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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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE WANJU PROPERTY

INTRODUCTION

The Board announces that, on 12 December 2024, Shanghai Wanju, an indirect wholly-owned subsidiary of the Company, and Shanghai UCI entered into the Agreement, pursuant to which Shanghai Wanju agreed to dispose, and Shanghai UCI agreed to purchase, the Wanju Property for a total consideration of RMB384,378,767.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to notification, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As the completion of the Disposal has been effected and the proceeds of the Disposal have been fully utilized to repay the Company's debt obligations, the Company will not convene a general meeting to obtain Shareholders' approval in respect of the Disposal.

INTRODUCTION

The Board announces that, on 12 December 2024, Shanghai Wanju, an indirect wholly-owned subsidiary of the Company, and Shanghai UCI entered into the Agreement, pursuant to which Shanghai Wanju agreed to dispose, and Shanghai UCI agreed to purchase, the Wanju Property for a total consideration of RMB384,378,767 (the "**Consideration**").

The Agreement

Date

12 December 2024

Parties

(i) Shanghai Wanju; and

(ii) Shanghai UCI

The Wanju Property

The Wanju Property is an office building located at No. 50, 1688 Lane, Guo Quan Bei Road, Yangpu District, Shanghai, China. The Wanju Property covers a land area of approximately 216,400 square meters and has a total floor area of approximately 28,700 square meters. The Group acquired Shanghai Wanju, whose principal asset is the Wanju Property, in 2020. Upon such acquisition, the Wanju Property was used as a training and education centre for the Group's real estate agent personnel and office space for its operations. However, it had been largely vacant in recent years up until the Disposal following the real estate industry downturn in China and the Company's contraction of its operations.

As at the date of the Agreement, the Wanju Property was pledged to the Bank (i) as first security (the "**First Security**") in respect of an acquisition loan obtained by the Company with the Bank on 2 December 2020 (the "**First Loan**"); and (ii) as second security (the "**Second Security**") in respect of a working capital loan obtained by the Company with the Bank on 30 June 2022 (the "**Second Loan**"). As at the date of the Agreement, RMB261,000,000 of the First Loan and RMB28,000,000 of the Second Loan remained outstanding, respectively.

Consideration, Basis of the Consideration and Payment Terms

The Consideration of RMB384,378,767 (representing approximately RMB13,380 per square meter) was payable in the following three tranches:

(i) **Deposit**: a deposit of RMB38,437,876.70 was paid by the Shanghai UCI to Shanghai Wanju upon signing of the Agreement (the "**Deposit**") and the Wanju Property was delivered to Shanghai UCI. Upon receipt of the Deposit, the Deposit was immediately used by the Company to repay the outstanding amount of the Second Loan and the Second Security was released. Upon release of the Second Security, a new second security was created over the Wanju Property to secure the Shanghai UCI Loan during the interim period until the completion of the Disposal (the "**New Second Security**");

(ii) **Second Tranche**: upon creation of the New Second Security, Shanghai UCI paid the second tranche of the Consideration to Shanghai Wanju in the sum of RMB263,940,890.30, which comprised (a) an amount of RMB155,940,890.30 and (b) an amount of RMB108,000,000 of the Shanghai UCI Loan. In order to pay the full Consideration, Shanghai UCI obtained a loan with the Bank in the principal amount of RMB190,000,000 (the "**Shanghai UCI Loan**") which was released in two installments, with the first installment being an amount of RMB108,000,000. Upon receipt of the first installment of the Shanghai UCI Loan, such funds were transferred by Shanghai UCI to Shanghai Wanju, who then immediately used the funds to repay the outstanding amount of the First Loan and the First Security was released;

(iii) **Remaining Tranche**: the second installment of the Shanghai UCI Loan of RMB82,000,000 was released to Shanghai UCI and transferred to Shanghai Wanju within 5 working days of completion of the following:

  (a) the delivery of all 52 units of the Wanju Property and the related tax certificates;

  (b) the receipt of land use rights certificates of all 52 units of the Wanju Property by Shanghai UCI;

  (c) the completion of payment of certain property management fees by Shanghai Wanju.

Upon completion, the New Second Security was transferred under the name of Shanghai UCI.

The Consideration was determined after arm's length negotiations between the Company and Shanghai UCI with reference to (i) the book value of the Wanju Property of RMB486,978,130.11 as at 30 June 2024; (ii) the Company's debt liabilities, in particular its imminent repayment obligations in respect of the First Loan and the Second Loan; (iii) the market conditions in the PRC real estate industry; (iv) the prevailing prices of properties in the surrounding area and (v) the factors set out in the paragraph headed "Reasons for and the Benefits of the Disposal" below.

Use of Proceeds

The Company raised total net proceeds of RMB365,291,673 from the Disposal, of which (i) RMB261,059,595 was used to repay the First Loan (including interest), (ii) RMB28,309,322 was used to repay the Second Loan (including interest) and (iii) the remaining RMB75,922,756 was used to repay other bank loans and payables of the Company.

INFORMATION ON THE PARTIES

The Group and Shanghai Wanju

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.

Shanghai Wanju is a limited partnership established under the laws of China. Shanghai Wanju is the sole owner of the Wanju Property and did not engage in any material business operations in the past two financial years ended 31 December 2023. Shanghai Wanju's principal asset is the Wanju Property. Based on information provided by Shanghai Wanju, set out below is the unaudited profit or loss generated from the rental income of the Wanju Property for each of the two financial years ended 31 December 2022 and 31 December 2023 (prepared in accordance with IFRS Accounting Standards). The book value of the Wanju Property was RMB486,978,130.11 as at 30 June 2024.

	For the year ended 31 December	
	2022	**2023**
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Rental income	822.84	90.62
Loss before tax	39,051.16	81,165.81
Loss after tax	39,051.16	81,165.81

Shanghai UCI

Shanghai UCI is a state-owned entity of the Shanghai Yangpu District Investment Promotion Office (上海市楊浦區投資促進辦公室) of the People's Government of Yangpu District, Shanghai (上海市楊浦區人民政府) (the "**Investment Promotion Office**"). It is principally engaged in regional urban development and operations for advancing urban renewal.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Shanghai UCI and its ultimate beneficial owners are Independent Third Parties.

FINANCIAL EFFECT OF THE DISPOSAL

The Disposal was completed on 25 December 2024. As set out in the annual results of the Company for the year ended 31 December 2024, the Group recorded a loss of approximately RMB104,664,587 (equivalent to approximately HK$111,345,305) from the Disposal, calculated based on the Consideration of RMB384,378,767 minus (i) the book value of the Wanju Property of approximately RMB469,956,260 as at 31 December 2024 and (ii) the value-added tax and transaction fee of approximately RMB19,087,094. There was no material change in book value of the Wanju Property between 25 December 2024 and 31 December 2024.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In the beginning of 2020, the global spread of COVID-19 caused widespread material disruptions in economic activities and put the PRC real estate industry under different forms of stress, including thousands of sales offices in mainland China being forced to shut down and cease operations. Since 2021 a number of policies, including those regarding land auctions and regulatory funds, were implemented which put the real estate industry under severe conditions, with transactions continuing to decrease and several property developers facing credit crisis. In 2022, many leading developers in the PRC, 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. While in 2023 and 2024, the PRC government issued a series of measures to encourage real estate purchase and the real estate market showed signs of recovery and stabilization, the real estate industry in China remained in a depressed state overall due to poor buyer sentiment and slower economic growth and many leading developers continued to report decreases in results and serious liquidity constraints and over 80% of the top 100 real estate developers recorded year-on-year decrease in cumulative results.

In light of the above, the Group's operations and results were severely impacted. As detailed in the Company's annual results announcements and interim results announcements for the past few years, the Group's operations continued to be severely negatively affected by the continued industry downturn, having been in a net loss position for a number of years. The Company's net losses for 2022, 2023 and 2024 were RMB4,968.5 million, RMB1,524.8 million and RMB1,431.2 million, respectively. Cash balance as at the end of 2022, 2023 and 2024 were RMB1,246.6 million, RMB638.8 million and RMB321.8 million, respectively.

One of the ways the Company considered to alleviate its financial difficulties was to liquidate its assets. Since 2023, the Company had been actively seeking purchasers for its assets, including the Wanju Property. After multiple unsuccessful attempts, the Company received interest from for two of the units in November 2024 (the "**Initial Transactions**"). As part of the processing of commercial property sales, the Company was required to seek the approval of the Investment Promotion Office, who after assessing the Initial Transactions, proposed in late November 2024 to acquire the Wanju Property as an entire office building through Shanghai UCI, on the condition that the Disposal must be completed by 31 December 2024.

Given the Company's continuous financial difficulties, in particular the Company's pressing need to repay the First Loan and Second Loan (which was due in December 2024) and the alternative scenario that the Company would be in breach of the aforementioned loans if it fails to repay, the Company considered that the Disposal, while at a loss, would be in the best interest of the Company and its Shareholders against the circumstances as it would enable the Company to have the requisite funds to satisfy its imminent debt obligations. In addition, the proceeds from the Disposal enabled the Company to repay RMB79,500,000 in principal and RMB7,000,000 in interest in the first half of 2025 in respect of loans with another bank.

In light of the above, the Company considered that the terms and conditions of the Disposal are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

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

"Agreement"	the agreement dated 12 December 2024 entered into between Shanghai Wanju and Shanghai UCI in relation to the Disposal
"Bank"	The Bank of Communications
"Board"	the board of Directors
"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)
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Wanju Property by the Company
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China, which, for the purpose of this announcement, excludes, Hong Kong, the Macao Special Administrative Region and Taiwan
"Shanghai UCI"	Shanghai Yangpu Urban Construction Investment (Group) Co., Ltd. (上海楊浦城市建設投資(集團)有限公司)
"Shanghai Wanju"	Shanghai Wanju Investment Partnership Enterprise (Limited Partnership)* (上海灣居投資合夥企業(有限合夥)), a limited partnership established under the laws of China
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.00001 each
"Shareholders"	the shareholders of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Wanju Property"	an office building located at No. 50, 1688 Lane, Guo Quan Bei Road, Yangpu District, Shanghai, China with a land area of approximately 216,400 square meters and a total floor area of approximately 28,700 square meters

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

Hong Kong, 29 August 2025

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