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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the annual results announcement of E-House (China) Enterprise Holdings Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") dated 27 March 2025 (the "**Announcement**") in relation to the audited consolidated results of the Group for the year ended 31 December 2024 (the "**Reporting Period**"). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, the Group recognised impairment losses on non-current assets of RMB378.6 million (the "**Impairment Losses"**) for the Reporting Period. This supplemental announcement provides additional information in respect of the Impairment Losses.

The Impairment Losses comprise the recognition of impairment losses on the following items:

		Impairment loss *RMB'000*
Intangible assets	Software – *Tianji*	171,728
Intangible assets	Business relationship – *Leju*	55,310
Intangible assets	Brand name – *Leju*	129,665
Property and equipment	Tangchao Grand Hotel	21,852
	Total	378,555

Details of the Impairment Losses are set out as follows:

(A) Software – Tianji, Business relationship – Leju and Brand name – Leju and Software – Tianji

Valuation method adopted and the reasons for adopting such method

As required by International Accounting Standard 36 ("**IAS 36**"), the directors of the Company measured the recoverable amount of the intangible assets of *Business relationship – Leju*, *Brand name – Leju* and *Software – Tianji* when there was an indication of impairment. The Directors assessed the recoverable amounts of these intangible assets, which were the higher of the value in use (the "**VIU**") and the fair value less costs of disposal (the "**FVLCS**"). These intangible assets could be sold separately and therefore the recoverable amounts were determined based on the respective VIUs.

According to the results of the VIU calculations, the recoverable amounts of the *Business relationship – Leju*, *Brand name – Leju* and *Software – Tianji* were estimated to be zero, respectively and therefore, a full impairment was recognized for each of the items for the year ended 31 December 2024.

According to IAS 36 Impairment of Assets, the VIU is the present value of the future cash flows expected to be derived from an asset or cash-generating unit ("**CGU**"). To comply with the corresponding accounting standard, the income approach has been adopted consistently year over year for both the valuation of the Leju CGU and the Tianji CGU. Under the income approach, the VIU is developed through the application of the discount cash flow method to devolve the values of expected future income generated by the assets into a present value, which is consistent with the VIU defined by IAS 36.

Software – Tianji

Software – *Tianji* is a set of online tools and platforms developed by Shanghai Tianji Network Service Co., Ltd. ("**Tianji Network**") recognised as a result from the Group's acquisition of Tianji Network completed on 30 May 2021, which were consolidated into the Group's operations to enhance its online real estate transaction services. Due to the downturn of the e-commerce market and business reorganization, 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. Accordingly, the Group performed an impairment test on Tianji Network as at 31 December 2024. The directors of the Company determined to fully impair this intangible asset related to Tianji Network as it no longer contributed to the revenue of the Group. The impairment loss of RMB171,728,000 recognised was included in the profit or loss in the impairment losses recognized on non-current assets line item.

(i) Cash Flow Forecast

Business model

Tianji software includes: a real estate dictionary which offers a database platform, data mall which provides real estate data, data reports, data services and systems to individuals and enterprises; and Estate Blockchain as a Service, which focuses on research and development and innovation in blockchain technology and applications. It was the critical underlying technology in connecting agents, developers and property buyers. Due to the downfall of the real estate market, online sales suffered a tremendous decrease. The revenue generated from Tmall Haofang (天貓好房) branded online real estate marketing and transaction service was RMB32.8 million, RMB57.8 million and RMB0.2 million in the year 2022, 2023 and 2024. The net loss from Tmall Haofang (天貓好房) branded online real estate marketing and transaction service was RMB625.2 million, RMB171.7 million and RMB73.2 million in the year 2022, 2023 and 2024. The financial losses were attributed to high operating expenses. Since no positive cash flow is forecasted for the coming years, the Company switched its business model from online to offline for the real estate transaction services. Therefore, a full impairment was made for Software – Tianji as at 31 December 2024.

(ii) Discount rate

The discount rate, which is the WACC, of 29.23% was determined as below:

Cost of Equity	34.57%
Cost of Debt	3.6%
Weight of Equity Value to Enterprise Value	83.23%
Weight of Debt Value to Enterprise Value	16.77%
Statutory Corporate Tax Rate	25%
WACC	29.23%

Certain underlying data and assumptions of the WACC are derived from the market data of certain guideline public companies which principally provide real estate services similar to Leju.

Business relationship – Leju and Brand name – Leju

The Group performed a valuation of Leju as at 31 December 2024 for the purpose of the impairment assessment. While the valuation of Leju as at 31 December 2024 produced a positive value, majority of such value was allocated to fixed assets of Leju with readily available market value and only a small amount was allocated to its intangible assets in accordance with International Financial Reporting Standards. Leju's major intangible assets include its brand name and business relationships and these were identified many years ago when online advertising was Leju's main line of business and Leju relied on its brand name and relationships with key developer clients to sell advertisements on its website. The online advertising business has shrunk substantially in recent years due to changes in industry practice, the downturn of China's real estate industry, and financial difficulties among Leju's key customers. The directors of the Company determined to fully impair these intangible assets related to the Leju brand name and business relationship as there was only a small positive value attributable to such intangible assets as at 31 December 2024 and such intangible assets no longer meaningfully contributed to the revenue of the Group.

Set out below are the major valuation inputs and assumptions for the valuation of the Leju CGU:

(i) Cash flow forecast

Business model

Leju is primarily engaged in the business of E-commerce (including selling discount coupons and issuing commission coupons), online advertising services and listing services (collectively referred to as "**Digital Marketing Services**").

On 7 March 2014, SINA and Leju entered into the advertising inventory sale agency agreement for a term from 7 March 2014 to 7 March 2024. Under the advertising inventory sale agency agreement, Leju has the exclusive right to sell advertising to real estate, home furnishing and construction materials advertisers on all SINA non-real estate websites. No new agreement was reached and the Group changed its business model of online advertising from direct operation and the SINA model to a city agency model. City agency model means Leju authorizes City Joint-Operation Partners to operate as Leju's licensed media platforms. These partners are permitted to utilize Leju's media platform within their authorized cities to provide services to their clients. In compliance with all applicable laws and regulations, the partners publish new home marketing content and online real estate advertisements. Leju generates revenue through annual partnership authorization fees.

The revenue for Leju decreased from USD534 million in 2021 to USD272 million in 2024, primarily due to the decrease of revenue generated from selling discount coupons and online advertising service. From 2022, Leju focused on the development of issuing commission coupons. In order to promote the commission coupons business, Leju issued a majority of the commission coupons in 2022 for free or with small considerations.

Growth rate

From year 2023 to 2024, the majority of revenue of Leju was generated from issuing commission coupons and providing an information platform to individual brokers on which such brokers can refer potential individual property buyers to real estate developers with whom we work to earn commission for the successful referrals (which are considered to be derived from fixed assets of Leju).

The growth rate for the year ended 31 December 2024 ("**FY2024**") was approximately -14% as while the real estate market had shown signs of stabilization, the overall conditions remained weak, with over 80% of the top 100 real estate developers recording year-on-year decrease in cumulative results and the Group being affected by a decrease in total sales revenue by 14.6%. Despite the negative growth rate for FY2024, as China's stance on the real estate market has become focused on stabilizing expectations and preventing risks while promoting the healthy development of the sector, which is evident in the government's continued efforts to ease credit and loosen restrictions for real estate purchase (by way of example, the PRC government enacted property stimulus measures in September 2024, which led to positive growth in the sales area and sales volume of newly built commercial housing and an increase in sales activity in the secondary housing market in first and second tier cities in the fourth quarter of 2024, with an increase in the average selling price for real estate in first tier major cities in China in January 2025, reversing earlier declines) and the signs of improvement in the macroeconomic conditions this year (for example, an upward revision by the International Monetary Fund in the forecast of China's 2025 GDP growth from 4.5% in October 2024 to 4.6% in January 2025), the management of the Company expects there to be recovery of confidence on the demand side in the coming years and applied a judgmental revenue growth rate a range of 0% to 2% to the forecast years from the year ending 31 December 2025 ("**FY2025**") to the year ending 31 December 2029 ("**FY2029**").

GP margins

The GP margin in FY2024 was 6.7%.

In the forecasts for FY2025 to FY2029, the GP margin of 6% was applied by the Directors in the cash flow forecasts.

(ii) Discount rate

The discount rate, which is the weighted average cost of capital ("**WACC**"), of (29.23%) was determined as below:

Cost of Equity	34.57%
Cost of Debt	3.6%
Weight of Equity Value to Enterprise Value	83.23%
Weight of Debt Value to Enterprise Value	16.77%
Statutory Corporate Tax Rate	25%
WACC	29.23%

Certain underlying data and assumptions of the WACC are derived from the market data of certain guideline public companies, which principally provide real estate services similar to Leju.

(B) Tangchao Grand Hotel

Due to the downturn of the hotel market, the Group performed an impairment test on the Tangchao Grand Hotel as at 31 December 2024. The Company engaged Valuelink (the "**Valuer**"), an independent valuer, to conduct a valuation of Tangchao Grand Hotel using a cost approach (the "**Tangchao Valuation**"). Since the target asset has a limited operation time and reliable financial forecasts cannot be obtained, the income approach was not appropriate for the valuation. At the same time, since the hotel asset is mainly used for hotel operations, the number of similar real estate transactions is limited and no comparable related transaction cases can be found. Accordingly, the market approach was also considered to be not appropriate for the valuation. Therefore, the cost approach was adopted for the Tangchao Valuation.

The key inputs of the Tangchao Valuation include: (i) the quantitative inputs used to determine the gross current replacement cost; (ii) the amount of depreciation adjustment made to the gross current replacement, and (iii) the computation process for the final depreciated replacement. The value of the Tangchao Grand Hotel from the Tangchao Valuation as at 31 December 2024 was RMB607,000,000 while the carrying amount of Tangchao Grand Hotel and its interior decoration as at 31 December 31 2024 was approximately RMB628,852,000. Consequently, the carrying amounts of property, plant and equipment were written down by RMB21,852,000.

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

Hong Kong, 16 September 2025

As at the date of this announcement, the Board comprises Mr. Zhou Xin as Chairman and executive Director, Mr. Huang Canhao, Dr. Cheng Li-Lan and Dr. Ding Zuyu as executive Directors, Mr. Liang Xingchao, 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.