarters in Shanghai and various other cities in China according to our business strategies.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees performance-based cash bonuses and other incentives in addition to base salaries. The total remuneration expenses, including share-based compensation expense, for the year ended 31 December 2024 were RMB622.0 million, as compared with RMB1,093.2 million for the year ended 31 December 2023, representing a year-on-year decrease of 43.1%.

Foreign Exchange Risk

Our functional currency is Renminbi, but certain of our cash and cash equivalent, USD-denominated senior notes and conditional investment fund received are denominated in foreign currency and are exposed to foreign currency risk. We currently do not have a foreign currency hedging policy. We will continue to monitor foreign exchange exposure and will take actions when necessary.

Pledge of Assets

As at 31 December 2024, the Group's bank borrowings of RMB332.9 million were secured by the Tangchao Grand Hotel (carrying amount of RMB444.4 million) and 2 units in the Hangzhou PingLan business center (carrying amount of RMB15.6 million).

For further details of the Tangchao Grand Hotel, please refer to the announcement of the Company titled "Discloseable Transaction – Acquisition of Shanghai Juanpeng", dated 22 March 2020.

Contingent Liabilities

As of 31 December 2024, we did not have any material contingent liabilities (31 December 2023: nil).

Events after the Reporting Period

Save as disclosed in this announcement and as at the date of this announcement, there were no significant events that might affect the Group since 31 December 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures and to enhance the transparency and accountability of the Board to all shareholders.

During the Reporting Period, the Company had adopted and complied with all the applicable code provisions as set out in the Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Company does not have separate chairman of the Board and chief executive officer, and Zhou Xin, our executive Director, currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2024.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code and maintain a high standard of corporate governance practices of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding the Directors’ dealings in the securities of the Company. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they had strictly complied with the required standards set out in the Model Code throughout the Reporting Period.

EXTRACT FROM THE AUDITOR’S REPORT

The following is an extract from the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024.

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2024. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the Consolidated Financial Statements

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB1,431,163,000 and net cash outflow from operating activities of approximately RMB205,193,000 for the year ended 31 December 2024 and, as of that date, the Group had net current liabilities and net liabilities approximately RMB8,795,282,000 and approximately RMB7,990,311,000, respectively, while the Group’s cash and cash equivalent balance amounted to RMB321,820,000 as at 31 December 2024. The Group is experiencing recurring losses and challenging real estate conditions in the PRC, including weak customer sentiment, inflationary concerns, declining sales, and increasing cost and liquidity pressures.

The above conditions, together with other matter described in note 2 to the consolidated financial statements, indicate that a material uncertainty exists which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the Board of Directors of the Company (the "**Board**") is in the process of implementing a number of plans and measures to improve the Group's liquidity and financial position which are set out in note 2 to the consolidated financial statements. The Board has reviewed a cash flow forecast (the "**Cash Flow Forecast**") prepared by management covering a period of twelve months from 31 December 2024, which take into account these plans and measures. Based on such assessment, assuming the plans and measures can be successfully implemented as scheduled notwithstanding the inherent uncertainties associated with the outcome of these plans and measures, the Board is of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 31 December 2024 and therefore, it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the consolidated financial statements prepared on a going concern basis depends whether those plans and measures as set out in note 2 can be successfully implemented. These measures include among others that (i) the Group will continue to actively negotiation with lenders and creditors on the restructuring of its offshore debt (the "**Restructuring Plan**") and; (ii) the Board will continue to focus on cost reduction and cash flow, such as disposal the Group's non-current assets, accelerate the collection of receivables or other matters described in note 2 as the "Cost Reduction and Cash Flow Plan" to finance the Group's operation.

In respect of the "Restructuring Plan", we were advised by management that such Restructuring Plan are still at a preliminary stage and no new restructuring proposal has been provided to the creditor for consideration. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we consider necessary to evaluate the Group's ability to extend the repayment of the Group's loan to the extent necessary based on the Cash Flow Forecasts.

In respect of the "Cost Reduction and Cash Flow Plan", management was unable to provide us with sufficient information about the details of the Cost Reduction and Cash Flow including the detailed timetable and actions to be carried out, the detailed analyses and estimates of the costs of implementing the relevant actions as well as detailed estimates of the resulting cost savings. Accordingly, we were unable to obtain sufficient appropriate audit evidence that we considered necessary to evaluated the Group's ability to reduce operating and administrative costs to the desired level within the period planned in the Cash Flow Forecast.

In view of the above scope limitation, there were no other alternative procedures that we could perform to satisfy ourselves that the Group would be able to implement its plans and measures, as a result, we were unable to obtain sufficient appropriate audit evidence we considered necessary to conclude whether the use of the going concern assumption in the preparation of the consolidated financial statements is appropriate.

Should the Group fail to achieve the above-mentioned measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures contained in this announcement of the Group's audited consolidated annual results for the year ended 31 December 2024 have been agreed by Zhonghui Anda, to the figures set out in the audited consolidated financial statements of the Group for the year ended 31 December 2024. The work performed by Zhonghui Anda in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Zhonghui Anda on this preliminary announcement.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system (including risk management) of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee consists of three members, namely Mr. Zhang Bang, Mr. Li Jin, and Mr. Wang Liqun. Mr. Zhang Bang is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024 and discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members.

OTHER BOARD COMMITTEES

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange during the Reporting Period. As at 31 December 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

MATERIAL LITIGATION

As at 31 December 2024, the Company was not involved in any material litigation or arbitration. Nor were the Directors of the Company aware of any material litigation or claims that were pending or threatened against the Company.

FINAL DIVIDEND

The Board did not recommend the distribution of a final dividend for the year ended 31 December 2024 (2023: nil).

CLOSURE OF REGISTER OF MEMBERS

The Company's annual general meeting will be held on 10 June 2025. The register of members of the Company will be closed from 5 June 2025 to 10 June 2025, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 4 June 2025.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This audited annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ehousechina.com. The annual report of the Group for the year ended 31 December 2024 will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders (if requested) in due course.

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

Hong Kong, 27 March 2025

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Zhou Xin as Chairman and executive Director, Mr. Huang Canhao, Dr. Cheng Li-Lan and Dr. Ding Zuyu as executive Directors, Mr. Song Jiajun, Mr. Chen Daiping and Ms. Yuan Li as non-executive Directors, and Mr. Zhang Bang, Mr. Zhu Hongchao, Mr. Wang Liqun and Mr. Li Jin as independent non-executive Directors.