
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report: _____

For the transition period from _____ to _____

Commission file number: 001-34862

Fang Holdings Limited

(Exact name of registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

**Tower A, No. 20 Guogongzhuang Middle Street
Fengtai District, Beijing 100070
The People's Republic of China**

(Address of principal executive offices)

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Telephone: +86-10-5631 8000
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(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**American depositary shares, each
representing ten Class A ordinary
shares, par value HK\$1.00 each
share**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

Class A ordinary shares, par value HK\$1.00 each share	66,020,679
Class B ordinary shares, par value HK\$1.00 each share	24,336,650

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of "large accelerated filer," "accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards † provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes -Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive- based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued
by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow: Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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INTRODUCTION

Except where the context otherwise requires and for purposes of this annual report on Form 20-F only:

- “ADSs” refers to our American depositary shares, with each ADS representing ten Class A ordinary shares, and “ADRs” refers to American depositary receipts, which, if issued, evidence our ADSs;
- “CIH” refers to China Index Holdings Limited, a Cayman Islands company which was separated from our company, via a stock distribution on June 11, 2019, and its subsidiaries and variable interest entity, Beijing Zhong Zhi Hong Yuan Data Information Technology Co., Ltd.;
- “China,” “PRC” or “Chinese” refers to the People’s Republic of China, excluding, for the purpose of this annual report only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
- “CSRC” refers to the China Securities Regulatory Commission;
- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended;
- “Hong Kong dollars” or “HK\$” refers to the legal currency of the Hong Kong Special Administrative Region;
- “MIIT” refers to the Ministry of Industry and Information Technology and its complete local branches;
- “MOFCOM” refers to the Ministry of Commerce and its competent local branches;
- “MOHURD” refers to the Ministry of Housing and Urban-Rural Development and its competent local branches; “monthly unique visitors” in a given month, refers to the aggregate number of daily unique visitors to our websites, mobile apps or mobile WAP websites in such month. Once a visitor has visited a website, mobile app or mobile WAP website in a given day, all subsequent visits from the same IP address or device to a specific channel during such day do not count towards the daily unique visitor number for such specific channel. The combined number of monthly unique visitors to our websites, mobile apps and mobile WAP websites is the sum of the monthly unique visitors for each website, mobile app and mobile WAP website. The average number of monthly unique visitors for a given year is the average of the monthly unique visitors in each month in such year;
- “NDRC” refers to National Development and Reform Commission;
- “PBOC” refers to People’s Bank of China;
- “RMB” or “Renminbi” refers to the legal currency of China;
- “SAFE” refers to the State Administration of Foreign Exchange and its competent local branches;
- “SAMR” refers to the State Administration for Market Regulation (formerly known as the State Administration for Industry and Commerce, or the SAIC) and its competent local branches;
- “SAT” refers to the State Administration of Taxation and its competent local branches;
- “SEC” refers to the U.S. Securities and Exchange Commission;
- “Securities Act” refers to the Securities Act of 1933, as amended; “shares” or “ordinary shares” refers to our ordinary shares, including both Class A ordinary shares of a par value of HK\$1.00 each and Class B ordinary shares of a par value of HK\$1.00 each;
- “sq.m.” refers to square meter(s);
- “U.S. dollars,” “US\$” or “\$” refers to the legal currency of the United States of America; and
- “We,” “us,” “our company,” “our,” “SouFun” or “Fang” refers to Fang Holdings Limited (formerly known as SouFun.com Limited and SouFun Holdings Limited), its subsidiaries, and, in the context of describing our operations and consolidated financial information, our consolidated controlled entities in China.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “is expected to,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “are likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to:

- our anticipated growth strategies;
- our anticipated business activities and the expected impact of these actions on our results of operations and financial condition;
- expected changes in our revenues and certain cost or expense items;
- our ability to attract clients and further enhance our brand recognition; trends and competition in the real estate, home furnishings and improvement sites and online advertising industries;
- PRC laws, regulations and policies relating to the real estate, home furnishings and improvement sites and advertising and financing industries and the use of the Internet to conduct these activities; and
- the non-binding proposal letter from Mr. Richard Jiangong Dai and the potential transaction contemplated by such letter.

You should read this annual report and the documents that we refer to in this annual report thoroughly and with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements. Other sections of this annual report, including the section titled “*Risk Factors*”, include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MARKET AND INDUSTRY DATA

Market data and certain industry forecasts used in this annual report were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and we make no representation as to the accuracy of such information.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Our Holding Company Structure and Contractual Arrangements with the Variable Interest Entities

Fang Holdings Limited is not a Chinese operating company but a Cayman Islands holding company with no equity ownership in the variable interest entities. We conduct our operations primarily through our wholly-owned PRC subsidiaries and the variable interest entities (including the variable interest entities and their subsidiaries) in China. PRC laws and regulations restrict and impose conditions on foreign investment in the Internet industry and there is uncertainty over administrative practice in advertising industries. Accordingly, we operate all our business through the variable interest entities, and rely on contractual arrangements among our PRC subsidiaries, the variable interest entities and their shareholders to conduct the business operations of the variable interest entities. Revenues contributed by the variable interest entities accounted for 66.1%, 66.8% and 49.6% of our total revenues for the years of 2022, 2023 and 2024, respectively. As used in this annual report, “we,” “us,” “our company” and “our” refers to Fang Holdings Limited and its subsidiaries. Holders of Fang’s ADSs hold equity interest in Fang Holdings Limited, our Cayman Islands holding company; by investing in Fang’s ADSs, they do not, and may never, have direct or indirect interest in the variable interest entities in China. The variable interest entities are PRC companies conducting operations in China, and their financial results have been consolidated into our consolidated financial statements under U.S. GAAP for accounting purposes. Fang is a holding company with no operations of its own. We do not have any equity ownership in the variable interest entities.

A series of contractual agreements, which consist of exclusive technical consultancy and service agreements, equity pledge agreements, operating agreements, shareholders’ proxy agreements, loan agreements and exclusive call option agreements (collectively, the “Structure Contracts”). See “*Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Structure Contracts*” of this annual report. As a result of these contractual arrangements, we exercise the ability to control the consolidated controlled entities through our power to direct the activities of consolidated controlled entities that most significantly impact their economic performance, and the obligation to absorb losses of or the right to all the residual benefits of the consolidated controlled entities that could potentially be significant to these entities. Accordingly, we consolidate their results in our consolidated financial statements under the U.S. GAAP for accounting purposes. Neither Fang nor its investors has an equity ownership in, direct foreign investment in, or control through such ownership or investment of, the variable interest entities, and the contractual arrangements are not equivalent to an equity ownership in the business of the variable interest entities. For more details of these contractual arrangements, see “*Item 4. Information on the Company-C. Organizational Structure.*”

However, the contractual arrangements may not be as effective as direct ownership in providing us with control over the variable interest entities, and we may incur substantial costs to enforce the terms of the arrangements. In addition, these agreements have not been tested in PRC courts. See “*Item 3. Key Information-D. Risk Factors-Risks Related to Our Corporate Structure-We rely on contractual arrangements with Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (the “Beijing TuoShi”) and Tianjin Jia Tian Xia Network Technology Co., Ltd. (the “Jia Tian Xia Network Technology”), our wholly-owned PRC subsidiaries, their controlled variable interest entities and their respective shareholders for our operations, which may not be as effective as direct ownership in providing operational control*” and “*-The shareholders of our consolidated controlled entities may have potential conflicts of interest with us, and if any such conflicts of interest are not resolved in our favor, our business may be materially and adversely affected.*”

There are also substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of Fang, a Cayman Islands holding company, with respect to its contractual arrangements with the variable interest entities and their shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the variable interest entities is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See “*Item 3. Key Information-D. Risk Factors-Risks Related to Our Corporate Structure-If the PRC government determines that the structure contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure.*” and “*Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China-Substantial uncertainties exist with respect to the adoption of new or revised PRC laws relating to our current corporate structure, corporate governance and business operations.*”

Our corporate structure is subject to risks associated with our contractual arrangements with the variable interest entities. If the PRC government deems that our contractual arrangements with the variable interest entities do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Fang, its PRC subsidiaries and variable interest entities, and investors of Fang face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the variable interest entities and, consequently, significantly affect the financial performance of the variable interest entities and our company as a whole. The PRC regulatory authorities could disallow the VIE structure, which would likely result in a material change in our operations and cause the value of our securities to significantly decline or become worthless. For a detailed description of the risks associated with our corporate structure, please refer to all the risks disclosed under “*Item 3. Key Information-D. Risk Factors-Risks Related to Our Corporate Structure.*”

We face various risks and uncertainties related to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on offshore offerings, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy, and regulation and statements made by PRC government related to the use of variable interest entities, which may impact our ability to conduct certain businesses, accept foreign investments, or list on a United States or other foreign exchange. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks related to doing business in China, please refer to risks disclosed under “*Item 3.D. Key Information-Risk Factors-Risks Related to Doing Business in China.*”

PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security or anti-monopoly related regulations, in this nature may cause the value of such securities to significantly decline. For more details, see “*Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China-The PRC government’s significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.*”

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “*Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China -Uncertainties with respect to the PRC legal system could adversely affect us*” and “*-Substantial uncertainties exist with respect to the interpretation and implementation of the adoption of new or revised PRC laws relating to our current corporate structure, corporate governance and business operations.*”

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our subsidiaries and the variable interest entities in China. Our operations in China are governed by PRC laws and regulations. We are required to obtain applicable licenses or approvals from various regulatory authorities in order to provide advertising and value-added services and products. These licenses or approvals are essential to the operation of our business and are generally subject to annual review by the relevant PRC governmental authorities. As of the date of this annual report, each Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”) and Beijing Century Jia Tian Xia Technology Development Co., Ltd. (“Beijing JTX Technology”) holds a value-added telecommunications service operating license, or ICP license, as required under the applicable PRC laws, rules and regulations; and both Beijing Technology and Beijing JTX Technology have obtained the necessary approval for operating electronic bulletin board services as required under the applicable PRC laws, rules and regulations. Beijing Jia Tian Xia Advertising Co., Ltd. (“Beijing Advertising”) and certain other consolidated controlled entities are allowed to provide marketing services in accordance with the business scope indicated in each of their respective business licenses.

Pursuant to the relevant regulations promulgated by the National Radio and Television Administration, or the NRTA, any company engaged in Internet broadcasting activities must obtain an Internet Audio/Video Program Transmission License issued by the NRTA and operate in accordance with the scope as stipulated in such license. Some of our consolidated controlled entities provide certain Internet live-streaming services. As of the date of this annual report, we have obtained for such consolidated controlled entities, Internet Audio/Video Program Transmission License for Internet audio-visual program service and mobile Internet audio-visual program services of professional audio-visual program production on arts and culture, entertainment, science and technology, finance and economics, sports, education, etc. (excluding interviews), broadcasting services, and live-streaming broadcasting services for general social organization’s cultural activities, sports events and other organizational activities, and Operating Permit for Producing Radio and Television Program. However, due to the uncertainties of interpretation and implementation of existing and future laws and regulations, the licenses we hold may be deemed insufficient by governmental authorities, which may subject us to fines or other regulatory actions by relevant regulators if our practice is deemed as violating relevant laws and regulations.

However, we may be required to obtain additional licenses. For more detailed information, see “*Item 3. Key Information—D. Risk Factors—Risks related to our business—If we fail to obtain or maintain the applicable licenses and approvals under the complex regulatory environment for Internet-based businesses and online advertising businesses in China, or fail to pass annual government inspection or obtain renewal of the business license, our business, financial condition and results of operations would be materially and adversely affected.*”

Furthermore, the PRC government has indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. In connection with our issuance of securities to foreign investors in the past, under current PRC laws, regulations, and rules, as of the date of this annual report, we, our PRC subsidiaries, and the variable interest entities (i) have not been required to obtain permissions from or complete filings with the China Securities Regulatory Commission, or the CSRC, (ii) have not been required to go through cybersecurity review by the Cyberspace Administration of China, or the CAC, and (iii) have not received or have not been denied such requisite permissions by the CSRC or the CAC. Based on advice from our PRC counsel, we do not believe that we are required to undergo cybersecurity review by the CAC for our previous securities offerings.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, an overseas listed company shall file with the CSRC within three business days after the completion of its subsequent securities offering on the same market, and an overseas listed company shall file with the CSRC within three business days after its application of offering and listing on a different market. If an overseas listed company purchases PRC domestic assets through a single or multiple acquisitions, share swaps, shares transfers or other means, and such purchase constitutes direct or indirect listing of PRC domestic assets, a filing with the CSRC is also required. In addition, an overseas listed company is required to report to the CSRC the occurrence of any of the following material events within three business days after the occurrence and announcement thereof: (i) a change of control of the listed company; (ii) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or the competent authorities in respect of the listed company; (iii) a change of listing status or transfer of listing segment; and (iv) the voluntary or mandatory delisting of the listed company. If there is any material change of the principal business of the listed company after the overseas offering and listing so that the listed company is no longer required to file with the CSRC, it shall file a specific report and a legal opinion issued by a domestic law firm to the CSRC within three business days after the occurrence hereof. On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e., March 31, 2023) shall be deemed as existing issuers. Existing issuers are not required to complete the filing procedures, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved.

Based on the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, we were advised by our PRC Counsel, Jingtian & Gongcheng, that under the currently effective PRC laws and regulations, we are not required to obtain permissions from or complete filings with the CSRC. However, as the Overseas Listing Trial Measures is relatively new and there is no clear guidance or explanation regarding the reporting obligation of an existing issuer under the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, we cannot assure you that whether we will need to go through the reporting procedures with the CSRC for our recent delisting arrangements.

If (i) we do not receive or maintain any permissions or approvals or complete any reporting obligations, (ii) we inadvertently concluded that certain permissions, approvals have been acquired or are not required, or certain reporting obligations have been completed or are not required, or (iii) applicable laws, regulations or interpretations thereof change and we become subject to the requirement of additional permissions, approvals or reporting obligations in the future, we cannot assure you that we will be able to obtain such permissions or approvals or complete such reporting obligations in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could subject us to penalties, including fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations.

For more detailed information, see “*Item 3. Key Information-D. Risk Factors- Risks Related to Our Business-If we fail to obtain or maintain the applicable licenses and approvals under the complex regulatory environment for Internet-based businesses and online advertising businesses in China, or fail to pass annual government inspection or obtain renewal of the business license, our business, financial condition and results of operations would be materially and adversely affected*” and “*Item 3. Key Information-D. Risk Factors- Risks Related to Doing Business in China-The approval of and/or report and filing with the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting obligations.*”

Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded in the over-the-counter trading market in the United States. We have appointed GGF CPA Limited, or GGF, for the audit of the consolidated financial statements since the fiscal year ended December 31, 2020. Our current auditor, GGF CPA LTD, or GGF, the independent registered public accounting firm that issues the audit report included in this annual report on Form 20-F, as a firm registered with the PCAOB (PCAOB ID: 2729), is subject to laws in the United States, pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. GGF, whose audit report is included in this report, is headquartered in Guangzhou, China, and, as of the date of this annual report, was not included in the list of PCAOB Identified Firms in the Determination Report issued by the PCAOB on December 16, 2021. Recent developments create uncertainty as to the PCAOB's continued ability to conduct inspections of our independent accounting firm GGF. Our predecessor auditor's work related to our operations in China for the fiscal years 2018 to 2019 was not inspected by the PCAOB. There is no guarantee that our current auditor or any future auditor engaged by us would remain subject to full PCAOB inspection during the entire term of our engagement, which may impact our ability to remain traded in the United States. The related risks and uncertainties could cause the value of the ADSs to significantly decline. Although we believe that the HFCAA and the related regulations do not currently affect us, we cannot assure you that there will not be any further implementations and interpretations of the HFCAA or the related regulations, which might pose regulatory risks to and impose restrictions on us in the future. For more details, see *"Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China-Although our independent registered public accounting firm is registered with the PCAOB and currently subject to periodic PCAOB inspection, if it is later determined that the PCAOB is unable to inspect or investigate our auditor completely, investors would be deprived of the benefits of such inspection and our ADSs may be prohibited from trading."*

Cash and Asset Flows through Our Organization

Fang Holdings Limited is a holding company with no operations of its own. We conduct our operations in China primarily through our subsidiaries and the variable interest entities in China. As a result, although other means are available for us to obtain financing at the holding company level, Fang Holdings Limited's ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our PRC subsidiaries and license and service fees paid by our PRC consolidated variable interest entities. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Fang Holdings Limited. In addition, our PRC subsidiaries are permitted to pay dividends to Fang Holdings Limited only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Further, our PRC subsidiaries and consolidated variable interest entities are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies.

Under PRC laws and regulations, our PRC subsidiaries and the variable interest entities are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by the State Administration of Foreign Exchange, or SAFE. The amounts restricted include the paid-up capital and the statutory reserve funds of our PRC subsidiaries and the net assets of the variable interest entities in which we have no legal ownership, totaling US\$6.6 million, US\$6.5 million and US\$6.4 million as of December 2022, 2023 and 2024, respectively. Furthermore, cash transfers from our PRC subsidiaries and the variable interest entities to entities outside of China are subject to PRC governmental control on currency conversion. As a result, the funds in our PRC subsidiaries or the variable interest entities in China may not be available to fund operations or for other use outside of China, such as the payments of dividends to U.S. investors, due to interventions in, or the imposition of restrictions and limitations on, the ability of our holding company, our subsidiaries, or the variable interest entities by the PRC government on such currency conversion. For risks related to the fund flows of our operations in China, see *"Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China- We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity," "Item 3.D. Key Information-Risk Factors-Risks Related to Doing Business in China-Government Significant Influence of currency conversion may limit our ability to utilize our revenues effectively," and "Item 3.D. Key Information-Risk Factors-Risks Related to Doing Business in China- We may be subject to fines and legal or administrative sanctions in connection with certain historical intra-group funding transactions."*

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During the years ended December 2022, 2023 and 2024, certain of our mainland China subsidiaries transferred a total of US\$371.9 million in cash to our Hong Kong subsidiaries. These funds were allocated as follows: (i) US\$236.9 for the repayment of specific bank loans; and (ii) the remaining amount to support overseas operational needs.

Under PRC law, Fang Holdings Limited may provide funding to our PRC subsidiaries only through capital contributions or loans, and to the variable interest entities only through loans, subject to satisfaction of applicable government registration and approval requirements. During the years ended December 31, 2024, Fang Holdings Limited did not extend any loans or capital contributions to our intermediate holding companies, subsidiaries and the variable interest entities. Furthermore, cash transfers from Fang Holdings Limited to our PRC subsidiaries and the variable interest entities are subject to PRC governmental control on currency conversion. As a result, the funds held by Fang Holdings Limited may not be available to fund the operations of our PRC subsidiaries or the variable interest entities in China. See “*Item 3. Key Information-Risk Factors-Risks Related to Doing Business in China- PRC regulations on loans to PRC entities by offshore holding companies may affect our ability to capitalize or otherwise fund our PRC operations.*”

Fang Holdings Limited does not have any present plan to pay any cash dividends on our securities in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See “*Item 8. Financial Information-A. Consolidated Statements and Other Financial Information-Dividend Policy.*” For PRC and United States federal income tax considerations of an investment in our ADSs, see “*Item 10. Additional Information-E. Taxation.*”

Selected Consolidated Financial Data

We have derived our selected consolidated statement of comprehensive income (loss) data (except for ADSs information) for the years ended December 2022, 2023 and 2024 and our selected consolidated balance sheet data as of December 31, 2023 and 2024, from our audited consolidated financial statements included in this annual report.

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You should read the following information in conjunction with our audited consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” in this annual report. Our historical operating results presented below are not necessarily indicative of the results to be expected for any future fiscal period.

	Year Ended December 31,		
	2022	2023	2024
(U.S. dollars in thousands)			
Consolidated statement of comprehensive income (loss) data:			
Revenues:			
Marketing services	37,187	16,722	11,032
Listing services	13,105	7,749	4,693
Leads generation services	15,760	13,499	7,996
Financial services	9,716	4,572	4,964
Other services	4,713	7,473	1,991
Total revenues	80,481	50,015	30,676
Cost of revenue:			
Cost of services	(12,267)	(7,909)	(5,708)
Gross profit	68,214	42,106	24,968
Operating income (expenses):			
Selling expenses	(30,783)	(19,603)	(15,086)
General and administrative expenses	(27,174)	(51,569)	(35,840)
Impairment of long-lived assets	—	(151,097)	(38,485)
Reverse of (provision for) credit loss and recovery of previously written-off receivables	(50,335)	(30,389)	41,280
Other income	103	4,633	5,320
Operating loss	(39,975)	(205,919)	(34,426)
Foreign exchange gain (loss)	1,222	126	488
Interest income	6,854	5,958	4,201
Interest expense	(10,765)	(8,081)	(9,658)
Change in fair value of securities	828	(1,523)	(2,853)
Government grants	1,523	254	193
Investment income (loss), net	523	2,100	(1,435)
Loss from before income taxes	(39,790)	(207,085)	(43,490)
Income tax	(35,772)	27,364	14,734
Net loss	(75,562)	(179,721)	(28,756)
Foreign currency translation adjustments	(47,413)	(27,872)	(7,942)
Loss on intra-entity foreign transactions of long-term-investment nature	(2,794)	(505)	(437)
Comprehensive loss	(125,769)	(208,098)	(37,135)
Comprehensive income attributable to noncontrolling interests from continuing operations	—	—	—
Comprehensive loss attributable to Fang Holdings Limited’s shareholders	(125,769)	(208,098)	(37,135)
Loss per share for Class A and Class B ordinary shares and per ADS			
Basic and diluted	(0.84)	(1.99)	(0.32)
Weighted average number of Class A and Class B ordinary shares outstanding and ADSs outstanding:			
Basic and diluted	90,357,275	90,357,329	90,357,329

	As of December 31,	
	2023	2024
(U.S. dollars in thousands)		
Consolidated balance sheet data:		
Cash and cash equivalents and short-term investments	192,643	123,940
Total current assets	320,351	295,914
Total assets	947,011	838,840
Short-term loans and long-term loans	185,085	167,180
Total shareholder’s equity	383,897	346,912

Financial Information Related to the Variable Interest Entities

The following table presents the condensed consolidating schedule of financial position for the variable interest entities and other entities as of the dates presented.

	As of December 31,		
	2022	2023	2024
	(U.S. dollars in thousands)		
Current assets	77,048	87,828	65,616
Non-current assets	463,716	345,673	318,299
Total assets	540,764	433,501	383,915
Current liabilities	287,779	179,698	230,839
Non-current liabilities	119,881	205,391	177,122
Total liabilities	407,660	385,089	407,961
Net assets	133,104	48,412	(24,046)

Selected Condensed Consolidated Statements of Income Information

	Year Ended December 31.		
	2022	2023	2024
	(U.S. dollars in thousands)		
Total revenues	53,211	33,401	15,213
Net loss	(28,504)	(119,022)	(37,921)

a. *[Reserved]*

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

An investment in our ADSs or ordinary shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. These risks are discussed more fully in Item 3. Key Information-D. Risk Factors.

Risks related to our business

- *We may continue to incur losses in the future, and may not be able to return to profitability, which may cause the market price of our ADSs or notes to decline.*
- *Our business could be materially and adversely affected by fluctuations in, and government measures influencing, China's real estate industry.*
- *Our business depends substantially on revenues from our marketing services, and participants in the real estate and home-related sectors may choose other advertising media over online advertising or other online advertisers, which could lead to a decline in our revenues.*

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- *If we are unable to continue to obtain listings from our key customer groups, including real estate developers, agents, brokers and property owners and managers, our business, financial condition and results of operations could be materially and adversely affected.*
- *Our future growth depends in part on our ability to continue to operate the retained business after the separation of CIH.*
- *We derive a substantial portion of our revenues from several major urban centers in China, in particular, Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing and Wuhan and we face market risks due to concentration of our revenues in these major urban areas.*
- *If we fail to obtain or maintain the applicable licenses and approvals under the complex regulatory environment for Internet-based businesses and online advertising businesses in China, or fail to pass annual government inspection or obtain renewal of the business license, our business, financial condition and results of operations would be materially and adversely affected.*
- *We are required to comply with PRC and other applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data could have a material and adverse effect on our business and prospects.*

Risks related to our corporate structure

- *If we fail to achieve and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs.*
- *If the PRC government determines that the structure contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure.*
- *Substantial uncertainties exist with respect to the adoption of new or revised PRC laws relating to our corporate structure, corporate governance and business operations.*
- *We may lose the ability to utilize assets held by our consolidated controlled entities that are important to the operation of our business if any of these entities goes bankrupt or becomes subject to a dissolution or liquidation proceeding.*
- *Contractual arrangements, including voting proxies, with our consolidated controlled entities for our Internet content distribution and marketing businesses may not be as effective in providing operational control as direct or indirect ownership.*
- *We rely on contractual arrangements among our PRC subsidiaries, the variable interest entities and their shareholders, which may not be as effective as direct ownership in providing operational control.*
- *The shareholders of our consolidated controlled entities may have potential conflicts of interest with us, and if any such conflicts of interest are not resolved in our favor, our business may be materially and adversely affected.*
- *We are controlled by our significant shareholders and their affiliated entities, whose interests may differ from our other shareholders.*

Risks related to doing business in China

- *China's economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition and results of operations.*
- *Changes in PRC government policies could have a material and adverse effect on overall economic growth in China, which could adversely affect our business.*
- *Uncertainties with respect to the PRC legal system could adversely affect us.*

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- *The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.*
- *We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity.*
- *PRC regulations on loans to PRC entities by offshore holding companies may affect our ability to capitalize or otherwise fund our PRC operations.*
- *The PRC legal system embodies uncertainties, which could limit the legal protections available to you and us.*
- *Government significant influence of currency conversion may limit our ability to utilize our revenues effectively.*
- *PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.*
- *The approval of and/or report and filing with the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting obligations.*
- *Our ADSs or Ordinary Shares may be delisted under the Holding Foreign Companies Accountable Act ("HFCA Act") if the PCAOB is unable to adequately inspect audit documentation located in China. The delisting of our ADSs or Ordinary Shares, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections deprives our investors from the benefits of such inspections. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which was enacted on December 29, 2022 under the Consolidated Appropriations Act 2023, amends the HFCA Act and requires the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three.*
- *You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law and conduct our operations primarily in China.*

Risks related to our ADSs

- *The delisting of our ADSs from the New York Stock Exchange, or the NYSE, may continue to have a material adverse effect on the trading and price of our ADSs, and we cannot assure you that our ADSs will be relisted, or that once relisted, they will remain listed.*
- *The market price of our ADSs has been and may continue to be highly volatile.*
- *There can be no assurance that any agreement will be executed with respect to the proposal made by Mr. Richard Jiangong Dai, or that this or any other transaction will be approved or consummated. The absence of a definitive offer to acquire our ADSs would likely have an effect on the market price of our ADSs and/or notes.*
- *As Fang is an exempted company incorporated in the Cayman Islands and not listed on any stock exchange, its corporate governance practices may differ significantly from those of companies incorporated in Delaware or other states in the United States or those of companies listed on a stock exchange, and these practices may afford less protection to shareholders.*
- *As a foreign private issuer, we are exempt from certain disclosure requirements under the Exchange Act, which may afford less protection to our shareholders than they would enjoy if we were a U.S. company.*

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- *The voting rights of holders of ADSs are limited by the terms of the deposit agreement.*
- *Our dual-class ordinary share structure with different voting rights could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.*
- *We may be or become a passive foreign investment company (“PFIC”), which could result in adverse U.S. tax consequences to U.S. investors.*
- *You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.*
- *Judgments obtained against us by our shareholders may not be enforceable in our home jurisdiction.*

An investment in our ADSs involves risks. You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this annual report, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The market or trading price of our ADSs could decline due to any of these risks, and you may lose all or part of your investment. In addition, the risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. You should also review the section of this annual report captioned “*Forward-Looking Statements.*” Please note that additional risks not presently known to us, that we currently deem immaterial or that we have not anticipated may also impair our business and operations.

Risks related to our business

We may continue to incur losses in the future, and may not be able to return to profitability, which may cause the market price of our ADSs to decline.

We incurred net loss of US\$75.6 million, US\$179.7 million and US\$28.8 million in 2022, 2023 and 2024, respectively, primarily due to the combined effect of the decrease in our revenues and the impairment loss for properties. Our ability to achieve profitability in the future depends on our ability to control costs and to provide products and services to meet the market demands and attract new customers, the competitiveness of our products and services, and the regulatory environment in China's real estate market. Due to the numerous risks and uncertainties associated with the development of our business and the regulatory environment, we cannot guarantee that we may be able to return to profitability in the short-term or long-term, which may cause the market price of our ADSs to decline.

Our business could be materially and adversely affected by fluctuations in, and government measures influencing, China's real estate industry.

We conduct our real estate services business primarily in China, and our business depends substantially on conditions of the PRC real estate market. In particular, our new home business, which accounted for 61.4%, 56.7% and 59.3% of our total revenues in 2022, 2023 and 2024, respectively, depends upon growth in the real estate-related industry nationwide and in specific regions in China. The growth of demand for private residential property in China is often coupled with volatility in market conditions and fluctuation in property prices. Fluctuations of supply and demand in China's real estate market are caused by economic, social, political and other factors. To the extent fluctuations in the real estate market adversely affect the demand for real estate and home-related products and services and for real estate- and home-related advertising and financing, demand for our products and services, as well as the level of our growth and profitability, may be materially reduced.

The real estate market in China is typically affected by changes in government policies affecting the real estate and financial markets and related areas. In the past, the PRC government has adopted various administrative measures to curb what it perceived as unsustainable growth in the real estate market, particularly when the real estate market in China experienced rapid and significant increases in home sales as well as prices. In February 2013, for example, the State Council announced certain plans to address the rapid increase in property prices in certain cities since late 2012, including raising minimum down-payments and loan rates for second home buyers in cities where prices experienced a rapid increase and enforcing a 20% capital gains tax on the sale of existing homes. In part due to these policies, the real estate market in China experienced a slowdown and real estate development declined in 2014. In March 2015, the PRC government issued a new policy to reduce the down-payment requirements and exempt certain home owners from paying sales taxes if they sell after owning the property for two years. Beginning in September 2016, certain cities, such as Beijing and Shanghai, increased the down-payment requirements again and tightened the determination of first home buyers who are often eligible for relaxed regulations. Relevant government authorities have recently also promulgated legislations to ban financings to home buyers for down-payment and ceased granting or renewing real estate broker licenses in certain cities. Beginning in March 2017, certain cities, such as Beijing and Guangzhou, further increased the minimum down-payments for second home buyers. In April 2019, Housing Fund Management Center of the Central Government Organs issued Circular on Matters relating to Adjusting the Policy for Individual Housing Loans via the Housing Provident Fund to Further Upgrade Services, which adjusts the proportion of down-payment. Under the circular, if the first house that a loan applicant purchases is not an economically affordable house, the down-payment shall not be lower than 30% of the total purchase price. The circular also adjusts the maximum limit of loan for the second house purchase. The maximum limit of loan for the first house purchase shall be RMB1.2 million, and the benchmark interest rate of loan shall apply; the maximum limit of loan for the second house purchase shall be RMB600,000, and the loan interest rate shall be 1.1 times of the benchmark interest rate of loan for the same period. In August 2020, MOHURD, together with PBOC, formulated the “Three Red Lines” policy for real estate companies, with the intention to control the scale of interest-bearing debts of major property developers in China and facilitate the sustainable development of China’s real estate industry. The “Three Red Lines” policy refers to: (i) the gearing ratio (excluding receipts in advance) of a real estate company shall not exceed 70%; (ii) the net gearing ratio of a real estate company shall not exceed 100%; and (iii) cash over short-term interest-bearing loans ratio shall not be lower than 1.0. On December 28, 2020, the PBOC and the China Banking and Insurance Regulatory Commission (the “CBIRC”) promulgated the Notice on Establishment of a Concentration Management System for Real Estate Loans of Financial Institutions (the “Joint Notice”) which came into effect on January 1, 2021 to strengthen financial regulations in real estate industry. The Joint Notice requires the ratio of real estate loans and the ratio of personal housing loans shall not exceed the upper limit of the ratio of real estate loans or the upper limit of the ratio of personal housing loans determined by the PBOC and the CBIRC, and the development banks and policy banks shall implement these requirements by making the necessary changes. Financial institutions in the banking industry whose concentration of real estate loans exceeds the management requirements shall have an adjustment plan to progressively attain the management requirements within the business adjustment transitional period. The Joint Notice does not raise the interest rates of individual housing loans, but limits the proportion of individual housing loans of various commercial banks, which are control measures taken by the PRC government to curb the real estate market and promote steady and healthy development of the real estate market. On March 26, 2021, CBIRC, MOHURD and PBOC jointly promulgated the Notice on Preventing the Illegal Flow of Business Loans into Real Estate Market, which requires the local counterparts of CBIRC, MOHURD and PBOC to strengthen supervisory inspection on the illegal flow of business loans into real estate market, enhance non-compliance complaint mechanism, and promptly share and jointly investigate clues on such violations. Also, relevant authorities shall consider illegal flow of business loans into real estate market and other related issues as important content of various inspections, strictly enforce relevant obligations in accordance with laws, strengthen joint punishment, and promptly include the information on relevant administrative penalties on enterprises and individuals in the credit reporting system. On July 13, 2021, the MOHURD and other seven departments jointly promulgated the Notice on Continuous Rectification and Regulation of Real Estate Market Order, which prohibits arbitrage of or assistance on arbitrage of non-housing loans like business loans or consumer loans to use them on purchasing properties. On October 23, 2021, the National People’s Congress of the PRC authorized the State Council to launch a five-year pilot property tax reform program in selected regions where the owners of residential and non-residential properties (excluding rural households) will be required to pay property tax. The State Council has the discretion in deciding where and how the property tax will be implemented and administrated.

In addition to government policies aimed specifically at controlling growth in real estate markets in China, our business, financial condition and results of operations may also be negatively affected by other macroeconomic and regulatory measures. Any future policies in the following areas could cause a decline in home sales and prices, which in turn could affect the demand for our services and negatively impact our business, financial condition and results of operation:

- restrictive monetary policies adopted by the PRC government, including any significant increase in interest rates;
- adverse developments in the credit markets and/or mortgage financing markets resulting from PRC government policies;

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- policies regarding land supply;
- adverse changes in PRC government policies regarding the acquisition and/or ownership of real estate;
- significant increases in transaction costs as a result of changes in PRC government policies regarding transaction taxes, such as the sales tax on residential property sales by individuals within two years of purchase;
- adverse changes in PRC national or local government policies or practices regarding brokerage, referral or related fees and commissions; or
- other PRC government policies or regulations that burden real estate transactions or ownership.

Our business depends substantially on revenues from our marketing services, and participants in the real estate and home-related sectors may choose other advertising media over online advertising or other online advertisers, which could lead to a decline in our revenues.

All of our marketing service revenues are generated through our websites and mobile apps, and we expect to continue to derive a significant portion of our revenues from marketing services. Marketing services accounted for 46.2%, 33.4% and 36.0% of our revenues in 2022, 2023 and 2024, respectively, constituting our largest source of revenues. In particular, our new home business accounted for substantially all of our marketing service revenues in 2022, 2023 and 2024, respectively. Our new home business primarily consists of sales of marketing services to residential property developers and their sales agents who are promoting newly developed properties for sale.

Although the online marketing industry in China has been growing, advertisers in the real estate sector in China have typically relied on traditional forms of advertising media, such as newspapers, magazines and outdoor advertising. If we are unable to retain and develop our base of advertising customers, including real estate developers, our business may not grow as quickly as we expect. Moreover, advertisers may not continue to do business with us if they do not perceive our marketing services to be effective or our user demographics to be desirable.

Our ability to continue to generate and maintain marketing service revenues depends on a number of factors, many of which are beyond our control, including:

- overall demand from property developers for online advertising;
- the amount of user traffic on our websites and mobile apps, our ability to achieve user demographic characteristics that are attractive to advertisers, and our ability to demonstrate such user traffic and demographic characteristics through our website traffic tracking tools and reporting systems;
- potential downward pressure on online marketing pricing due to increased competition from other online advertisers and traditional advertising media;
- widespread adoption of technologies that permit Internet users to selectively block unwanted web views, including advertisements on web pages; and
- emergence and user acceptance of new marketing channels, including social networking platforms and “We Media.”

If we are unable to remain competitive and provide value to our advertisers, they may stop placing advertisements with us, which would have a material adverse effect on our business, financial condition and results of operations.

If we are unable to continue to obtain listings from our key customer groups, including real estate developers, agents, brokers and property owners and managers, our business, financial condition and results of operations could be materially and adversely affected.

We derive a portion of our revenues from our listing services. In 2022, 2023 and 2024, listing service revenues represented approximately 16.3%, 15.5% and 15.3% of our total revenues, respectively. The success of the listing service business depends on our ability to persuade real estate developers, real estate agents, brokers, developers and property owners and managers to list their properties on our websites and mobile apps. We believe having large numbers of high-quality listings from such real estate professionals attracts users to our websites and mobile apps, thereby enhancing our attractiveness to advertisers and other real estate market participants. However, substantially all of our listing agreements are nonexclusive. Our listing customers may stop using our listing services and may choose to use the services of one or more of our competitors or seek alternative means of listing, such as real estate magazines or newspapers. If owners of large numbers of property listings, such as major developers or large brokers or property owners in key real estate markets, choose not to renew their existing agreements with us, our websites and mobile apps could become less attractive to users. If we experience reduced user traffic on our websites and mobile apps, advertisers and other real estate market participants may discontinue the use of or be unwilling to pay for our services. In such an event, our competitive position could be significantly weakened and our business, financial condition and results of operations could be materially and adversely affected.

Our future growth depends in part on our ability to continue to operate the retained business after the separation of CIH.

On June 11, 2019, we completed a spin-off of our wholly-owned subsidiary, CIH, via a dividend distribution of all the CIH's ordinary shares owned by us to our equity holders, and the associated business comprising (1) certain information and analytics services, initially operated as part of our value-added services, and (2) certain marketplace services, initially operated as part of our listing services. Following the spin-off of CIH, we have retained our business operating a real estate Internet portal focusing primarily on serving the residential property sector, while CIH strategically focuses on serving the commercial property sector in China, allowing each company to more effectively pursue its own distinct operating priorities and strategies. See "Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Separation and Distribution Related Agreements in connection with the Separation of CIH."

Whether we can continue to grow the retained business depends on our ability to manage and develop these services effectively. If we are not successful in assuring our employees of our prospects after the separation and distribution, our employees may seek other employment, which could materially and adversely affect our business operation. If we fail to retain our qualified personnel or replace them when they leave, we may be unable to continue our development, which may cause the price of our ADSs to fall.

We derive a substantial portion of our revenues from several major urban centers in China, in particular, Beijing, Shanghai, Chengdu, Chongqing, Wuhan, Guangzhou, Tianjin and Shenzhen and we face market risks due to concentration of our revenues in these major urban areas.

We derive a substantial portion of our revenues from several major urban centers in China, including Beijing, Shanghai, Chongqing, Wuhan, Guangzhou, and Tianjin. In 2024, we generated revenues of US\$19.3 million from these six urban centers, representing 63.0% of our total revenues. We expect these six urban centers to continue to be important regional sources of revenues in all of our revenue categories. If any of these major urban centers experience events which negatively impact the real estate industry or online advertising, such as a serious economic downturn or contraction, a natural disaster, or slower growth due to adverse governmental policies or otherwise, demand for our services could decline significantly and our business and revenue growth prospects could be materially and adversely impacted.

We may fail to compete successfully against current or future competitors, which could significantly reduce our market share and materially and adversely affect our business, financial condition and results of operations.

We face competition from other companies in each of our primary business activities. In particular, the online real estate Internet service market in China is becoming increasingly competitive. For example, 58.com, an online marketplace, acquired Anjuke.com, an online real estate sales and rental service provider in China, which has increased competition in our market. The barriers of entry for establishing Internet-based businesses are low, thereby allowing new entrants to emerge rapidly. As the online real estate Internet service industry in China is relatively new and constantly evolving, our current or future competitors may be able to better position themselves to compete as the industry matures. We also face competition from companies in other media that offer online advertising, online listing and similar services. Any of these competitors may offer products and services that provide significant advantages over those offered by us in terms of performance, price, scope, creativity or other advantages. These products and services may achieve greater market acceptance than our service offerings, and thus weaken our brand. Increased competition in the online real estate Internet service industry in China could make it difficult for us to retain existing customers and attract new customers, and could lead to a reduction in our fees. Furthermore, our current competitors include major Internet portals in China that provide real estate Internet services, such as Sina.com, 58.com, ke.com and Tencent's house.qq.com, which may have more established brand names, larger visitor numbers and more extensive Internet distribution channels than we do.

In addition, we have faced and may continue to face strong competition from regionally focused websites and mobile apps providing regional real estate listings together with localized services, as well as other emerging channels, including social network platforms. Any of our current or future competitors may also receive investments from or enter into other commercial or strategic relationships with larger, well-established and well-financed companies and obtain significantly greater financial, marketing and content licensing and development resources than us. Furthermore, some of our competitors receive support from local governments, which may place us at a disadvantage when competing with them in their local markets. We cannot assure you that we will be able to compete successfully against our current or future competitors. Any failure to compete effectively in the real estate Internet services market in China would have a material adverse effect on our business, financial condition and results of operations.

Failure to maintain and enhance brand awareness for our websites and mobile apps could lead to loss of existing customers and qualified personnel.

We believe maintaining and enhancing our brand name as a leading real estate Internet company in China is a critical part of our strategy. In July 2014, we changed the address of our principal website from www.soufun.com to www.fang.com. “Fang” means “home” in Chinese. In conjunction with our change of web address, we also launched our new mobile app under the “Fang Tian Xia” brand (“房天下” in Chinese, which can be approximately translated as “world of homes” in English). In September 2016, we changed our company name to Fang Holdings Limited. We believe that this new and simplified address will be much easier for Chinese users to remember and access, thereby improving our brand recognition. In addition to promoting our websites and brand through our direct sales force, we also intend to continue to pursue other means to enhance brand awareness, including publication of real estate research reports, event sponsorships, portal collaboration arrangements, and advertising and marketing activities. We cannot assure you that our efforts will be successful in maintaining or enhancing our brand awareness. If our brand enhancement strategy is unsuccessful, or if other brands surpass our brand in market recognition in one or more cities in which we operate, we may fail to attract new or retain existing users, customers or qualified personnel, which could materially decrease our revenues and profitability.

Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may materially and adversely affect our business, financial condition, results of operations, reputation and competitive advantage.

Our copyrights, trademarks, trade secrets, domain names and other intellectual property are important to our business. Unauthorized use of such intellectual property, whether owned by us or licensed to us, may materially and adversely affect our business, financial condition, results of operations, reputation and competitive advantages. We rely on intellectual property laws and contractual arrangements with our key employees and certain of our customers, collaborators and others to protect our intellectual property rights. The measures we take to protect our intellectual property rights may not be adequate and policing the unauthorized use of our intellectual property is difficult and expensive.

In addition, the validity, enforceability and scope of protection of intellectual property in Internet-related industries in China are uncertain and still evolving, and could involve substantial risks. The laws and enforcement procedures in China are not yet well developed, and do not protect intellectual property rights to the same extent as laws and enforcement procedures in the United States and other jurisdictions. Furthermore, litigation may be necessary in the future to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources and have a material adverse effect on our business, financial condition and results of operations. If we are unable to adequately protect the intellectual property rights that we own or use, we may lose these rights and our business, growth prospects and profitability may suffer.

Regulation of the Internet industry in China, including censorship of information distributed over the Internet, may materially and adversely affect our business.

China has enacted laws, rules and regulations governing Internet access and the distribution of news, information or other content, as well as products and services, through the Internet. In the past, the PRC government has prohibited the distribution of information through the Internet that it deems to be in violation of applicable PRC laws, rules and regulations. In particular, under regulations promulgated by the State Council, the MIIT, the General Administration of Press, Publication, Radio, Film and Television (formerly the State Press and Publications Administration) and the Ministry of Culture, Internet content providers and Internet publishers are prohibited from posting or displaying content over the Internet that, among other things: (1) opposes the fundamental principles of the PRC constitution, (2) compromises state security, divulges state secrets, subverts state power or damages national unity, (3) disseminates rumors, disturbs social order or disrupts social stability, (4) propagates obscenity, pornography, gambling, violence, murder or fear or incites the commission of crimes, or (5) insults or slanders a third party or infringes upon the lawful right of a third party.

If any Internet content we offer through our consolidated controlled entities were deemed by the PRC government to violate any of such content restrictions, we would not be able to continue such offerings and could be subject to penalties, including confiscation of illegal revenues, fines, suspension of business and revocation of required licenses, which could have a material adverse effect on our business, financial condition and results of operations. We may also be subject to potential liability for any unlawful actions of our customers or affiliates or for content we distribute that is deemed inappropriate. It may be difficult to determine the type of content that may result in liability to us, and if we are found to be liable, we may be forced to cease operation of our websites and mobile apps in China.

If we fail to obtain or maintain the applicable licenses and approvals under the complex regulatory environment for Internet-based businesses and online advertising businesses in China, or fail to pass annual government inspection or obtain renewal of the business license, our business, financial condition and results of operations would be materially and adversely affected.

The Internet and online advertising industries in China are still at a relatively early stage of development and are highly regulated by the PRC government. Various regulatory authorities of the PRC government, such as the State Council, the MIIT, the SAIC, the National Radio and Television Administration (or the NRTA, formerly known as the State Administration of Press, Publication, Radio, Film and Television, or the SARFT), and the Ministry of Public Security, are empowered to issue and implement regulations governing various aspects of the Internet and advertising industries. Moreover, new laws, rules and regulations may be adopted, or new interpretations of existing laws, rules and regulations may be released, to address issues that arise from time to time. As a result, substantial uncertainties exist regarding the interpretation and implementation of any current and future PRC laws, rules and regulations applicable to the Internet and online advertising industries.

We are required to obtain applicable licenses or approvals from various regulatory authorities in order to provide advertising and value-added services and products. These licenses or approvals are essential to the operation of our business and are generally subject to annual review by the relevant PRC governmental authorities. For example, as of the the date of this annual report, both Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”) and Beijing Century Jia Tian Xia Technology Development Co., Ltd. (“Beijing JTX Technology”) hold the ICP licenses as required under the applicable PRC laws, rules and regulations; and both Beijing Technology and Beijing JTX Technology have obtained the approvals for operating electronic bulletin board services as required under the applicable PRC laws, rules and regulations. Beijing Advertising and certain other consolidated controlled entities are allowed to provide marketing services in accordance with the business scope indicated in each of their respective business licenses.

Pursuant to the relevant regulations promulgated by the NRTA, any company engaged in Internet broadcasting activities must obtain an Internet Audio/Video Program Transmission License issued by the NRTA and operate in accordance with the scope as stipulated in such license. Some of our consolidated controlled entities provide certain Internet live-streaming services. As of the date of this annual report, we have obtained for such consolidated controlled entities Internet Audio/Video Program Transmission License for Internet audio-visual program service and mobile Internet audio-visual program services of professional audio-visual program production on arts and culture, entertainment, science and technology, finance and economics, sports, education, etc. (excluding interviews), broadcasting services, and live-streaming broadcasting services for general social organization's cultural activities, sports events and other organizational activities, and Operating Permit for Producing Radio and Television Program. However, due to the uncertainties of interpretation and implementation of existing and future laws and regulations, the licenses we held may be deemed insufficient by governmental authorities, which may subject us to fines or other regulatory actions by relevant regulators if our practice is deemed as violating relevant laws and regulations.

Some of our consolidated controlled entities, however, may be required to obtain additional licenses. For example, since our websites and mobile apps include online residential communities that allow visitors to post information, including graphics or weblinks to videos, other websites and mobile apps or data in microblogs or online discussion forums, on our websites and mobile apps for discussion with other users, the release of such information on our websites and mobile apps may be deemed as providing Internet publication services and therefore require Internet publication licenses. Similarly, if we or third parties post information that may be viewed as news information, the release of such information on our websites and mobile apps may be deemed as Internet news information services and therefore require Internet news information licenses. As of the date of this annual report, we, like many other similarly situated business operators, have been operating our businesses without such licenses.

Moreover, other service licenses, including real estate service licenses, held by certain of our subsidiaries have expired, and certain financing guarantee license held by our subsidiaries in Shanghai, Nanning and Tianjin were cancelled.

Under the applicable PRC laws, rules and regulations, the failure to obtain and/or maintain business licenses, an Internet publication licenses and/or Internet news information service licenses may subject the entity to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on the entity conducting such activities' business operations, or the discontinuation of their operations. Although our relevant consolidated controlled entities have not received any revenues directly from Internet publication services or Internet news information services, we cannot assure you that the PRC regulatory authorities will not impose any such penalties. Any such disruption in the business operations of our consolidated controlled entities could materially and adversely affect our business, financial condition and results of operations.

Unexpected network interruptions or security breaches, including "hacking" or computer virus attacks, may cause delays or interruptions of service, resulting in reduced use and performance of our websites and mobile apps and damage our reputation and brands.

Our business depends heavily on the performance and reliability of China's Internet infrastructure, continued accessibility of bandwidth and servers on our service providers' networks and the continuing performance, reliability and availability of our technology platform. Any failure to maintain the satisfactory performance, reliability, security and availability of our computer and hardware systems may cause significant harm to our reputation and our ability to attract and maintain customers and visitor traffic. Major risks related to our network infrastructure include:

- any breakdown or system failure resulting in a sustained shutdown of our servers, including failures which may be attributable to sustained power shutdowns, or efforts to gain unauthorized access to our systems causing loss or corruption of data or malfunctions of software or hardware;
- any disruption or failure in the national backbone network, which would prevent our customers and users from accessing our websites and mobile apps;
- any damage from fire, flood, earthquake and other natural disasters; and
- computer viruses, hackings and similar events.

Computer viruses and hackings may cause delays or other service interruptions and could result in significant damage to our hardware, software systems and databases, disruptions to our business activities, such as to our e-mail and other communication systems, breaches of security and inadvertent disclosure of confidential or sensitive information, inadvertent transmissions of computer viruses and interruptions of access to our websites and mobile apps through the use of denial-of-service or similar attacks. In addition, the inadvertent transmission of computer viruses could expose us to a material risk of loss or litigation and possible liability. All of our servers and routers, including back-up servers, are currently hosted by third-party service providers in Beijing and all information on our websites and mobile apps is backed up periodically. Any hacking, security breach or other system disruption or failure which occurs in between our backups could disrupt our business or cause us to lose, and be unable to recover, data such as real estate listings, contact information and other important customer information.

We also do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance. Moreover, the low coverage limits of our property insurance policies may not be adequate to compensate us for all losses, particularly with respect to any loss of business and reputation that may occur. To improve our performance and to prevent disruption of our services, we may have to make substantial investments to deploy additional servers or create one or more copies of our websites and mobile apps to mirror our online resources, either of which could increase our expenses and reduce our net income.

Breaches of security in connection with our websites could expose us to potential liability and harm our reputation.

Ensuring secured transmission of confidential information through public networks is essential to maintaining the confidence of our customers and users. Our existing security measures may not be adequate to protect such confidential information. In addition, computer and network systems are susceptible to breaches by computer hackers. Security breaches could expose us to litigation and potential liability for failing to secure confidential customer information, and could harm our reputation and reduce our ability to attract customers and users. Any future security breaches, if any, may result in a material adverse effect on our business, financial condition and results of operations.

We are required to comply with PRC and other applicable laws relating to privacy and cybersecurity. The improper use or disclosure of data could have a material and adverse effect on our business and prospects.

Our business generates and processes a large quantity of data. We face risks inherent in handling and protecting large volume of data. In particular, we face a number of challenges relating to data from transactions and other activities on our platforms, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior or improper use by our employees;
- addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, storage, transfer, disclosure and security of personal information, including any requests from regulatory and government authorities relating to these data.

In general, we expect that data security and data protection compliance will receive greater attention and focus from regulators, both domestically and globally, as well as attract continued or greater public scrutiny and attention going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, including fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

The PRC regulatory and enforcement regime with regard to data security and data protection is evolving and may be subject to different interpretations or significant changes. Moreover, different PRC regulatory bodies, including the Standing Committee of the National People's Congress, the Ministry of Industry and Information Technology, or the MIIT, the CAC, the Ministry of Public Security and SAMR, have enforced data privacy and protections laws and regulations with varying standards and applications. See "Item 4. Information on the Company-B. Business Overview-Regulation." The following are examples of certain recent PRC regulatory activities in this area:

Data Security

- In June 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law, which took effect in September 2021. The Data Security Law, among other things, provides for security review procedure for data-related activities that may affect national security. The Data Security Law provides for data security and privacy obligations of entities and individuals carrying out data activities, prohibits entities and individuals in China from providing any foreign judicial or law enforcement authority with any data stored in China without approval from the competent PRC authority, and sets forth the legal liabilities of entities and individuals found to be in violation of their data protection obligations, including rectification order, warning, fine, suspension of relevant business, and revocation of business permits or licenses. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, and an appropriate level of protection measures is required to be taken for the respective categories of data, for example, the processor of important data shall designate the personnel and management institution responsible for the data security, carry out risk assessment for its data processing activities and file the risk assessment report with the competent authorities. On March 15, 2024, the National Cybersecurity Standardization Technical Committee issued the Data Security Technology Data Classification and Grading Rules, which provide guidelines for identifying important data. This voluntary national standard became effective on October 1, 2024.
- In July 2021, the state council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to this regulation, critical information infrastructure means key network facilities or information systems of critical industries or sectors, such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, the damage, malfunction or data leakage of which may endanger national security, people’s livelihoods and the public interest.
- In December 2021, the CAC, together with other authorities, jointly promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that critical information infrastructure operators or network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange. As of the date of this annual report, no detailed rules or implementation rules have been issued by any authority and we have not been informed that we are a critical information infrastructure operator by any government authorities. Furthermore, the exact scope of “critical information infrastructure operators” under the current regulatory regime remains unclear, and the PRC government authorities may have wide discretion in the interpretation and enforcement of the applicable laws. Therefore, it is uncertain whether we would be deemed to be a critical information infrastructure operator under PRC law. If we are deemed to be a critical information infrastructure operator under the PRC cybersecurity laws and regulations, we may be subject to obligations in addition to what we have fulfilled under the PRC cybersecurity laws and regulations.
- On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission, which came into effect on September 1, 2022 and shall regulate the security assessment on the cross-border data transfer by data processor of important data and personal information collected and generated during operations within the PRC. According to these measures, personal data processors will be subject to security assessment conducted by the Cyberspace Administration of China prior to any cross-border transfer of data if the transfer involves (i) important data; (ii) personal information transferred overseas by operators of critical information infrastructure or a data processor that has processed personal data of more than one million persons; (iii) personal information transferred overseas by a data processor who has already provided personal data of 100,000 persons or sensitive personal data of 10,000 persons overseas since January 1 of last year; or (iv) other circumstances as requested by the CAC. According to the official interpretation by the official of the CAC, cross-border data transfer activities subject to these measures include (1) the transmission and storage overseas by data processors of the data generated during PRC domestic operations, and (2) the access to or use of the data collected and generated by data processors and stored in the PRC by overseas institutions, organizations or individuals. Furthermore, any cross-border data transfer activities conducted in violation of the Measures for the Security Assessment of Cross-border Data Transmission before the effectiveness of these measures are required to be rectified by March 2023. In addition, on June 1, 2023, the Provisions on the Prescribed Agreement on Cross-border Data Transfer, or the Provisions on Prescribed Agreement promulgated by the CAC came into effect, which stipulates detailed procedure and provide a prescribed agreement template for data transfer activities.

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- On March 22, 2024, the CAC promulgated Provisions on Promoting and Regulating Cross-border Data Flows, which became effective on the date of promulgation and further clarifies the circumstances exempting from cross-border digital transmission security assessment. For instance, according to the Provisions on Promoting and Regulating Cross-border Data Flows, the data collected and generated in such activities as international trade, cross-border transport, academic cooperation, transnational manufacturing and marketing, which does not contain personal information or important data, is exempted from declaring cross-border digital transmission security assessment, and the data processors other than critical information infrastructure operators, which have provided the personal information (excluding sensitive personal information and important data) of no more than 100,000 people cumulatively since January 1 of the current year and provide personal information abroad, shall be exempted from declaring across-border digital transmission security assessment also.
- On September 24, 2024, the State Council promulgated the Network Data Security Management Regulation, which came into effect on January 1, 2025. According to the Network Data Security Management Regulation, the national data security coordination mechanism coordinates relevant departments to formulate important data catalogues and strengthen the protection of important data; all regions and departments shall, in accordance with the data classification and classification protection system, determine the specific catalogue of important data in their own regions, departments and related industries and fields, and focus on the protection of network data included in the catalogue. The Network Data Security Management Regulation also sets forth the obligations of “Important Data Processors” as follows: (1) designating a person responsible for network data security and establish a network data security management department; (2) conducting a risk assessment before providing, entrusting, or jointly processing important data, except in cases where they are fulfilling statutory duties or legal obligations; (3) taking measures to ensure network data security in the event of mergers, divisions, dissolutions, bankruptcies, or other situations that may affect the security of important data; (4) conducting an annual risk assessment of the network data processing activities and submit a risk assessment report to the relevant competent authorities at the provincial level or above. Additionally, data processors handling personal information of more than 10 million individuals should be regarded as “Important Data Processors.”
- On September 11, 2025, the CAC issued the Administrative Measures for Cybersecurity Incident Reporting and attached the Classification Guide for Cybersecurity Incidents, which became effective on November 1, 2025. Pursuant to the measures, network operators that construct or operate networks, or provide services through networks within PRC, shall report cybersecurity incidents in accordance with the provisions herein upon the occurrence of such incidents. Cybersecurity incidents refer to incidents caused by human factors, cyber attacks, network vulnerabilities, software or hardware defects or failures, force majeure, and other factors, which cause harm to network and information systems, or the data and business applications therein, and have adverse impacts on the nation, society, or economy. The measures classify cybersecurity incidents into four levels: General, Relatively Major, Major, and Extremely Major. Under circumstances not involving critical information infrastructure and where the network operator is not a department directly under the central or state organs or their affiliated institutions, if a cybersecurity incident involving the operator is identified through assessment according to the Classification Guide for Cybersecurity Incidents as being at the Relatively Major level or above, the operator shall promptly report it to the provincial-level cyberspace administration in its locality, with the report submitted no later than four hours after discovery or awareness of the incident.

Personal Information and Privacy

- The Anti-monopoly Guidelines in the Field of Internet Platforms published by the Anti-monopoly Committee of the State Council, effective on February 7, 2021, prohibits collection of user information through coercive means by online platforms operators.
- In August 2021, the Standing Committee of the National People’s Congress promulgated the Personal Information Protection Law, which integrates the scattered rules with respect to personal information rights and privacy protection and took effect on November 1, 2021. We update our privacy policies from time to time to meet the latest regulatory requirements of PRC government authorities and adopt technical measures to protect data and ensure cybersecurity in a systematic way. Nonetheless, the Personal Information Protection Law elevates the protection requirements for personal information processing, and many specific requirements of this law remain to be clarified by the CAC, other regulatory authorities, and courts in practice. We may be required to make further adjustments to our business practices to comply with the personal information protection laws and regulations.

- On March 22, 2024, the CAC issued the Provisions on Regulating and Promoting Cross-border Data Transfer, or the Cross-border Data Transfer Provisions, taking effective on March 22, 2024. The Cross-border Data Transfer Provisions provide certain exemptions from obligations under the circumstances of cross-border data transfer, including, among others, the obligations for data security assessment, concluding a standard contract for provision of personal information abroad or passing the certification for personal information protection.

Many of the data-related legislations are relatively new and certain concepts thereunder remain subject to interpretation by the regulators. If any data that we possess belongs to data categories that are subject to heightened scrutiny, we may be required to adopt stricter measures for protection and management of such data. The Cybersecurity Review Measures and the Network Data Security Management Regulation remain unclear on whether the requirements will be applicable to companies that are already listed in the United States, such as us. We cannot predict the impact of these measures and regulations, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. If the subsequent legislations mandate clearance of cybersecurity review and other specific actions to be taken by issuers like us, we face uncertainties as to whether these additional procedures can be completed by us timely, or at all, which may subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the application stores, and materially and adversely affect our business and results of operations. As of the date of this annual report, we have not been involved in any formal investigations on cybersecurity review made by the CAC on such basis.

In general, compliance with the existing PRC laws and regulations, as well as additional laws and regulations that PRC regulatory bodies may enact in the future, related to data security and personal information protection, may be costly and result in additional expenses to us, and subject us to negative publicity, which could harm our reputation and business operations. There are also uncertainties with respect to how such laws and regulations will be implemented and interpreted in practice.

In addition, regulatory authorities around the world have adopted or are considering a number of legislative and regulatory proposals concerning data protection. These legislative and regulatory proposals, if adopted, and the uncertain interpretations and application thereof could, in addition to the possibility of fines, result in an order requiring that we change our data practices and policies, which could have an adverse effect on our business and results of operations. The European Union General Data Protection Regulation which came into effect on May 25, 2018, includes operational requirements for companies that receive or process personal data of residents of the European Economic Area. This regulation establishes new requirements applicable to the processing of personal data, affords new data protection rights to individuals and imposes penalties for serious data breaches. Individuals also have a right to compensation under this regulation for financial or non-financial losses. Although we do not conduct any business in the European Economic Area, in the event that residents of the European Economic Area access our website or our mobile platform and input protected information, we may become subject to provisions of this regulation.

The successful operation of our business depends upon the performance and reliability of the Internet infrastructure and telecommunications networks in China.

Our business depends on the performance and reliability of the Internet infrastructure in China. Substantially all access to the Internet is maintained through state-controlled telecommunication operators under the administrative control and regulatory supervision of MIIT. In addition, the national networks in China are connected to the Internet through international gateways controlled by the PRC government. These international gateways are generally the only channels through which a domestic user can connect to the Internet. We cannot assure you that more sophisticated Internet infrastructure will be developed in China. We may not have access to alternative networks in the event of disruptions, failures or other problems with China's Internet infrastructure. In addition, the Internet infrastructure in China may not support the demands associated with the continued growth in Internet usage.

We also rely on China Telecommunications Corporation ("China Telecom") and China United Network Communications Group Co., Ltd. ("China Unicom") to provide us with data communications capacity primarily through local telecommunications lines and Internet data centers to host our servers. We do not have access to alternative services in the event of disruptions, failures or other problems with the fixed telecommunications networks of China Telecom and China Unicom, or if China Telecom or China Unicom otherwise fails to provide such services. Any unscheduled service interruption could disrupt our operations, damage our reputation and result in a decrease in our revenues. Furthermore, we have no control over the costs of the services provided by China Telecom and China Unicom. If the prices that we pay for telecommunications and Internet services rise significantly, our gross margins could be significantly reduced. In addition, if Internet access fees or other charges to Internet users increase, our user traffic may decrease, which in turn may cause our revenues to decline.

Failure to continue to develop and expand our content, service offerings and features, and to develop or incorporate the technologies that support them, could jeopardize our competitive position.

As an Internet portal company, we participate in an industry characterized by rapidly changing technology and new products and services. To remain competitive, we must continue to develop and expand our content and service offerings. We must also continue to enhance and improve the user interface, functionality and features of our websites and mobile apps. These efforts may require us to develop internally, or to license, increasingly complex technologies. In addition, many of our competitors are continually introducing new Internet-related products, services and technologies, which will require us to update or modify our own technology to keep pace. Developing and integrating new products, services and technologies into our existing businesses could be expensive and time-consuming. Furthermore, such new features, functions and services may not achieve market acceptance or serve to enhance our brand loyalty. We may not succeed in incorporating new Internet technologies, or, in order to do so, we may incur substantial expenses. If we fail to develop and introduce or acquire new features, functions, services or technologies effectively and on a timely basis, we may not continue to attract new users and may be unable to retain our existing users, which could affect our marketability as a popular advertising and listing media. If we are not successful in incorporating new Internet technologies, our future profitability and revenue growth could be materially and adversely affected.

Our revenues and profitability could suffer if we are unable to successfully implement our growth strategies or manage our growth effectively.

We intend to prioritize our operations in major cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Chongqing, and Wuhan. We also plan to expand into new sectors. We intend to improve our open platform business by introducing a number of cloud products empowered by our big data capabilities. However, some of our growth strategies relate to new services and technologies for which there are no established markets in China or relate to services, technologies, or new businesses in which we have limited or no experience. We do not have experience providing these services and may not select the right third parties to partner with or establish or maintain some business relationship with them at commercially reasonable terms. Moreover, due to the breadth and diversity of the PRC real estate market and the PRC microfinance market as well as other industries and sectors we plan to expand into, our business model may not be successful in new and untested markets as demand and preferences may vary significantly by region. As a result, we may not be able to leverage our experience to enter into businesses with respect to new products or services. We cannot assure you that we will be able to successfully grow our business in our existing cities. There can be no assurance that we will be able to deliver new services and technologies on a commercially viable basis or in a timely manner, or at all. If we are unable to successfully implement our growth strategies, our revenues and profitability may not grow as we expect, and our competitiveness may be materially and adversely affected.

Increases in the volume of our website traffic as a result of our expansion into new business could also strain the capacity of our existing computer systems, which could lead to slower response times or system failures. This would cause the number of real estate search inquiries, advertising impressions, other revenue producing offerings and our informational offerings to decline, any of which could significantly reduce our revenue growth and our brand loyalty. We may need to incur additional costs to upgrade our computer systems in order to accommodate increased demand if our systems cannot handle current or higher volumes of traffic. Mismanagement of any of our services in new or existing markets or the deterioration of the quality of our services could significantly damage our brand names and reputation and adversely impact our ability to attract and retain customers and visitor traffic.

Our growth plans place a significant demand on our management, systems and other resources. In addition to training and managing a growing workforce, we will need to continue to develop and improve our financial and management controls and our reporting systems and procedures. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations, and any failure to do so may limit our future growth and have a material adverse effect on our business, financial condition and results of operations.

We rely on the creditworthiness of our borrowers, which may limit our ability to recover from a defaulting borrower.

We launched our financial services focusing on the provision of loans to home buyers and other borrowers in 2015. A significant portion of our loan portfolio consists of secured loans. As of December 31, 2024, 56.6% of our outstanding loans receivable were unsecured. We have implemented credit evaluation procedures to enable us to select borrowers based on their creditworthiness. However, we do not have significant experience with assessing creditworthiness and loan underwriting and, as a result, our evaluation may not be reliable. We also do not have experience in collecting loans in default or working with borrowers to resolve payment difficulties with their loans. Our ability to recover payments from defaulting borrowers of unsecured loans may be more limited than those secured by collateral or mortgage. For our secured loans, the value of collateral securing our loans is subject to change, and may fall below the outstanding amount of the loans and thus be insufficient to cover our loss in the event of a customer default.

Our borrowers' ability to repay our loans is affected by a number of factors, including economic development in the regions where these borrowers reside or operate, market conditions in the industries where these borrowers conduct business, development of these borrowers' businesses, borrowers' employment situations and, in particular, as well as the conditions of the real estate market in China. If our borrowers default, we may apply to enforce our claims against the defaulting borrowers and their assets, including the collateral pledged to us, through court proceedings. However, the procedures for enforcing the assets and liquidating or otherwise realizing the value of the assets may be protracted or ultimately unsuccessful, and the enforcement process may be difficult for various reasons. As a result, if our borrowers default for any reason, our business, results of operations and financial condition may be materially and adversely affected.

Our financial services are subject to various regulatory restrictions.

We obtained approvals to engage in the microfinancing business from government authorities of three cities, including Beihai (the obtained approval for Beihai was transferred to Nanning in 2021), Shanghai and Chongqing. Pursuant to Notice on Regulating the "Cash Loan" Business, issued by Office of the Leading Group for the Special Campaign against Internet Financial Risks and the Office of the Leading Group for the Special Campaign against Peer-to-peer Lending Risks on December 1, 2017, or Notice on Regulating Cash Loan, Internet microfinance businesses is strictly regulated. According to the Notice on Regulating Cash Loan, among other requirements, microfinance companies are required to suspend distribution of internet microloans that are not supported by specific scenarios and no specific purpose, gradually reduce the outstanding loan balance within the prescribed time limit and complete rectifications within the prescribed time limit.

According to the Guiding Opinions on the Pilot Operation of Microfinance Companies, or the Guiding Opinions jointly issued by the China Banking Regulatory Commission and the PBOC on May 4, 2008, microfinance companies are limited liability companies or joint stock companies established with the capital contribution from natural persons, legal persons and other organizations, which do not accept public deposits and engage in the microfinance business. To set up a microfinance company, an applicant shall submit a formal application to the competent administrative departments at the provincial level. Upon approval, the applicant shall apply to the local branch of the SAIC to obtain a business license for the microfinance company. In addition, the applicant shall complete certain filings with the local police department, the local office of the China Banking Regulatory Commission and the local branch of the PBOC. According to the Guiding Opinions, a provincial government may launch pilot programs for microfinance companies within prefectural regions of the province only after it designates a department (finance office or other relevant institutions) to be in charge of supervision and administration of microfinance companies and is willing to be responsible for risk management and disposals with respect to microfinance companies. Consequently, microfinance companies are primarily regulated locally by provincial governments under rules and regulations promulgated by the provincial governments.

In November 2009, the provincial government of the Guangxi Zhuang Autonomous Region issued the Management Measures of Microfinance Companies in Guangxi Zhuang Autonomous Region. In 2014, we obtained approvals to engage in the microfinancing business from government authorities of Beihai city, Guangxi Zhuang Autonomous Region. Pursuant to the Management Measures of Microfinance Companies in Guangxi Zhuang Autonomous Region, Beihai Tian Xia Dai Microfinance Co., Ltd. ("Beihai Tian Xia Dai Microfinance"), which held microfinancing approvals, is restricted from conducting microfinancing business outside Beihai city. Subsequently, in 2021, Beihai Tian Xia Dai Microfinance relocated to Nanning city, Guangxi Zhuang Autonomous Region, and was renamed Nanning Tian Xia Dai Microfinance Co., Ltd. It also obtained approvals from government authorities to change the geographic scope of its microfinancing business from Beihai to Nanning. However, if Nanning Tian Xia Dai Microfinance Co., Ltd. issues loans outside Nanning, it may be subject to corrective actions by the relevant authorities.

Changes in the interest rates and spread could negatively affect the revenue generated from our financial services.

Our financial services generate revenue primarily from interest income. The interest rates we charge the borrowers are linked to the PBOC benchmark rate, which may fluctuate significantly due to changes in the PRC government's monetary policies. If we are required to lower the interest rates we charge our borrowers to reflect the decrease in the PBOC benchmark interest, the interest earned from our loans will decline. Furthermore, we may face fierce price competition, and as a result we may also lower our interest rates. Either case could negatively affect the revenue generated from our financial services.

The members of our senior management team have played an important role in the growth and development of our business, and if we are unable to continue to retain their services, our business, financial condition and results of operations could be materially and adversely affected.

Our future success is significantly dependent upon the continued services of our senior management. To date, we have relied heavily on the expertise and experience of senior management personnel in our business operations, including their extensive knowledge of the PRC real estate market, their strong reputation in the PRC real estate industry, and their relationships with our employees, relevant regulatory authorities and our customers. If our senior management personnel are unable or unwilling to continue in their present positions, we may not be able to locate suitable or qualified replacements and may incur additional expenses to identify their successors. In addition, if our senior management personnel joins a competitor or forms a competing company, we may lose our customers, and our collaboration arrangements may be disrupted, which would have a material adverse effect on our business, financial condition and results of operations. We do not maintain key-man insurance for our senior management personnel.

Failure to attract and retain qualified personnel could jeopardize our competitive position.

As our industry is characterized by high demand and intense competition for talent, we may need to offer higher compensation and other benefits in order to attract and retain quality sales, technical and other operational personnel in the future. We have from time to time in the past experienced, and we expect in the future to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. We cannot assure you we will be able to attract or retain the quality personnel that we need to achieve our business objectives. If we fail to successfully attract new personnel or retain and motivate our current personnel, we may lose competitiveness and our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business.

We cannot be certain that our services and information provided on our websites and mobile apps do not or will not infringe patents, copyrights or other intellectual property rights held by third parties. From time to time, we may be subject to legal proceedings and claims alleging infringement of patents, trademarks or copyrights, or misappropriation of creative ideas or formats, or other infringement of proprietary intellectual property rights.

We have applied to register “SouFun” trademark in both Chinese and English dual-language as well as “SouFun” in English and “搜房” (“SouFun” in Chinese) individually in China. While we have successfully registered these trademarks in some industry categories, our applications for certain other industry categories conflict with existing registrations or applications for similar trademarks by another PRC company in such industry categories, leading to litigations. In April 2014, the Higher People’s Court of Beijing Municipality reversed a lower court’s judgment in favor of us and ordered the PRC Trademark Review and Adjudication Board of SAIC to reconsider another PRC company’s trademark application for “SOFANG” that it had previously rejected. In April 2015, the Supreme People’s Court of the PRC accepted our application for retrial over the judgment of the Higher People’s Court of Beijing Municipality, but ultimately denied our application. Nevertheless, in 2015, we obtained new trademarks “Fang.com” in English and “房天下” (“Fang Tian Xia” in Chinese), and began to market our services under these new brands in connection with the transformation of our business operations. We therefore do not currently expect our business would be materially and adversely affected even if we lose the right to use the trademark relating to “SouFun” in certain limited industry categories.

Moreover, we have previously been involved in disputes arising from alleged infringement of third parties’ copyrights on our websites and mobile apps, such as the use of photos or articles to which we did not have the rights, which led to judgments against us. We could be subject to similar claims, suits or judgments in the future if we post information to which we do not have the rights. Any such claims, regardless of merits, may involve us in time-consuming and costly litigation or investigation and divert significant management and staff resources. If we are found to have violated the intellectual property rights of others, we may be enjoined from using such intellectual property and may also be ordered to pay fines or monetary damages. As a result, we would be required to enter into expensive royalty or licensing arrangements or to develop alternative technologies, business methods, content or other intellectual property. We expect that the likelihood of such claims may increase as the number of competitors in our markets grows and as related patents and trademarks are registered and copyrights are obtained by such competitors. In addition, if we expand our business into new geographical markets, we may be exposed to such claims in jurisdictions other than China and the scope of intellectual property protection in these overseas jurisdictions may be different from or greater than that in China. The intellectual property laws in overseas jurisdictions may also impose more stringent compliance requirements and cause more potential damages or penalties than those in China. Such claims in overseas jurisdictions, if successful, could require us to pay significant compensatory and punitive damage awards as well as expose us to costly and time-consuming litigation or investigations, all of which could materially disrupt our business and have a material adverse effect on our growth and profitability.

We are exposed to potential liability for information on our websites and mobile apps and for products and services sold through our websites and mobile apps and we may incur significant costs and damage to our reputation as a result of defending against such potential liability.

We feature third-party content on our websites and mobile apps such as real estate listings, links to third-party websites, advertisements and content provided by customers and users of our community-oriented services. This exposes us to potential liability with respect to such third-party information. For example, we may face assertions that, by directly or indirectly providing such third-party content or links to other websites, we are liable for defamation, negligence, copyright or trademark infringement, or other actions taken by parties providing such content or operating those websites. We may also face assertions that content on our websites, including statistics or other data we compile internally, or information contained in websites linked to our websites and mobile apps contains false information, errors or omissions, and users and our customers could seek damages for losses incurred as a result of their reliance upon or otherwise relating to incorrect information. We may also be subject to fines and other sanctions by the government for such incorrect information, misleading information and other information prohibited by the PRC laws and regulations. Moreover, our relevant consolidated controlled entities, as Internet advertising service providers, are obligated under PRC laws and regulations to monitor the advertising content shown on our websites and mobile apps to ensure compliance with applicable law. Violation of applicable law may result in penalties, including fines, confiscation of advertising fees, orders to cease dissemination of the offending advertisements and orders to publish advertisements correcting the misleading information. In case of serious violations, the PRC authorities may revoke the offending entities’ advertising licenses and/or business licenses. In addition, our websites and mobile apps could be used as a platform for fraudulent transactions and third-party products and services sold through our websites and mobile apps may be defective. The measures we take to guard against liability for third-party content, information, products and services may not be adequate to exonerate us from relevant civil and other liabilities.

Any such claims, with or without merit, could be time-consuming to defend and result in litigation and significant diversion of management’s attention and resources. Even if these claims do not result in liability to us, we could incur significant costs in investigating and defending against these claims and suffer damage to our reputation.

Potential acquisitions and office, training facility and land purchases, which form part of our strategy, may disrupt our ability to manage our business effectively, including our ability to successfully integrate acquired businesses into our existing operations.

Potential acquisitions form part of our strategy to further expand and operate our business. Acquisitions and the subsequent integration of new companies or businesses will require significant attention from our management, in particular to ensure that the acquisition does not disrupt any existing collaborations, or affect our users' opinion and perception of our services and customer support. In addition, our management will need to ensure that the acquired business is effectively integrated into our existing operations.

The diversion of our management's attention and any difficulties encountered in integration could have a material adverse effect on our ability to manage our business. In addition, acquisitions could expose us to potential risks, including:

- risks associated with the assimilation of new operations, services, technologies and personnel;
- unforeseen or hidden liabilities;
- the diversion of resources from our existing businesses and technologies;
- the inability to generate sufficient revenues to offset the costs and expenses of acquisitions; and
- potential loss of, or harm to, relationships with employees, customers and users as a result of the integration of new businesses.

In addition, in connection with our business expansion, we have acquired office space and training facilities as well as commercial land and may continue to do so in the future if suitable opportunities arise. For more details on our recent office, training facility and land acquisitions, see "Item 5.A. Operating and Financial Review and Prospects—Operating Results" and "Item 4.B. Information on the Company—Business Overview—Facilities" in this annual report. Acquisition of property has inherent risks, including the fluctuation of property value, which could potentially lead to potential asset write-off if the value of such properties were to substantially decrease.

If we fail to achieve and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs.

Effective internal controls are necessary for us to provide accurate and timely financial reports and effectively prevent fraud. We discovered in 2024 and in the past, and may in the future discover, areas of our internal controls involving deficiencies, significant deficiencies or material weaknesses that have required or will require improvements in our procedures on the preparation, review, approval and disclosure of financial reports.

In the course of preparing and auditing our consolidated financial statements for the year ended December 31, 2024, we and our independent registered public accounting firm, respectively, identified one material weakness in our internal control over financial reporting as of December 31, 2024. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weakness identified is that we did not have sufficient financial reporting and accounting personnel to formalize, design, implement and operate key controls over financial reporting process in order to report financial information in accordance with U.S. GAAP and SEC reporting requirements. To remedy our identified material weakness subsequent to December 31, 2024, we plan to undertake steps to strengthen our internal control over financial reporting, including: (1) hiring more qualified resources including financial director and financial controller, equipped with relevant U.S. GAAP and SEC reporting experience and qualifications to strengthen the financial reporting function and to set up a financial and system control framework, (2) implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel, (3) establishing effective oversight and clarifying reporting requirements for non-recurring and complex transactions to ensure consolidated financial statements and related disclosures are accurate, complete and in compliance with SEC reporting requirements, and (4) upgrading our operating and accounting systems to prevent systematic errors.

Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

A lack of effective internal control over financial reporting could result in the loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our ADSs. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time or as necessary to correct deficiencies or weaknesses in our controls, we may not be able to provide accurate financial statements, which could cause us to fail to meet our reporting obligations or provide accurate financial statements, and cause investors to lose confidence in our reported financial information and have a negative effect on the trading price of our ADSs.

Certain of our leased property interests may be defective and we may be forced to relocate operations affected by such defects, which could cause significant disruption to our business.

As of December 31, 2024, we had leased properties in approximately 32 cities across China in addition to our principal executive offices in Beijing, China. A number of these office leases had defects in the leasehold interests, such as lack of proper title or right to lease, and instances where landlords did not duly register the leases with the relevant PRC government authorities. Additionally, some lease agreements were not renewed timely.

In situations where a tenant lacks evidence of the landlord's title or right to lease, the relevant lease agreement may not be valid or enforceable under PRC laws, rules and regulations, and may also be subject to challenge by third parties. In addition, under PRC laws, rules and regulations, the failure to register the lease agreement will not affect its effectiveness between the tenant and the landlord, however, such lease agreement may be subject to challenge by and unenforceable against a third party who leases the same property from the landlord and has duly registered the lease with the competent PRC government authorities. Furthermore, the landlord and the tenant may be subject to administrative fines for such failure to register the lease.

We have taken steps to renew lease agreements and cause our landlords to procure valid evidence as to the title or right to lease, as well as to complete the lease registration procedures. However, we cannot assure you that such defects will be cured in a timely manner or at all. Our business may be interrupted and additional relocation costs may be incurred if we are required to relocate operations affected by such defects. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor.

We have limited business insurance coverage in China.

The insurance industry in China is still at an early stage of development and PRC insurance companies offer only limited business insurance products. As a result, we do not have any business disruption insurance or litigation insurance coverage for our operations in China. Any business disruption, litigation or natural disaster may cause us to incur substantial costs and result in the diversion of our resources, as well as significantly disrupt our operations, and have a material adverse effect on our business, financial position and results of operations.

We may be subject to liabilities as a result of the separation and distribution.

We have entered into various business, financing and other contracts in the ordinary course of business. Some of the contracts require us to notify or seek prior consent from the counterparties in connection with material changes to our business operations or corporate structure. We believe that we have carried out our contractual obligations and are not otherwise in material default or violation of those contracts. However, if any contractual counterparties find us in default or violation due to failure to notify them or seek their prior consent in connection with the separation of CIH or otherwise, they may terminate their business relationship with us, declare any repayment obligations immediately due and/or pursue legal actions against us, which may materially and adversely affect our business operations, financial condition and results of operations.

CIH and we may fail to perform under certain transaction agreements that are executed as part of the separation and distribution, and we may not have necessary systems and services in place when these transaction agreements expire.

In connection with the separation and distribution, CIH and we have entered into several agreements, including separation and distribution agreement and related ancillary agreements. The separation and distribution agreement and related ancillary agreements determine, among other things, the allocation of business, assets and liabilities between us and CIH following the separation and distribution for those respective areas and include any necessary indemnifications related to liabilities and obligations. CIH and we have also entered into a business cooperation agreement, which establishes a business cooperation between us and CIH in connection with the listing service business for an initial term of ten years commencing from its signing date. See “*Item 4.B. Information on the Company—Business Overview—Separation of CIH*” and “*Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Separation and Distribution Related Agreements in connection with the Separation of CIH—Separation and Distribution Agreement*” for details of the agreements between CIH and us in connection with the separation and distribution. If CIH is unable to satisfy its obligations under these agreements, we could incur operational difficulties or losses that could have a material and adverse effect on our business, financial condition and results of operations.

Potential indemnification liabilities owing to CIH pursuant to the separation and distribution agreement could materially and adversely affect our business, financial condition and results of operations.

The separation and distribution agreement provides for, among other things, indemnification obligations generally designed to make us financially responsible for, among others, certain liabilities associated with our business, certain guarantee, indemnification and tax liabilities, as well as any breach by us of the separation and distribution agreement and related ancillary agreements as well as any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any disclosure document that describes the separation or the distribution or us and our subsidiaries or primarily relates to the transactions contemplated by the separation and distribution agreement, subject to certain exceptions. If we are required to indemnify CIH under the circumstances set forth in the separation and distribution agreement, we may be subject to substantial liabilities. See “*Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Separation and Distribution Related Agreements in connection with the Separation of CIH—Separation and Distribution Agreement.*”

Third party claims, shareholders litigation or government investigations to which we may be subject or in which we may be involved may significantly increase our expenses and adversely affect our stock price.

We may be or may be expected to be a party to various third-party claims, lawsuits, shareholders litigation or government investigations from time to time. Any lawsuits or government investigations, whether actual or threatened, in which we may be involved, whether as plaintiff or defendant, could cost us a significant amount of time and money, could distract management’s attention away from operating our business, could result in negative publicity and could adversely affect our stock price. In addition, if any claims are determined against us or if a settlement requires us to pay a large monetary amount or take other action that materially restricts or impedes our operations, our profitability could be significantly reduced and our financial position could be adversely affected. Our insurance may not be sufficient to cover any losses we incur in connection with litigation claims.

Our leads generation business has a limited operating history, which makes it difficult to evaluate its value.

In late 2017, we launched our real estate consumer mining services, or our leads generation services, which, we believe, has experienced consistent growth since its launch. However, the historical growth of our leads generation business may not be indicative of its future performance, and we cannot assure you that any significant growth of the past will be sustainable or achievable at all in the future. The growth prospects of our leads generation business involve risks and uncertainties that fast-growing businesses with a limited operating history in our industry may encounter. We cannot assure you that we will be able to effectively manage the growth of our leads generation. If the market for such services does not develop as we expect or if we fail to address the needs of this dynamic market, the growth prospects of our leads generation business will be materially and adversely affected.

We may not be able to ensure the conversion rate of the leads we generate from our leads generation services.

The acceptance and popularity of our leads generation services is premised on the conversion rate of the leads we generate into deal successes. We strive to provide the best content and services to attract potential consumers and secure quality leads for our customers. However, the successful conversion of a business lead into a paying customer also implicates many other factors, such as the sales capacity and product quality of our customers, the macro economy downturn, and a shift in policy affecting the real estate related sectors, most of which are beyond our control. If the conversion rate of the leads we generate is not to the satisfaction of our customers, the need for such services may diminish or vanish, which would harm our business, financial condition and results of operations.

Any catastrophe, including natural catastrophes and outbreaks of health pandemics, such as the COVID-19 pandemic, and other extraordinary events, could disrupt our business operation.

The occurrence of unforeseen or catastrophic events, including extreme weather events and other natural disasters, man-made disasters, or the emergence of epidemics or pandemics, depending on their scale, may cause different degrees of damage to the national and local economies and could cause a disruption in our operations and have a material adverse effect on our financial condition and results of operations. Natural disaster, health pandemic, or other event beyond our control may give rise to server interruptions, breakdowns, system failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide products or services.

Our business operations could also be disrupted if any of our employees has contracted or is suspected of contracting any contagious disease or condition, such as COVID-19, Ebola virus disease, H1N1 flu, H7N9 flu, avian flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, since it could require our employees to be quarantined and/or our offices to be closed down and disinfected. In addition, our business, results of operations and financial condition could be adversely affected to the extent that any of these epidemics harms the Chinese economy, China's real estate industry and business operations of our customers in general.

A severe or prolonged downturn in the global or Chinese economy could materially and adversely affect our business and our financial condition.

The global macroeconomic environment was facing numerous challenges. The growth rate of the Chinese economy had already been slowing since 2010. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies, including problems that may arise from the unwinding of those policies. The Federal Reserve has cut interest rates in the United States. The Russia-Ukraine conflict has caused, and continues to intensify, significant geopolitical tensions in Europe and across the world. This conflict and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

Risks related to our corporate structure

If the PRC government determines that the structure contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure.

As we are a Cayman Islands company and our PRC subsidiaries and their branch companies in China are treated as foreign-invested enterprises under applicable PRC laws, we are subject to ownership limitations as well as special approval requirements on foreign investment. Due to legal restrictions on foreign ownership and investment in, among other areas, value-added telecommunication services, we, similar to all other entities with foreign-incorporated holding company structures operating in our industry in China, operate our Internet businesses and other related business in China through our wholly-owned PRC subsidiaries and our consolidated controlled entities. Our wholly-owned PRC subsidiaries, our consolidated controlled entities (excluding their subsidiaries) and their respective shareholders have entered into a series of contractual arrangements, which consist of exclusive technical consultancy and service agreements, equity pledge agreements, operating agreements, shareholders' proxy agreements, loan agreements and exclusive call option agreements (collectively, the "Structure Contracts"). See "Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Structure Contracts" of this annual report. As a result of these contractual arrangements, we exercise the ability to control the consolidated controlled entities through our power to direct the activities of consolidated controlled entities that most significantly impact their economic performance, and the obligation to absorb losses of or the right to all the residual benefits of the consolidated controlled entities that could potentially be significant to these entities. Accordingly, we consolidate their results in our financial statements. Our consolidated controlled entities hold the licenses and approvals that are essential to the operation of our Internet content distribution business. As certain agreements with our customers for Internet content distribution were entered into directly with our PRC subsidiaries and not our consolidated controlled entities, there can be no assurance that the PRC government will not deem our Internet content distribution business to be in violation of applicable PRC laws, rules and regulations.

On July 13, 2006, MIIT publicly released the Notice on Strengthening the Administration of Foreign Investment in Operating Value-Added Telecommunications Business (the "MIIT Notice"), which reiterates certain provisions under China's Administrative Rules on Foreign-Invested Telecommunications Enterprises prohibiting, among others, the renting, transferring or sale of a telecommunications license to foreign investors in any form. Under the MIIT Notice, holders of valued-added telecommunications business operating licenses, or their shareholders, must also directly own the domain names and trademarks used by such license holders in their daily operations. To comply with this requirement under the MIIT Notice, we have assigned all registered trademarks, trademark applications and domain names relating to "SouFun," "Jia Tian Xia," "Fang.com" and "Fang Tian Xia" to the relevant majority-owned subsidiary or consolidated controlled entities in order to maintain their respective ICP licenses to operate as value-added telecommunication service providers. Due to a lack of interpretative materials from the authorities, we cannot assure you that MIIT will not consider our corporate structure and the contractual arrangements as a kind of foreign investment in telecommunication services, in which case we may be found in violation of the MIIT Notice.

On March 15, 2019, the Foreign Investment Law was formally passed by the thirteenth National People's Congress and it took effect on January 1, 2020. For further details of the Foreign Investment Law, please see "*—Substantial uncertainties exist with respect to the adoption of new or revised PRC laws relating to our corporate structure, corporate governance and business operations.*"

If the past or current ownership structures, Structure Contracts and businesses of our company, our PRC subsidiaries and our consolidated controlled entities are found to be in violation of any existing or future PRC laws, rules or regulations, MIIT and other relevant PRC regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking the business and operating licenses of our PRC subsidiaries or consolidated controlled entities, whose business and operating licenses are essential to the operation of our business;
- levying fines and/or confiscating our income or the income of our PRC subsidiaries and/or consolidated controlled entities;
- shutting down our servers or blocking our websites;
- discontinuing or restricting our operations or the operations of our PRC subsidiaries and/or consolidated controlled entities;

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- imposing conditions or requirements with which we, our PRC subsidiaries and/or consolidated controlled entities may not be able to comply;
- requiring us, our PRC subsidiaries and/or consolidated controlled entities to restructure the relevant ownership structure, operations or contractual arrangements; and
- taking other regulatory or enforcement actions that could be harmful to our business.

We cannot assure you that the relevant PRC regulatory authorities will not require that we amend our Structure Contracts to comply with the MIIT Notice or that we can restructure our ownership structure without material disruption to our business. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may be applicable to our corporate structure and contractual arrangements. The imposition of any of these penalties and the effect of any new PRC laws, rules and regulations applicable to our corporate structure and contractual arrangements could materially disrupt our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

We cannot assure you that we will be able to enforce the Structure Contracts. Although we believe we are in compliance with current PRC regulations, we cannot assure you that the PRC government would agree that these contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are open to varying interpretations and the relevant government authorities have broad discretion in interpreting these laws and regulations.

Substantial uncertainties exist with respect to the adoption of new or revised PRC laws relating to our corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which became effective on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation, and failure to take timely and appropriate measures to cope with the regulatory-compliance challenges could result in material and adverse effect on us. For instance, though the Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors in China through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how our contractual arrangements should be dealt with. In addition, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. In the worst-case scenario, we may be required to unwind our existing contractual arrangements and/or dispose of the relevant business operations, which could have a material adverse effect on our current corporate structure, our listing service business and results of operations.

We may lose the ability to utilize assets held by our consolidated controlled entities that are important to the operation of our business if any of these entities goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

Our wholly-owned PRC subsidiaries are considered foreign-invested enterprises in China and are, therefore, not permitted under PRC law to hold the ICP licenses and to operate the online advertising businesses that are critical to our operations. As a result, our consolidated controlled entities are the holders of the ICP licenses required for operating our websites and our advertising business in China. We do not have any direct or indirect shareholding interests in these consolidated controlled entities. They are instead held directly or indirectly by Mr. Vincent Tianquan Mo, our founder and executive chairman, together with Mr. Richard Jiangong Dai, our former director and former executive chairman, or Mr. Jianning Dai, our general manager for asset management. Mr. Richard Jiangong Dai and Mr. Jianning Dai are nephews of Mr. Mo. Each of Mr. Mo, Mr. Richard Jiangong Dai and Mr. Jianning Dai is a PRC citizen. Through the Structure Contracts, we exercise management, financial and voting control over these consolidated controlled entities through our rights to all the residual benefits of the consolidated controlled entities and our obligation to fund losses of the consolidated controlled entities and also have a contractual right, to the extent permitted by PRC laws, rules and regulations, to acquire the equity interests in these entities. Consequently, if any of these consolidated controlled entities goes bankrupt and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If any of our consolidated controlled entities undergoes a voluntary or involuntary liquidation proceeding, the shareholders or unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Contractual or other arrangements among our affiliates may be subject to scrutiny by PRC tax authorities, and a finding that we or our affiliates owe additional taxes could substantially reduce our profitability and the value of your investment.

As a result of the Structure Contracts, we are entitled to substantially all of the economic benefits of ownership of the consolidated controlled entities and also bear substantially all of the economic risks associated with consolidated controlled entities. If the PRC tax authorities determine that the economic terms, including pricing, of our arrangements with our consolidated controlled entities were not determined on an arm's length basis, we could be subject to significant additional tax liabilities. In particular, the PRC tax authorities may perform a transfer pricing adjustment, which could result in a reduction, for PRC tax purposes, of deductions recorded by our consolidated controlled entities. Such a reduction could increase the tax liabilities of our consolidated controlled entities without reducing the tax liabilities of our PRC subsidiaries. This increased tax liability could further result in late payment fees and other penalties to our consolidated controlled entities for underpaid taxes. Any of these events could materially reduce our net income.

Contractual arrangements, including voting proxies, with our consolidated controlled entities for our Internet content distribution and marketing businesses may not be as effective in providing operational control as direct or indirect ownership.

Since the applicable PRC laws, rules and regulations restrict foreign ownership in the Internet content distribution and marketing businesses, we conduct our Internet content distribution and advertising businesses and derive related revenues through the Structure Contracts with our consolidated controlled entities. In addition, these agreements have not been tested in PRC courts. As we have no direct or indirect ownership interest in our consolidated controlled entities, these Structure Contracts, including the voting proxies granted to us, may not be as effective in providing us with control over these companies as direct or indirect ownership. If we were the controlling shareholders of these companies with direct or indirect ownership, we would be able to exercise our rights as shareholders to effect changes in the board of directors, which in turn could effect change, subject to any applicable fiduciary obligations, at the management level. However, if any of our consolidated controlled entities or their shareholders fail to perform their obligations under these contractual arrangements, or if they were otherwise to act in bad faith towards us, we may be forced to (1) incur substantial costs and resources to enforce such arrangements, including the voting proxies, and (2) rely on legal remedies available under PRC law, including exercising our call option right over the equity interests in our consolidated controlled entities, seeking specific performance or injunctive relief, and claiming monetary damages.

Furthermore, pursuant to the equity interest pledge agreements between certain of our PRC subsidiaries and the individual shareholders of our consolidated controlled entities, each individual shareholder of our consolidated controlled entity agrees to pledge his equity interests in the consolidated controlled entities to our subsidiaries to secure the relevant consolidated controlled entities' performance of their obligations under the exclusive technical consultancy and service agreements of the Structure Contracts. The equity interest pledges of shareholders of consolidated controlled entities under these equity pledge agreements have been registered with the relevant local branch of SAIC. The equity interest pledge agreements with the consolidated controlled entities' individual shareholders provide that the pledged equity interest shall constitute security for consulting and service fees under the exclusive technical consultancy and service agreements. The scope of pledge is not limited by the amount of the registered capital of that consolidated controlled entity. However, it is possible that a PRC court may take the position that the amount listed on the equity pledge registration forms represents the full amount of the collateral that has been registered and perfected. If this is the case, the obligations that are supposed to be secured in the equity interest pledge agreements in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court as unsecured debt, which takes last priority among creditors. Such a decision could materially and adversely affect our liquidity and our ability to fund and expand our business.

In anticipation of our originally proposed acquisition of a controlling stake in Chongqing Wanli New Energy Co., Ltd., a PRC company listed on the Shanghai Stock Exchange (stock code: 600847) ("Wanli") and the sale of a portion of our equity interest in five wholly-owned subsidiaries that operate as our service platforms for online advertising business to Wanli (which was terminated in February 2017), in December 2015, we underwent an internal restructuring, whereby we terminated all of our previous structure contracts and caused Beijing Zhong Zhi Shi Zheng and Jia Tian Xia Network, our wholly-owned PRC subsidiaries, to enter into a series of structure contracts in 2016, or the 2016 Structure Contracts, with our consolidated controlled entities, with terms and conditions substantially similar to those of our previous structure contracts. In February 2017, we terminated the transaction with Wanli in light of substantial regulatory uncertainties in China. Among the 2016 Structure Contracts, Beijing Zhong Zhi Shi Zheng entered into a series of contractual arrangements with certain of our consolidated controlled entities and their nominee shareholders. In anticipation of the separation and distribution in relation to CIH, which is the parent company of Beijing Zhong Zhi Shi Zheng, we terminated the foregoing contractual arrangements between our group and these entities on May 15, 2018, and subsequently caused Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. ("Beijing TuoShi"), our wholly-owned PRC subsidiary, to enter into a new series of contractual arrangements with these consolidated controlled entities in 2018, with terms and conditions substantially similar to the 2016 Structure Contracts. In 2019, we entered into supplemental agreements, pursuant to which Mr. Richard Jiangong Dai transferred all his rights, obligations and responsibilities under certain Structure Contracts to Mr. Jianning Dai. In 2018, we entered into new series of Exclusive Call Option Agreements with certain of our PRC subsidiaries, for the purpose of including Fang Holdings Limited as a party of the Exclusive Call Option Agreement. In 2020, we also entered into a supplemental agreement, pursuant to which Fang Holdings Limited transferred all the rights and responsibilities under certain Structure Contract to its subsidiary. For the purpose of business adjustments, Beijing JTX Technology and Beijing Internet underwent a split-off in December 2022 and January 2023, respectively. Following the split-off restructuring, the newly established subsidiaries entered into contractual agreements with Jia Tian Xia Network Technology, the terms of which are substantially similar to our previous structure contracts. See "Item 7.B. Major Shareholders and Related Party Transactions-Related Party Transactions-Structure Contracts" of this annual report. We believe that our contractual arrangements with our consolidated controlled entities for our Internet content distribution and marketing businesses are not materially affected by our internal restructuring. We cannot assure you, however, that our current Structure Contracts are as effective as the previous ones in terms of controlling our Internet content distribution and marketing businesses, nor can we assure you that these contractual arrangements will not be further modified. Any modification could potentially adversely affect our control, or result in our loss of control, over the Internet content distribution and marketing businesses. In the event that we are unable to enforce these contractual arrangements, or if we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, our business, financial condition and results of operations could be materially and adversely affected.

Our business may suffer if we fail to carry out our business arrangements related to online video broadcasting related business with certain consolidated controlled entities of our company.

Beijing Technology, which holds licenses of online video recording and broadcasting, entered into a cooperation agreement with certain of our wholly-owned subsidiaries, under which Beijing Technology is responsible for the operation of online video broadcasting, while those subsidiaries are responsible for relevant technical support. During its possession of the domain name "fang.com," Beijing Technology published online videos by embedding videos on webpages or placing video links on "fang.com."

Although such business cooperation agreement does not violate current PRC laws and regulations regarding online broadcasting and recording, we cannot assure you that due to any change of laws and regulatory policies, the abovementioned business cooperation agreement will not be deemed void, revocable or unenforceable under then applicable PRC laws amended from time to time or by regulatory authorities in the future. Should any of the above occur, the relevant business of the relevant subsidiaries will be impaired, which would have a material adverse effect on our business, financial condition and results of operations.

Moreover, under the applicable PRC laws, rules and regulations, the failure to maintain licenses of online video recording and broadcasting may subject the entity to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on the entity conducting such activities' business operations, or the discontinuation of their operations.

We rely on contractual arrangements among our PRC subsidiaries, the variable interest entities and their shareholders, which may not be as effective as direct ownership in providing operational control.

We rely on contractual arrangements among our PRC subsidiaries, the variable interest entities and their respective shareholders to operate our business. For descriptions of these contractual arrangements, see "Item 4. Information on the Company-C. Organizational Structure." These contractual arrangements may not be as effective as direct ownership in providing us with control over the variable interest entities. In addition, these agreements have not been tested in PRC courts. These contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. If any of the other parties fails to perform their obligations under these contractual arrangements, we may have to incur substantial costs and resources to enforce such arrangements, and we would have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which we cannot assure you will be effective. Furthermore, uncertainties in the changes of PRC laws and regulations could limit our ability to enforce these contractual arrangements, which may make it difficult to exert effective control over the variable interest entities, and our ability to conduct our business may be negatively affected.

In 2022, 2023 and 2024, our VIEs and their respective subsidiaries and branches contributed in aggregate 66.1%, 66.8% and 49.6% of our total net revenues, respectively. In the event we are unable to enforce the contractual arrangements, we may not be able to have the power to direct the activities that most significantly affect the economic performance of Beijing TuoShi, Jia Tian Xia Network and their respective subsidiaries and branches, and our ability to conduct our business may be negatively affected, and we may not be able to consolidate the financial results of Beijing TuoShi, Jia Tian Xia Network and their respective subsidiaries and branches into our consolidated financial statements in accordance with U.S. GAAP.

The shareholders of our consolidated controlled entities may have potential conflicts of interest with us, and if any such conflicts of interest are not resolved in our favor, our business may be materially and adversely affected.

We operate through a number of consolidated controlled entities in China. Mr. Vincent Tianquan Mo (our founding shareholder and executive chairman of the board of directors of our company), Mr. Richard Jiangong Dai and Mr. Jianning Dai together hold 100.0% of the equity interest in these consolidated controlled entities. The interests of Mr. Mo, Mr. Richard Jiangong Dai and Mr. Jianning Dai as the nominee shareholders of the consolidated controlled entities may differ from the interests of our company as a whole, as what is in the best interests of our consolidated controlled entities may not be in the best interests of us and our other shareholders. We cannot assure you that when conflicts of interest arise, Mr. Mo, Mr. Richard Jiangong Dai or Mr. Jianning Dai will act in the best interests of our company or that conflicts of interest will be resolved in our favor. In addition, Mr. Mo, Mr. Richard Jiangong Dai and Mr. Jianning Dai may breach or cause our consolidated controlled entities and their respective subsidiaries to breach or refuse to renew the existing contractual arrangements with us. We rely on Mr. Mo, Mr. Richard Jiangong Dai and Mr. Jianning Dai to comply with the laws of China, which protect contracts and provide that directors and executive officers owe a duty of loyalty to our company and require them to avoid conflicts of interest and not to take advantage of their positions for personal gains. We also rely on Mr. Mo to abide by the laws of the Cayman Islands, which provide that a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he or she owes certain fiduciary duties to the Company, including but not limited to a duty to act bona fide in the best interests of the company and a duty to act with skill and care. However, the legal frameworks of China and the Cayman Islands do not provide guidance on resolving conflicts in the event of a conflict between the laws of China and the Cayman Islands regarding which corporate governance regime controls. If we cannot resolve any conflicts of interest or disputes between us and Mr. Mo, Mr. Richard Jiangong Dai or Mr. Jianning Dai, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We are controlled by our significant shareholders and their affiliated entities, whose interests may differ from our other shareholders.

As of the date of this annual report, Mr. Vincent Tianquan Mo, our founder and executive chairman of the board of directors, may be deemed to have voting and dispositive power with respect to: (1) 5,841,844 Class A ordinary shares and 16,539,500 Class A ordinary shares represented by ADSs owned by ACE Smart Investments Limited; (2) 1,367,378 Class A ordinary shares and 11,355,645 Class B ordinary shares owned by Media Partner Technology Limited (“Media Partner”), with respect to Mr. Mo and his family members, (3) 2,505,502 Class A ordinary shares including 14,170 Class A ordinary shares represented by ADSs, and 11,985,145 Class B ordinary shares owned by Next Decade Investments Limited (“Next Decade”), with respect to Mr. Mo and his family members, (4) 926,461 Class A ordinary shares owned by Karistone Limited, (5) 957,265 Class A ordinary shares owned by Ateefa Limited, (6) 1,472,298 Class A ordinary shares owned by Deanhale Limited, and (7) 441,650 Class A ordinary shares represented by ADSs owned by Open Land Holdings Limited, collectively presenting approximately 45.5% of our outstanding Class A ordinary shares and approximately 95.9% of our outstanding Class B ordinary shares. The shares in Media Partner and Next Decade are held in irrevocable discretionary trusts, for which Mr. Mo acts as a protector. Media Partner and Next Decade could exert substantial influence over the outcome of any corporate transaction or other matters submitted to the shareholders for approval, including mergers, consolidations, the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentration of ownership may also discourage, delay or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of our ADSs. These actions may be taken even if they are opposed by our other shareholders, including the investors in the ADSs.

The continuing cooperation of our significant shareholders on an on-going basis, including Media Partner and Next Decade, is important to our businesses. Without their consent or cooperation, we could be prevented from entering into transactions or conducting business that could be beneficial to us. We cannot assure you, however, that the interests of our significant shareholders would not differ from the interests of our other shareholders, including investors in the ADSs.

Risks related to doing business in China

China’s economic, political and social conditions, as well as government policies, could have a material adverse effect on our business, financial condition and results of operations.

Our business and operations are primarily conducted in China. Accordingly, our financial condition and results of operations have been, and are expected to continue to be, affected by the economic, political and social developments in relation to the Internet, online marketing and real estate industries in China. A slowdown of economic growth in China could reduce the sale of real estate and related products and services, which in turn could materially and adversely affect our business, financial condition and results of operations.

The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. These measures are intended to benefit the overall PRC economy, but may also have a negative effect on us. For example, our business, financial condition and results of operations could be adversely affected by PRC government significant influence over capital investments or changes in tax regulations that are applicable to us.

The PRC government has been playing a significant role in regulating industry development by imposing industrial policies and also exercising significant administrative measures over China’s economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

Changes in PRC government policies could have a material and adverse effect on overall economic growth in China, which could adversely affect our business.

We conduct substantially all of our business in China. As the real estate industry is highly sensitive to business spending, credit conditions and personal discretionary spending levels, it tends to decline during general economic downturns. Accordingly, our results of operations, financial condition and prospects are subject, to a significant degree, to economic developments in China. While China's economy has experienced significant growth in the past three decades, growth has been uneven across different periods, regions and among various economic sectors of China. The PRC government may implement measures that are intended to benefit the overall economy even if they would be expected to have a negative effect on the real estate industry. The real estate industry is also sensitive to credit policies. In recent years, the PRC government adjusted the People's Bank of China's statutory deposit reserve ratio and benchmark interest rates several times in response to various economic situations. Any future monetary tightening may reduce the overall liquidity in the economy and reduce the amount of credit available for real estate purchase. Higher interest rates may increase borrowing costs for purchasers who rely on mortgage loans to finance their real estate purchase. These could negatively affect overall demand for real estate and adversely affect our operating and financial results. We cannot assure you that China will continue to have rapid or stable economic growth in the future or that changes in credit or other government policies that are intended to create stable economic growth will not adversely impact the real estate industry.

Uncertainties with respect to the interpretation and enforcement of PRC laws and regulations, and changes in policies, law and regulations in the PRC could adversely affect us.

We conduct our business primarily through our subsidiaries and consolidated variable interest entities in China. Our operations in China are governed by PRC laws and regulations. Our subsidiaries are generally subject to laws and regulations applicable to foreign investments in China and, in particular, laws applicable to foreign-invested enterprises. The PRC legal system is based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. PRC legislation and regulations have gradually enhanced the protections afforded to various forms of foreign investments in China. However, recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to a significant degree of interpretation by PRC regulatory agencies and courts. In particular, because these laws and regulations are relatively new and quickly evolving, and because of the limited number of published decisions and the non-precedential nature of these decisions, and because the laws and regulations often give the relevant legislator certain discretion in how to enforce them, the interpretation and enforcement of the laws and regulations involve uncertainties. Therefore, it is possible that our existing operations may be found not to be in full compliance with relevant laws and regulations in the future.

Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have certain discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to predict the outcome of administrative and court proceedings and the level of legal protection than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations. In addition, the PRC government has significant influence over business activities and, to further regulatory and societal goals, has become more involved in regulating China-based companies, including us. For example, in recent years the PRC government has enhanced regulation in areas such as anti-monopoly, anti-unfair competition, cybersecurity and data privacy. In addition, the PRC government has also published policies that significantly affected the Internet industries and certain other industries, including industries that we operate in, and in the future it may implement other policies or regulations that may have a significant adverse impact on us or industries that we operate in.

Moreover, the PRC government has strengthened the administration over illegal securities activities and the supervision on overseas listings by China-based companies and issued new filing obligations and approval requirements in connection with offshore offerings. The government may further promulgate relevant laws and regulations that may impose additional and significant obligations and liabilities on Chinese companies. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, change to our data and other business practices, regulatory investigations, penalties, increased cost of operations, or declines in user growth or engagement, or otherwise affect our business. It is uncertain whether or how these new laws and regulations and the interpretation and implementation thereof may affect us, but among other things, our ability and the ability of our subsidiaries to obtain external financing through the issuance of equity securities overseas could be negatively affected and as a result.

The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.

We conduct our business primarily in China. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight over the conduct of our business, and may intervene or influence our operations at any time with little advance notice, which could result in a material adverse change in our operation and/or the value of our ADSs. The PRC government has recently published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could also result in a material adverse change in our operation and/or the value of our ADSs. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

The discontinuation of any of the preferential tax treatments currently available to us in China could materially and adversely affect our financial condition and results of operations.

In March 2007, the National People's Congress of China enacted the PRC Enterprise Income Tax Law (the "New EIT Law"), which became effective on January 1, 2008 and was amended in February 2017 and December 2018. In April 2008, the relevant PRC governmental authorities issued the Administrative Measures for Certification of High and New Technology Enterprises which was amended in January 2016. "High and new technology enterprises" would be entitled to a statutory tax rate of 15.0%. Currently, three of our PRC subsidiaries or consolidated controlled entities are qualified as "high and new technology enterprises". We cannot assure you that our PRC subsidiaries or consolidated controlled entities will continue to be entitled to preferential tax rates as qualified "high and new technology enterprises" under the New EIT Law. We also cannot assure you that the tax authorities will not, in the future, discontinue any of our preferential tax treatments, potentially with retroactive effect. In the event that preferential tax treatment for any of our subsidiaries or consolidated controlled entities is discontinued, the affected entity will become subject to a 25.0% standard enterprise income tax rate, which would increase our income tax expenses and could materially reduce our net income and profitability. See also "Item 5.A. Operating and Financial Review and Prospects-Operating Results-Components of our Results of Operations-Taxation-China" of this annual report.

We may be treated as a resident enterprise for PRC tax purposes under the New EIT Law and therefore be subject to PRC taxation on our worldwide income.

We are incorporated under the laws of the Cayman Islands. Under the New EIT Law and its implementation rules, an enterprise incorporated in a foreign country or region may be classified as either a "non-resident enterprise" or a "resident enterprise." If any enterprise incorporated in a foreign country or region has its "de facto management bodies" located within the PRC territory, such enterprise will be considered a PRC tax resident enterprise and thus will normally be subject to enterprise income tax at the rate of 25.0% on its worldwide income. The relevant implementing rules provide that "de facto management bodies" means the bodies which exercise substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties and other factors of an enterprise. In April 2009, the SAT issued the Notice Regarding the Determination of Chinese-Controlled Offshore-Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies ("Circular 82"), which sets forth certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore-incorporated enterprise is located in China. However, Circular 82 only applies to offshore enterprises controlled by PRC enterprises and not those controlled by PRC individuals or foreigners in China, such as our company. See "Item 10.D. Additional Information—Exchange Controls—Regulations relating to Foreign Exchange, Taxation and Dividend Distribution—Taxation and Dividend Distribution" of this annual report. Substantially all of the members of our management are currently located in China and we expect them to continue to be located in China. Due to the lack of clear guidance on the criteria pursuant to which the PRC tax authorities will determine our tax residency under the New EIT Law, it remains unclear whether the PRC tax authorities will treat us as a PRC resident enterprise. As a result, our PRC legal counsel is unable to express an opinion as to the likelihood that we will be subject to the tax applicable to resident enterprises or non-resident enterprises under the New EIT Law. If we are deemed to be a PRC tax resident enterprise, we will be subject to an enterprise income tax rate of 25.0% on our worldwide income, which would have an impact on our effective tax rate and an adverse effect on our net income and results of operations. The New EIT Law provides that dividend income between qualified resident enterprises is exempt income, which the implementing rules have clarified to mean a dividend derived by a resident enterprise on an equity interest it directly owns in another resident enterprise. It is possible, therefore, that dividends we receive through our offshore subsidiaries from our PRC subsidiaries, would be exempt income under the New EIT Law and its implementing rules if our offshore subsidiaries are deemed to be a "resident enterprise." If we are deemed to be a PRC tax resident enterprise, we would then be obliged to withhold PRC withholding income tax on the gross amount of dividends we pay to shareholders who are non-PRC tax residents. The withholding income tax rate is 10.0% for non-resident enterprises and 20.0% for non-resident individuals, unless otherwise provided under the applicable double tax treaties between China and the governments of other jurisdictions.

We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity.

As a holding company, we rely primarily on dividends and other distributions on equity paid by our subsidiaries for our cash and financing requirements, which include funds necessary to pay dividends and other cash distributions to our shareholders, service any debt we may incur and to pay our operating expenses. If our subsidiaries incur debt in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Our subsidiaries are primarily entities incorporated and established in China and therefore, are subject to certain limitations with respect to dividend payments. PRC regulations currently allow payment of dividends only out of accumulated profits determined in accordance with accounting standards and regulations in China. Each year, our subsidiaries in China and our consolidated controlled entities are required to allocate a portion of their after-tax profits to their respective reserve funds, until the reserves reach 50.0% of their respective registered capital. Allocations to these reserves and funds can only be used for specific purposes and are not transferable to us in the form of loans, advances or cash dividends. Such restrictions on the ability of our subsidiaries and consolidated controlled entities to transfer funds to us could adversely limit our ability to grow, pay dividends, make investments or acquisitions that could benefit our businesses or otherwise fund and conduct our businesses.

Under the relevant PRC tax law applicable to us prior to January 1, 2008, dividend payments to foreign investors made by foreign-invested enterprises were exempted from PRC withholding tax. However, under the New EIT Law and its implementing rules, non-resident enterprises without an establishment in China, or whose income has no connection with their institutions and establishment inside China, are subject to withholding tax at the rate of 10.0% with respect to their PRC-sourced dividend income, subject to applicable tax agreements or treaties between the PRC and other tax jurisdictions. Similarly, any gains realized on the transfer of shares by such investors are also subject to a 10.0% PRC income tax if such gains are regarded as income from sources within China.

According to the Mainland and Hong Kong Special Administrative Region Arrangement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “Avoidance of Double Taxation Arrangement”), dividends derived by a Hong Kong resident enterprise from a PRC resident enterprise are subject to withholding tax at the rate of 5.0%, provided that such Hong Kong resident enterprise directly owns at least 25.0% of the equity interest in the PRC resident enterprise. However, under the New EIT Law and its implementation rules, as well as Circular No. 9 issued by SAT in February 2018 (“Circular 9”), dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to withholding tax at a rate of 10.0% if our Hong Kong subsidiaries cannot be considered as a “beneficial owner” or the main purpose test clause of Avoidance of Double Taxation Arrangement may apply to us.

We hold equity interests in several of our major PRC subsidiaries indirectly through subsidiaries incorporated in Hong Kong. Neither we nor our PRC legal counsel is certain as to whether it is more likely than not that PRC tax authorities would require or permit our Hong Kong-incorporated subsidiaries to be treated as PRC resident enterprises. To the extent that such Hong Kong-incorporated subsidiaries are each considered a “non-resident enterprise” under the Avoidance of Double Taxation Arrangement, dividends derived by such Hong Kong-incorporated subsidiaries from our PRC subsidiaries may be subject to a maximum withholding tax rate of 10.0%. See “Item 10.D. Additional Information—Exchange Controls—Regulation relating to Foreign Exchange, Taxation and Dividend Distribution—Taxation and Dividend Distribution” of this annual report.

The discontinuation of the previously available exemption from withholding tax as a result of the New EIT Law and its implementing rules have and will increase our income tax expenses and reduce our net income, and may materially reduce our profitability.

PRC regulations on loans to PRC entities by offshore holding companies may affect our ability to capitalize or otherwise fund our PRC operations.

On August 29, 2008, SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises (“SAFE Circular 142”), regulating the conversion by a foreign-invested enterprise of foreign currency registered capital into RMB by restricting how the converted RMB may be used. SAFE Circular 142 provides that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable governmental authority and may not be used for equity investments within China. In addition, SAFE strengthened its oversight of the flow and use of the RMB capital converted from foreign currency registered capital of a foreign-invested company. The use of such RMB capital may not be altered without SAFE approval, and such RMB capital may not in any case be used to repay RMB loans if the proceeds of such loans have not been used. Violations of SAFE Circular 142 could result in severe monetary or other penalties.

On March 30, 2015, SAFE promulgated the Circular on the Reform of Administration of the Payment and Settlement of Foreign Currency Capital of Foreign Invested Enterprises (“SAFE Circular 19”), which became effective on June 1, 2015. SAFE Circular 19 abolishes the SAFE Circular 142, providing that the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise shall be used for purposes within its approved business scope, and allows a foreign-invested enterprise to use the RMB capital converted from its foreign currency registered capital for equity investments within China. However, such converted RMB capital still cannot be used to repay RMB loans between enterprises under SAFE Circular 19. However, the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (“SAFE Circular 16”) implemented in June 2016 removes the prohibition of using the RMB capital converted from foreign currency registered capital to repay RMB loans between enterprises.

On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation, which amended by the SAFE Circular on Further Promoting and reforming Cross-border Trade and Investment Facilitation promulgated on 4 December 2023, regulating the reforming measures on the registration management of corporate foreign loans, including (1) canceling the management requirement for a non-bank debtor to conduct foreign debt deregistration with a local foreign exchange bureau and replacing with a bank within the jurisdiction of the foreign exchange management department, (2) canceling the time limit for a non-bank debtor conducting foreign debt deregistration, and (3) conducting the pilot cancelation of foreign debt registration of non-financial enterprises.

In light of the various requirements imposed by PRC regulations on loans to PRC entities by offshore holding companies, we may not be able to obtain the necessary government approvals with respect to future loans by us to our wholly-owned subsidiaries or consolidated controlled entities or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

We may be subject to fines and legal or administrative sanctions in connection with certain historical intra-group funding transactions.

We have occasionally engaged in intra-group funding transactions, including dividend distributions from our consolidated controlled entities and payment advances made by one subsidiary on behalf of another. These transactions are typically deemed as non-interest-bearing loans and receivables from the relevant “debtors.”

Pursuant to the General Lending Code implemented in August 1996 by the PBOC, the central bank of China, commercial lending in China must be made by or through a PRC-qualified financial institution as defined under the General Lending Code. As none of the payors in our intra-group transactions is or was at the relevant time a PRC qualified financial institution as defined under the General Lending Code, the PBOC may impose a fine for non-compliance on each of the payors in an amount equal to one to five times the value of any income received from its non-compliance, and the payors may be required to terminate such loans. The Supreme People’s Court issued the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (the “Provisions”) on August 6, 2015 and amended on August 19, 2020 and December 29, 2020, which provide that if the purpose of a lending contract concluded between two enterprises is for their business operation, and the lending contract does not contain the circumstances as stipulated in Article 52 of the PRC Contract Law and Article 14 of the Provisions, i.e., those that will result in contracts being null and void, the people’s court shall consider such lending contract to be effective. As the General Lending Code has not been repealed and the Provisions were issued by the Supreme People’s Court as guidance for courts’ trial in private lending cases, it remains uncertain how the General Lending Code will be interpreted and implemented. If the PBOC and/or other governmental authorities decide to apply the General Lending Code and thereby instruct the payors to terminate such transactions, we have to fully repay the funds advanced in such transactions.

Moreover, pursuant to the PRC Foreign Currency Administration Regulations promulgated by the State Council in January 1996, and amended in August 2008, a PRC entity is required to apply for SAFE approval prior to extending commercial loans to offshore entities such as our company. As there is no specific definition of “commercial loans” under the Foreign Currency Administration Regulations and PRC governmental authorities have not issued any implementation rules with respect to the provision of commercial loans to offshore entities, it is not clear whether such provision will be applied to the non-interest bearing loans described above. Under the Foreign Currency Administration Regulations, an entity may be required to correct the violation and be subject to a warning and/or a fine for the violation of the foreign registration administrative regulations. If SAFE determines that the PRC Foreign Currency Administration Regulations do apply to us, it may require us to register the deemed overseas loans and rectify any prior non-compliance by properly obtaining SAFE approval. SAFE may also impose a warning and/or fine based on the PRC Foreign Currency Administration Regulations. We cannot assure you that we will be able to complete the necessary registration and filing procedures required by the PRC Foreign Currency Administration Regulations. In addition, it is not clear whether SAFE may consider the making of payments in Renminbi which should have been made in foreign currency to be foreign currency arbitrage, which may be deemed a violation and may subject a violator to warnings, penalties or other sanctions. Due to a general uncertainty over the interpretation and implementation of the PRC Foreign Currency Administration Regulations as well as the broad enforcement discretion granted to SAFE, we cannot assure you that we will not be subject to such warnings, penalties or other administrative penalties resulting from our intra-group transactions that may be deemed as overseas loans.

According to the New EIT Law, loan arrangements between related parties without interest are not considered arms-length transactions. Therefore, the PRC taxation authorities could impose enterprise income and VAT on the payors for the deemed interest income that would have been derived from our intra-group transactions. The deemed interest rate would be determined by reference to the lending rate over the relevant period published by the PBOC. We cannot assure you that we will not be subject to fines, or legal or administrative sanctions as a result of non-compliance with the General Lending Code and the Foreign Currency Administration Regulations. Further, we cannot assure you that the PRC taxation authorities will not impose enterprise income and VAT taxes on the payors for any deemed interest income with respect to our intra-group transactions. Because the applicable PRC laws, rules and regulations do not provide clear definitions for several key terms and because the relevant PRC regulatory authorities have significant discretion on the interpretation of such matters, we cannot predict the likelihood that the risks described here will materialize.

Government significant influence of currency conversion may limit our ability to utilize our revenues effectively.

Substantially all of our revenues and operating expenses are denominated in Renminbi. Under applicable PRC law, the Renminbi is freely convertible to foreign currencies with respect to “current account” transactions, but not with respect to “capital account” transactions. Current account transactions include ordinary course import or export transactions, payments for services rendered and payments of license fees, royalties, interest on loans and dividends. Capital account transactions include cross-border investments and repayments of the principal of loans.

Accordingly, our PRC subsidiaries currently may purchase foreign currencies for settlement of current account transactions, including payment of dividends to us, without prior SAFE approval by complying with certain procedural requirements. However, we cannot assure you that the relevant PRC governmental authorities will not limit or eliminate the ability of our PRC subsidiaries to purchase and retain foreign currencies in the future. Foreign exchange transactions under the capital account are still subject to limitations and require approvals from or registration with relevant government authorities or pilot banks. This could affect our PRC subsidiaries’ ability to obtain debt or equity financing from outside China, including by means of loans or capital contributions from us.

Since substantially all of our revenues are denominated in Renminbi, including fees and payments from our PRC consolidated controlled entities pursuant to the Structure Contracts, existing and future restrictions on currency exchange may limit our ability to utilize revenues generated in Renminbi to fund expenditures denominated in foreign currencies, including any dividends that our PRC subsidiaries may pay to us in the future.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles ("SAFE Circular 37") on July 4, 2014, which replaced the former circular commonly known as Circular 75 promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." Pursuant to SAFE Circular 37, "control" refers to the act through which a PRC resident obtains the right to carry out business operation of, to gain proceeds from or to make decisions on a special purpose vehicle by means of, among others, shareholding entrustment arrangement. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

We are aware that Mr. Vincent Tianquan Mo, controlling shareholder of Fang and a PRC resident, has not completed the registration as of the date of this annual report. We have notified all PRC residents or entities who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents to complete the foreign exchange registrations. However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

The approval of and/or report and filing with the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing and reporting obligations.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our historical and future offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained by us, would restrict our ability to raise funds, subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On December 27, 2021, the NDRC and Ministry of Commerce jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version), which became effective on January 1, 2022 and further amended in 2024. Pursuant to these administrative measures, if a domestic company engaging in the prohibited business stipulated in the negative list seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company shall not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the regulations on the domestic securities investments by foreign investors. As the negative list is relatively new, there remain substantial uncertainties as to the interpretation and implementation of these new requirements, and it is unclear as to whether and to what extent listed companies like us will be subject to these new requirements. If we are required to comply with these requirements and fail to do so on a timely basis, if at all, our business operation, financial conditions, business prospect and ability of financing, may be adversely and materially affected.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report their information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. If the issuer meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; (ii) its major operational activities are carried out in China or its main places of business are located in China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or are domiciled in China; and (iii) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and where an issuer makes an application for listing in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e., March 31, 2023) shall be deemed as existing issuers. These existing issuers are not required to complete the filing procedures, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved.

According to the Overseas Listing Trial Measures, an overseas listed company shall file with the CSRC within three business days after the completion of its subsequent securities offering on the same market, and an overseas listed company shall file with the CSRC within three business days after its application of its offering and listing on a different market. If an overseas listed company purchase PRC domestic assets through a single or multiple acquisitions, share swaps, shares transfers or other means, and such purchase constitutes direct or indirect listing of PRC domestic assets, a filing with the CSRC is also required. In addition, an overseas listed company is required to report to the CSRC the occurrence of any of the following material events within three business days after the occurrence and announcement thereof: (i) a change of control of the listed company; (ii) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or the competent authorities in respect of the listed company; (iii) a change of listing status or transfer of listing segment; and (iv) the voluntary or mandatory delisting of the listed company. If there is any material change of the principal business of the listed company after the overseas offering and listing so that the listed company is no longer required to file with the CSRC, it shall file a specific report and a legal opinion issued by a domestic law firm to the CSRC within three business days after the occurrence hereof.

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us or otherwise tightening the regulations on companies with a variable interest entity structure. If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the Measures for Cybersecurity Review and Network Data Security Management Regulation, are required for our offshore offerings or delisting arrangements, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing and reporting procedures and any such approval, filing or report could be rescinded or rejected. Any failure to obtain or delay in obtaining such approval or completing such filing and reporting procedures for our offshore offerings and delisting arrangements, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our offshore offerings into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our securities. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our offshore offerings before settlement and delivery of the shares offered, or to change our current delisting arrangements. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our securities.

Regulations in China may make it more difficult for us to pursue growth through acquisitions.

On August 8, 2006, six PRC regulatory agencies jointly promulgated the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (the “M&A Rules”), which became effective on September 8, 2006 and was amended on June 22, 2009. The M&A Rules and other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. For example, the M&A Rules require that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, issued by the State Council on August 3, 2008 and was amended on September 18, 2018, and January 22, 2024 are triggered. According to the Notice regarding the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors issued by the General Office of the State Council in February 2011 and the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises issued by MOFCOM in August 2011, mergers and acquisitions by foreign investors involved in an industry related to national security are subject to strict review by MOFCOM. These rules also prohibit any transactions attempting to bypass such security review, including by controlling entities through contractual arrangements. We believe that our business is not in an industry related to national security. However, we cannot preclude the possibility that MOFCOM or other government agencies may publish interpretations contrary to our understanding or broaden the scope of such security review in the future. Although we have no current plans to make any acquisitions, we may elect to grow our business in the future in part by directly acquiring complementary businesses in China. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining any required MOFCOM approvals, may delay or inhibit our ability to complete such transactions.

We may be subject to fines and legal or administrative sanctions if we or our PRC citizen employees fail to comply with PRC regulations with respect to the registration of such employees’ share options and restricted share units.

In February 2012, SAFE promulgated the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company (the “Stock Option Rule”). Under the Stock Option Rule, a Chinese entity’s directors, supervisors, senior management officers, other staff, or individuals who have an employment or labor relationship with such Chinese entity and who are granted stock options by an overseas publicly listed company are required, through a PRC agent or PRC subsidiary of such overseas publicly listed company, to register with SAFE and complete certain other procedures. Our local employees who have been granted stock options are subject to these regulations. We have designated our relevant PRC subsidiaries to handle the registration and other procedures required by the Stock Option Rule. If we or our PRC option holders fail to comply with these rules, we and our PRC option holders may be subject to fines and other legal or administrative sanctions. See “*Item 4.B. Information on the Company—Business Overview—Regulation—Regulations relating to Employee Share Options*” of this annual report.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies. Enhanced scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

On February 3, 2015, the SAT issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Tax Resident Enterprises (“Public Notice 7”). According to Public Notice 7, where a non-resident enterprise investor transfers taxable assets through the offshore transfer of a foreign intermediate holding company, the non-resident enterprise investor, being the transferor, may be subject to PRC enterprise income tax, if the indirect transfer is considered to be an abusive use of company structure without reasonable commercial purposes. As a result, gains derived from such indirect transfer may be subject to PRC withholding tax at the rate of up to 10.0%. In addition, Public Notice 7 provides clearer criteria than Circular 698 on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an “indirect transfer” by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the PRC entity which directly owned the taxable assets may report to the relevant tax authority such indirect transfer. Using a “substance over form” principle, the PRC tax authority may re-characterize such indirect transfer as a direct transfer of the equity interests in the PRC tax resident enterprise and other properties in China. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of up to 10.0% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

Pursuant to the Notice on Issues Relevant to Withholding of Non-PRC Resident Enterprises Income Tax at Source (“SAT Circular 37”) issued by the SAT, which became effective as of December 1, 2017, transferees are subject to filing obligations and withholding obligations. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

We face uncertainties with respect to the reporting and consequences of private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our company and other non-resident enterprises in our group may be subject to filing obligations or being taxed if our company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to filing obligations and withholding obligations if our company and other non-resident enterprises in our group are transferees in such transactions, under SAT Circular 37 and Public Notice 7. For the transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be subject to filing obligations and withholding obligations under SAT Circular 37 and Public Notice 7. As a result, we may be required to expend valuable resources to comply with SAT Circular 37 and Public Notice 7 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company and other non-resident enterprises in our group should not be taxed under these circulars. The PRC tax authorities have the discretion under SAT Circular 37 and Public Notice 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the taxable assets transferred and the cost of investment. If the PRC tax authorities make adjustments to the taxable income of the transactions under SAT Circular 37 and Public Notice 7, our income tax costs associated with such transactions will be increased, which may have an adverse effect on our financial condition and results of operations. We have made acquisitions in the past and may conduct additional acquisitions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance to them for the investigation of any transactions we were involved in. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

Our ADSs or ordinary shares may be delisted under the Holding Foreign Companies Accountable Act (“HFCA Act”) if the PCAOB is unable to adequately inspect audit documentation located in China. The delisting of our ADSs or ordinary shares, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections deprives our investors from the benefits of such inspections. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which was enacted on December 29, 2022 under the Consolidated Appropriations Act 2023, amends the HFCA Act and requires the SEC to prohibit an issuer’s securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three.

The Holding Foreign Companies Accountable Act, or the HFCA Act, was enacted on December 18, 2020. The HFCA Act states if the SEC determines that a company has filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit such ordinary shares from being traded on a national securities exchange or in the over-the-counter trading market in the U.S.

On March 24, 2021, the SEC adopted interim final rules relating to the implementation of certain disclosure and documentation requirements of the HFCA Act. A company will be required to comply with these rules if the SEC identifies it as having a “non-inspection” year under a process to be subsequently established by the SEC. The SEC is assessing how to implement other requirements of the HFCA Act, including the listing and trading prohibition requirements described above. Furthermore, on June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, which was enacted on December 29, 2022 under the Consolidated Appropriations Act 2023, amends the HFCA Act and requires the SEC to prohibit an issuer’s securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCA Act, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCA Act, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 2, 2021, the SEC issued amendments to finalize the interim final rules previously adopted in March 2021 to implement the submission and disclosure requirements in the HFCA Act. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate completely because of a position taken by an authority in a foreign jurisdiction.

On December 16, 2021, the PCAOB issued a Determination Report which found that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in: (1) mainland China of the People’s Republic of China, because of a position taken by one or more authorities in mainland China; and (2) Hong Kong, a Special Administrative Region and dependency of the PRC, because of a position taken by one or more authorities in Hong Kong. The PCAOB has made such designations as mandated under the HFCA Act. Pursuant to each annual determination by the PCAOB, the SEC will, on an annual basis, identify issuers that have used non-inspected audit firms and thus are at risk of such suspensions in the future. On August 26, 2022, the PCAOB signed the Protocol with the CSRC and the MOF of the People’s Republic of China, governing inspections and investigations of audit firms based in mainland China and Hong Kong. The Protocol remains unpublished and is subject to further explanation and implementation. Pursuant to the fact sheet with respect to the Protocol disclosed by the SEC, the PCAOB shall have independent discretion to select any issuer audits for inspection or investigation and the unfettered ability to transfer information to the SEC.

On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in China mainland and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in China mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor’s, control. The PCAOB is continuing to demand complete access in China mainland and Hong Kong moving forward and is already making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. Therefore, the PCAOB may in the future determine that it is unable to inspect or investigate completely registered public accounting firms in mainland China and Hong Kong.

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Our current auditor, GGF CPA LTD, the independent registered public accounting firm that issues the audit report included in this annual report, as a firm registered with the PCAOB (PCAOB ID: 2729), is subject to laws in the U.S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. GGF, whose audit report is included in this report, is headquartered in Guangzhou, China, and, as of the date of this annual report, was not included in the list of PCAOB Identified Firms in the Determination Report. Recent developments create uncertainty as to the PCAOB's continued ability to conduct inspections of our independent accounting firm GGF.

However, our auditor's working papers related to us and the consolidated VIE and their subsidiaries are located in China. If our auditor is not permitted to provide requested audit work papers located in China to the PCAOB, investors would be deprived of the benefits of PCAOB's oversight of our auditor through such inspections which could result in limitation or restriction to our access to the U.S. capital markets, and trading of our securities may be prohibited under the HFCAA, which would result in the delisting of our securities from U.S. stock exchange.

Although our independent registered public accounting firm is registered with the PCAOB and currently subject to periodic PCAOB inspection, if it is later determined that the PCAOB is unable to inspect or investigate our auditor completely, investors would be deprived of the benefits of such inspection and our ADSs may be prohibited from trading.

We have appointed GGF for the audit of our consolidated financial statements since the fiscal year ended December 31, 2020. GGF is an accounting firm that is registered with the PCAOB and can be inspected by the PCAOB.

GGF is subject to laws in the U.S. pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. There is no guarantee, however, that our current auditors or any future auditor engaged by us would remain subject to full PCAOB inspection during the entire term of our engagement.

The PCAOB is currently unable to conduct inspections in China without the approval of Chinese government authorities. Since we have substantial operations in China, if it is later determined that the PCAOB is unable to inspect or investigate our auditor completely, investors may be deprived of the benefits of such inspection. Any audit reports not issued by auditors that are completely inspected by the PCAOB, or a lack of PCAOB inspections of audit work undertaken in China that prevents the PCAOB from regularly evaluating our auditors' audits and their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are adequate and accurate.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. As of the date of this annual report, GGF was not identified in this report as a firm subject to the PCAOB's determination. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If that happens and we are unable or have not yet listed on a non-U.S. exchange and a market does not develop outside of the United States, your ability to sell or purchase our securities when you wish to do so would be substantially impaired, which would have a negative impact on the price of our securities. Also, these circumstances would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

Fluctuations in the exchange rates of the Renminbi could materially and adversely affect the value of our shares, ADSs or notes and result in foreign currency exchange losses.

Substantially all of our revenues, costs and expenses, are denominated in Renminbi, and the functional currency of our principal operating subsidiaries and consolidated controlled entities is the Renminbi. On the other hand, a portion of our expenditures are denominated in foreign currencies, primarily the U.S. dollar, and we use the U.S. dollar as our reporting currency. The ADSs are also denominated in U.S. dollars. As a result, the value of your investment in our ADSs will be affected by fluctuations in exchange rates, particularly appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar and other foreign currencies, without giving effect to any underlying change in our business or results of operations.

The exchange rates between the Renminbi and the U.S. dollar and other foreign currencies are affected by, among other things, changes in China's political and economic conditions. In July 2005, the PRC government discontinued pegging the Renminbi to the U.S. dollar. However, the PBOC regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate. Between July 2008 and June 2010, the exchange rate between the Renminbi and the U.S. dollar had been stable and traded within a narrow range. However, the Renminbi fluctuated significantly during that period against other freely traded currencies, in tandem with the U.S. dollar. Since June 2010, the Renminbi had started to slowly appreciate against the U.S. dollar, though there have been periods when the U.S. dollar has appreciated against the Renminbi. On August 11, 2015, the PBOC allowed the Renminbi to depreciate by approximately 2% against the U.S. dollar. Since October 1, 2016, the Renminbi has joined the International Monetary Fund (IMF)'s basket of currencies that make up the Special Drawing Right (SDR), along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. While appreciating approximately by 7% against the U.S. dollar in 2017, the Renminbi in 2018 depreciated approximately by 5% against the U.S. dollar. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

There remains significant international pressure on the PRC government to adopt a flexible currency policy. Any significant appreciation or depreciation of the Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive from offshore financing transactions into Renminbi to pay our operating expenses, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of the Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs or notes. Fluctuations in the exchange rate will also affect the relative value of any dividend we declare and distribute that will be exchanged into U.S. dollars and earnings from and the value of any U.S. dollar-denominated investments we make in the future. To the extent that we need to convert future financing proceeds into Renminbi for our operations, any appreciation of the Renminbi against the relevant foreign currencies would materially reduce the Renminbi amounts we would receive from the conversion. On the other hand, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments of dividends on our shares or for other business purposes when the U.S. dollar appreciates against the Renminbi, the amounts of U.S. dollars we would receive from such conversion would be reduced. In addition, any depreciation of our U.S. dollar-denominated monetary assets could result in a charge to our income statement and a reduction in the value of our assets.

In addition, very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited and we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China based on United States or other foreign laws against us or our management.

We are an exempted company with limited liability incorporated under the laws of the Cayman Islands. We conduct our operations in China and substantially all of our assets are located in China. In addition, certain of our directors and executive officers reside in China, and most of the assets of these persons are located within China. As a result, it may not be possible to effect service of process within the United States or elsewhere outside China upon these directors and executive officers, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Our PRC legal counsel has advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. Currently, there are no treaties between the United States and China for the recognition or enforcement of U.S. court judgments in China. As a result, recognition and enforcement in China of judgments of a court in the United States or any other jurisdiction in relation to any matter not subject to a binding arbitration agreement may be difficult. Pursuant to the PRC Civil Procedure Law, any matter, including matters arising under U.S. federal securities laws, in relation to assets or personal relationships may be brought as an original action in China, only if the institution of such action satisfies the conditions specified in the PRC Civil Procedure Law. As a result of the conditions set forth in the PRC Civil Procedure Law and the discretion of the PRC courts to determine whether the conditions are satisfied and whether to accept the action for adjudication, there remains uncertainty as to whether an investor will be able to bring an original action in a PRC court based on U.S. federal securities laws. In addition, in the event that foreign judgments contravene the basic principles of laws of China, endanger PRC state sovereignty or security, or are in conflict with the public interest of China, PRC courts will not recognize and enforce such foreign judgments.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law and conduct our operations primarily in China.

We are an exempted company with limited liability incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, as amended from time to time, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. Some states in the United States, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect or to obtain register of members or corporate records of these companies (other than our memorandum and articles of association, special resolutions of our shareholders and our register of mortgages and charges). Under Cayman Islands law, the names of current directors can be obtained from a search conducted at the Registrar of Companies in the Cayman Islands. Our directors have discretion to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. If we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

In addition, we conduct substantially all of our business operations in China, and substantially all of our directors and senior management are based in China. The SEC, U.S. Department of Justice and other authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain emerging markets, including China. Additionally, our public shareholders may have limited rights and few practical remedies in emerging markets where we operate, as shareholder claims that are common in the United States, including class action securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many emerging markets, including China.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Changes in international trade policies and rising political tensions, particularly between the U.S. and China, may adversely impact our business and operating results.

There have been changes in international trade policies and rising political tensions, particularly between the U.S. and China, but also as a result of the conflict in Ukraine, sanctions on Russia, the Hamas-Israel conflict and the attacks on shipping in the Red Sea. The U.S. government has made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies towards China. Against this backdrop, China has implemented, and may further implement, measures in response to the changing trade policies, treaties, tariffs and sanctions and restrictions against Chinese companies.

Rising trade and political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between China and other countries, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies. It could also adversely affect the financial and economic conditions in the jurisdictions in which we operate, as well as our overseas expansion, our financial condition, and results of operations. While cross-border business currently may not be an area of our focus, if we plan to expand our business internationally in the future, any unfavorable government policies on international trade or any restriction on Chinese companies may affect the consumer demands for our products and service, impact our competitive position, or prevent us from being able to conduct business in certain countries. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

Risks related to our ADSs and ordinary shares

The delisting of our ADSs from the New York Stock Exchange, or the NYSE, may continue to have a material adverse effect on the trading and price of our ADSs, and we cannot assure you that our ADSs will be relisted, or that once relisted, they will remain listed.

On June 2, 2022, the NYSE filed a Form 25 with the SEC to strike our ADSs from listing, which became effective 10 days after the filing. Our ADSs have been quoted on the OTC markets under the symbol “SFUNY” after the NYSE suspended the trading of our ADSs on May 18, 2022. The delisting of our ADSs from the NYSE has had a material adverse effect on us by, among other things, causing investors to dispose of our ADSs and limiting:

- the liquidity of our ADSs;
- the market price of our ADSs;
- the number of institutional and other investors that will consider investing in our ADSs;
- the availability of information concerning the trading prices and volume of our ADSs;
- the number of broker-dealers willing to execute trades in our ADSs; and
- our ability to obtain equity or debt financing for the continuation of our operations.

The lack of an active trading market may limit the liquidity of an investment in our ADSs, meaning you may not be able to sell our ADSs you own at times, or at prices, attractive to you. Any of these factors may materially and adversely affect the price of our ADSs.

The market price movement of our ADSs may be volatile.

Our ADSs had been listed on the NYSE since our initial public offering in September 2010. On May 18, 2022, we received a notice from the NYSE Regulation staff regarding the commencement of delisting proceedings of the our ADSs on the basis that the ADSs are not suitable for listing due to our failure to file with the SEC our annual report on Form 20-F for the year ended December 31, 2020 and current report on Form 6-K for the half year ended June 30, 2021 by May 17, 2022, which is the maximum time allowed under Section 802.01E of the NYSE's Listed Company Manual. The NYSE suspended the trading in our ADSs on May 18, 2022. On June 2, 2022, the NYSE filed a Form 25 with the SEC to strike our ADSs from listing. Our ADSs have been quoted on the OTC markets under the symbol "SFUNY" after the NYSE suspended the trading of our ADSs on May 18, 2022. Our ADSs are currently quoted on the OTC Expert Market.

The OTC market is a significantly more limited market than NYSE. The quotation of our ADSs on the OTC market may result in a less liquid market available for existing and potential shareholders to trade our ADSs, could depress the trading price of our ADSs, and could have a long-term adverse impact on our ability to raise capital in the future.

The market prices of our ADSs has been and may continue to be volatile and subject to wide fluctuations. The market prices of our notes may be volatile. Among the factors that could affect the prices of our ADSs and/or notes are risk factors described in this section and other factors, including:

- announcements of competitive developments;
- regulatory developments in our target markets in China which affect us, our users, our customers or our competitors;
- actual or anticipated fluctuations in our quarterly results of operations;
- market acceptance of our existing and new services and our expansion from a media platform to media, transaction and financial platforms;
- failure of our quarterly financial and results of operations to meet market expectations or failure to meet our previously announced guidance;
- changes in financial estimates by securities research analysts;
- changes in the economic performance or market valuations of other online or offline real estate and home-related services companies;
- additions or departures of our executive officers and other key personnel;
- announcements regarding intellectual property litigation (or potential litigation) involving us or any of our directors and officers;
- negative publicity and short seller reports that make allegations against us or our affiliates, even if unfounded;
- fluctuations in the exchange rates between the U.S. dollar and the Renminbi;
- fluctuations in short or long-term interest rates;
- sales or perceived sales of additional ordinary shares or ADSs; and
- the non-binding "going-private" proposal letter from Mr. Dai and the potential transaction contemplated by such letter.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular industries or companies. For example, the capital and credit markets have experienced significant volatility and disruption in recent years. In September 2008, such volatility and disruption reached extreme levels and developed into a global crisis. As a result, stock prices of a broad range of companies worldwide, whether or not they were related to financial services, declined significantly. Future market fluctuations may also have a material adverse effect on the market prices of our ADSs.

There can be no assurance that any agreement will be executed with respect to the proposal made by Mr. Richard Jiangong Dai, or that this or any other transaction will be approved or consummated. The absence of a definitive offer to acquire our ADSs would likely have an effect on the market price of our ADSs.

On September 4, 2023, we received a preliminary non-binding proposal letter (the “Proposal Letter”), dated September 4, 2023, from our former chairman of the board of directors, Mr. Richard Jiangong Dai (“Mr. Dai” or the “Proposing Buyer”), proposing to acquire all our outstanding Class A ordinary shares and Class B ordinary shares, including Class A Shares represented by the ADSs, each ADS representing ten Class A ordinary shares, that are not currently owned by the Proposing Buyer in a “going-private” transaction at a proposed purchase price of US\$0.619 per Class A Share or US\$6.19 per ADS in cash (the “Proposal”).

On September 26, 2023, our board of directors formed a special committee of independent directors who are not affiliated with the Proposed Buyer (the “Special Committee”) to evaluate the Proposal. The Special Committee consists of Mr. Howard Huyue Zhang, Mr. Shaohua Zhang and Mr. Changming Yan, each of whom currently serves as an independent director on the board. The Special Committee will carefully review the Proposal to determine the course of action it believes is in the best interests of the Company and its shareholders and other stakeholders. As of the date of this report, no decisions have been made by our Special Committee with respect to the Proposal.

The public announcement of the Proposal affected our stock price. There can be no assurance that any definitive agreement will be executed with respect to the Proposal or that this or any other transaction will be approved or consummated. The absence of a definitive offer to acquire our ADSs, or changes in the proposal would likely have an effect on the market price of our ADSs.

We may need additional capital, and the sale of additional ADSs, convertible notes or other equity securities could result in additional dilution to our shareholders, while the incurrence of debt may impose restrictions on our operations.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs for the foreseeable future. We may, however, require additional cash resources due to changed business conditions or other future developments, including any investments or acquisitions we may decide to pursue and the expansion of our financial services. If these resources are insufficient to satisfy our cash requirements, we may seek to sell equity or debt securities or obtain a credit facility. The sale of equity securities would result in dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations.

As Fang is an exempted company incorporated in the Cayman Islands and not listed on any stock exchange, its corporate governance practices may differ significantly from those of companies incorporated in Delaware or other states in the United States or those of companies listed on a stock exchange, and these practices may afford less protection to shareholders.

Fang is an exempted company with limited liability incorporated under the laws of the Cayman Islands and not currently listed on any stock exchange. As a Cayman Islands company, Fang’s corporate affairs are governed by its memorandum and articles of association, as amended from time to time, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, but does not follow recent English statutory enactments.

Furthermore, as Fang is not currently listed on any stock exchange, Fang is not subject to any listing rules or listing standards. To the extent that Fang continues to follow the NYSE corporate governance listing standards that were previously applicable to it, Fang may stop following any or all of those listing standards at any time at the discretion of its board of directors or management, as the case may be. Fang has followed the corporate governance practice in our home country, the Cayman Islands, which does not require a majority of our board to consist of independent directors or that we have annual meetings to elect directors. We currently have an audit committee comprised of independent directors, a compensation committee with one non-independent director and a nominating and corporate governance committee with one non-independent director. As a result, Fang's corporate governance practices may afford shareholders less protection than they would otherwise enjoy as shareholders of companies incorporated in Delaware or other states in the United States or under the corporate governance listing standards of the NYSE, the Nasdaq Stock Market or other stock exchanges.

As a foreign private issuer, we are exempt from certain disclosure requirements under the Exchange Act, which may afford less protection to our shareholders than they would enjoy if we were a U.S. company.

As a foreign private issuer, we are exempt from, among other things, the rules prescribing the furnishing and content of proxy statements under the Exchange Act. In addition, our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit and recovery provisions contained in Section 16 of the Exchange Act. We are also not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. As a result, our shareholders may be afforded less protection than they would under the Exchange Act rules applicable to U.S. companies.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price of our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, the market price of our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement.

A holder of our ADSs may only exercise the voting rights with respect to the underlying Class A ordinary shares in accordance with the provisions of the deposit agreement. Upon receipt of voting instructions of a holder of ADSs in the manner set forth in the deposit agreement and the restricted deposit agreement pursuant to which ADSs are issuable upon conversion of the notes, the depository will endeavor to vote the underlying ordinary shares in accordance with these instructions. Under our amended and restated articles of association, the minimum notice period required for convening a general meeting is 7 calendar days. When a general meeting is convened, you may not receive sufficient notice to permit you to withdraw the underlying Class A ordinary shares represented by your ADSs and allow you to cast your vote as a direct shareholder with respect to any specific matter. In addition, the depository and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depository to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depository to vote your shares. Furthermore, the depository and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, you may not be able to exercise your right to vote and you may lack recourse if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested.

You may not be able to participate in rights offerings and may experience dilution of your holdings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. We cannot offer or sell securities in the United States unless we register those securities under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available. Under the deposit agreement, the depository will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the Securities Act. The depository may, but is not required to, attempt to sell such undistributed rights to third parties in this situation. We can give no assurances that we will be able to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in any rights offerings and may experience dilution of their holdings as a result.

If the depository is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights.

The return of your investment our ADSs will primarily depend upon any future price appreciation of our ADS.

Subject to our memorandum and articles of association and the laws of the Cayman Islands, our board of directors has complete discretion as to whether to distribute dividends. Our shareholders may by ordinary resolution declare a dividend, but not exceeding the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of dividends will depend on, among other things, our results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend primarily upon any future price appreciation of our ADSs. There is no guarantee that our ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in our ADSs and you may even lose your entire investment in our ADSs.

You may not receive distributions on ordinary shares or any value for them if it is illegal or impractical to make them available to you.

The depository for our ADSs has agreed to pay to you the cash dividends or other distributions it or its custodian receives on ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. For example, as of the date of this annual report, each ADS represents ten Class A ordinary share. However, the depository is not required to make such distributions if it decides that it is unlawful or impractical to make a distribution available to any holder of ADSs. For example, it would be unlawful to make a distribution to holders of ADSs if it consisted of securities that required registration under the Securities Act, but were not properly registered or distributed pursuant to an applicable exemption from registration. It could also be impracticable to make a distribution if doing so would entail fees and expenses that would exceed the value of the distribution or the distribution consisted of property that could not be transported or transferred. We have not undertaken any obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities that may be distributed to our shareholders. We also have not undertaken any obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive any distribution we make on our ordinary shares or any value for it if it is illegal or impractical for us to make such distribution available to you, such as if an exemption from registration under the U.S. securities laws is not available. These restrictions may decrease the value of your ADSs.

We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax.

Pursuant to the New EIT Law, we and our offshore subsidiaries may be treated as a PRC resident enterprise for PRC tax purposes. See “—Risks related to doing business in China—We may be treated as a resident enterprise for PRC tax purposes under the New EIT Law and therefore be subject to PRC taxation on our worldwide income.” If we and our offshore subsidiaries are so treated by the PRC tax authorities, we would be obligated to withhold a 10.0% PRC withholding tax for non-resident enterprises or a 20.0% PRC withholding tax for non-resident individuals, or a withholding tax at a reduced rate as provided under the applicable double tax treaty between China and the governments of other jurisdictions on any dividend we pay to you, subject to completion of the record-filing procedures and approval from the relevant tax authorities, pursuant to a Circular No. 124 issued by SAT in August 2009 (“Circular 124”).

On November 1, 2015, Circular 124 was repealed by the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers issued by SAT (“Circular 60”). Circular 60 provides that non-resident taxpayers are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax rate. Instead, they may, upon self-assessment that the prescribed criteria are met, submit the relevant statements and materials directly to the competent tax authorities for the tax return filing, which will be subject to post-filing examinations by the relevant tax authorities.

Circular 60 was repealed by the Measures for Administration of Non-Resident Taxpayers’ Enjoyment of Treaty Benefits (“Circular 35”), which was promulgated by the SAT on October 14, 2019, and came into effect on January 1, 2020. According to the Circular 35, if non-resident taxpayers consider they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities’ post-filing administration.

In addition, any gain realized by any investors who are non-resident enterprises or non-resident individuals of China from the transfer of our ordinary shares and/or ADSs could be regarded as being derived from sources within China and be subject to a 10.0% or 20.0% PRC withholding tax, respectively. Such PRC withholding tax would reduce your investment return on our ordinary shares and/or ADSs and may also materially and adversely affect the price of our ADSs.

Our dual-class ordinary share structure with different voting rights could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to 10 votes per share. Each ADS represents ten Class A ordinary share and the number of votes to which each ADS would be entitled to is the number of Class A ordinary shares it represents. A number of our shareholders, including primarily Media Partner and Next Decade, whose shares are held in irrevocable discretionary trusts established by Mr. Mo, hold Class B ordinary shares. We intend to maintain the dual-class ordinary share structure. Each Class B ordinary share is convertible into one Class A ordinary share at any time by its holder and Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer or disposition of Class B ordinary shares by a Class B ordinary shareholder to any person or entity which is not a majority-owned and majority-controlled subsidiary of certain of our shareholders as set forth in our amended and restated articles of association, such Class B ordinary shares will be automatically and immediately converted into the equal number of Class A ordinary shares.

Due to the disparate voting powers attached to these classes of shares, our shareholders holding Class B ordinary shares have significant voting power over matters requiring shareholder approval, including election of directors and significant corporate transactions, such as a merger or sale of our company or our assets. This concentrated control could discourage others from pursuing any potential merger, takeover or other change-of-control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

Our articles of association contain anti-takeover provisions that could adversely affect the rights of holders of our ordinary shares and ADSs

We have included certain provisions in our current articles of association that would limit the ability of others to acquire control of our company. These provisions could deprive our shareholders of the opportunity to sell their ordinary shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions. These provisions include the following:

- A dual-class ordinary share structure; and
- Our board of directors, without further action by our shareholders, may issue preferred shares with special voting rights compared to our ordinary shares.

The future sale of substantial amounts of ADSs could lower the market price for the ADSs.

Sales of substantial amounts of ADSs that may be converted or exchanged into ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the market price of our ADSs, could materially impair our ability to raise capital through equity offerings in the future and could adversely impact the trading price of the ADSs. The ADSs outstanding not held by our affiliates are freely tradable without restriction or further registration under the Securities Act, and shares held by our affiliates may also be sold in the public market in the future subject to the restrictions in Rule 144 under the Securities Act. We may also issue additional options in the future which may be exercised for additional ordinary shares and additional restricted shares and restricted share units. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the ADSs.

We may be or become a passive foreign investment company (“PFIC”), which could result in adverse U.S. tax consequences to U.S. investors.

A non-U.S. corporation is deemed a PFIC for any taxable year if either (1) at least 75% of its gross income for such year is passive income, or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income. We operate an active real estate Internet portal in China. Based on the market price of our ADSs, the value of our assets, and the composition of our income and assets, we may have been a PFIC for the taxable year ended December 31, 2022. The determination of whether a non-U.S. corporation is a PFIC is made on an annual basis after the close of each tax year. There can be no assurance that we will not be a PFIC for our current taxable year or any future tax year. One consequential factor affecting the outcome of annual PFIC determination in current and future tax years will be our market capitalization. Because items of working capital are generally treated as passive assets for PFIC purposes, accumulating cash, cash equivalents and other assets such as short-term and long-term investments that are readily convertible into cash increases the risk that we will be classified as a PFIC for U.S. federal income tax purposes. A determination that we are a PFIC could result in adverse U.S. tax consequences to you if you are a U.S. taxpayer and own our ADSs or ordinary shares, in the form of increased tax liabilities and burdensome reporting requirements. For example, if we were a PFIC, you would generally be taxed at the higher ordinary income rates, rather than the lower capital gain rates, if you dispose of ADSs or ordinary shares at a gain in a later year, even if we are not a PFIC in that year. In addition, a portion of the tax imposed on your gain would be increased by an interest charge. Certain elections may be available to certain of our holders, however, that would mitigate these adverse tax consequences to varying degrees. Also, if we were classified as a PFIC in any taxable year, you would not be able to benefit from any preferential tax rate (if any) with respect to any dividend distribution that you may receive from us in that year or in the following year. Since our business and assets may evolve over time in ways that are different from what we currently anticipate, we cannot assure you that we will not be a PFIC for our current taxable year or any future taxable year. We urge U.S. Holders to consult their own tax advisors regarding the possible application of the PFIC rules in light of their individual circumstances. For more information on the tax consequences to you if we were treated as a PFIC, see “Item 10.E. Additional Information—Taxation—U.S. Federal Income Taxation” of this annual report.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, as amended and restated from time to time, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the English common law, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect or obtain register of members or corporate records of these companies (except for the memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). Under Cayman Islands law, the names of current directors can be obtained from a search conducted at the Registrar of Companies in the Cayman Islands. Our directors have discretion under our existing articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. Therefore, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Judgments obtained against us by our shareholders may not be enforceable in our home jurisdiction.

We are a Cayman Islands exempted company and a substantial majority of our assets are located outside the United States. A significant percentage of our current operations are conducted in China. In addition, a significant majority of our current directors and officers are nationals and residents of countries other than the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon us or these persons or to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Although there is no statutory recognition in the Cayman Islands of judgments obtained in the federal or state courts of the United States, and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments, a foreign money judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the liquidated sum for which such judgment has been given, provided such judgment (i) was given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty, (v) is not inconsistent with a Cayman Islands judgment in respect of the same matter, and (vi) is not impeachable on the grounds of fraud and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the U.S. courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under this article have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.

ITEM 4. INFORMATION ON THE COMPANY

A. *History and Development of the Company*

We were incorporated on June 18, 1999 as Fly High Holdings Limited, under the laws of the British Virgin Islands, and on July 14, 1999, we changed our name to SouFun.com Limited. On June 17, 2004, we changed our corporate domicile to the Cayman Islands, becoming a Cayman Islands exempted company with limited liability. On June 22, 2004, we changed our name to SouFun Holdings Limited. On September 23, 2016, we changed our name to Fang Holdings Limited. Since our inception, we have conducted our operations in China primarily through our PRC subsidiaries and consolidated controlled entities.

On September 17, 2010, we completed our initial public offering and listing of 2,933,238 ADSs, each representing four Class A ordinary shares, on the New York Stock Exchange, which were traded under the symbol of “SFUN.” Concurrently with our initial public offering, our majority shareholder, Telstra International Holdings Ltd. (“Telstra International”), an indirect, wholly owned subsidiary of Telstra Corporation Limited, a Fortune Global 500 company, sold to General Atlantic Mauritius Limited (“General Atlantic”), Hunt 7-A Guernsey L.P. Inc. (“Hunt 7-A”), Hunt 7-B Guernsey L.P. Inc. (“Hunt 7-B”), Hunt 6-A Guernsey L.P. Inc. (“Hunt 6-A,” together with Hunt 7-A and Hunt 7-B, “Apax”), Next Decade and Digital Link Investments Limited (“Digital Link”), all of its remaining shares in our company in a private sale at the initial public offering price.

On February 18, 2011, we changed our ADS share ratio from one ADS representing four Class A ordinary shares to one ADS representing one Class A ordinary share.

On April 7, 2014, we changed our ADS share ratio from one ADS representing one Class A ordinary share to five ADSs representing one Class A ordinary share.

On July 19, 2018, we entered into definitive agreements to acquire a 10% equity interest in Wanli from a shareholder of Wanli for a cash consideration of RMB500 million, of which RMB200 million will compensate the seller in connection with the Business Disposal (defined below). In connection with the acquisition, the seller agreed (1) to enter into an irrevocable voting proxy agreement with a term of three years to adhere to our action in Wanli’s future meetings of shareholders and board of directors and (2) to purchase from Wanli its battery business for a price of no less than RMB680 million within three years after the consummation of the acquisition (the “Business Disposal”). Following the completion of the acquisition on August 10, 2018, we have become the largest shareholder of Wanli.

On June 11, 2019, we completed the separation of CIH from us into an independent publicly traded company via a dividend distribution of all the CIH’s ordinary shares owned by us to our equity holders. The business of CIH comprises (1) certain information and analytics services, initially operated as part of our value-added services, and (2) certain marketplace services, initially operated as part of our listing services. Following the spin-off of CIH, we have retained our business operating a real estate Internet portal focusing primarily on serving the residential property sector, while CIH strategically focuses on serving the commercial property sector in China, allowing each company to more effectively pursue its own distinct operating priorities and strategies.

On July 8, 2019, we changed our ADS share ratio from five ADSs representing one Class A ordinary share to one ADS representing one Class A ordinary share.

Effective on June 19, 2020, we changed our ADS share ratio from one ADS representing one Class A ordinary share to one ADS representing ten Class A ordinary share, mainly in preparation for the spin-off of our Internet business.

On November 12, 2020, Evenstar Master Fund SPC, ESSL (together with Evenstar Master Fund SPC, the “Petitioners”) initiated a winding up petition entitled and reported as FSD 278 of 2020, as amended (the “Winding-up Petition”) against us in the Grant Court of the Cayman Islands (the “Cayman Court”). A hearing was held on December 24, 2020 in the Cayman Court regarding the application by the Petitioners to appoint provisional liquidators over us. At the hearing, the Cayman Court adjourned the application until February 9, 2021 to allow the parties to have additional time to agree on certain undertakings to the Cayman Court. Subsequently, by consent of the parties, the Cayman Court agreed to adjourn the hearing that was scheduled for February 9, 2021 in the Cayman Court regarding the application for appointment of provisional liquidators over us to a date not before the week commencing March 29, 2021. Subsequently, on September 27, 2023, we, Mr. Vincent Tianquan Mo, founder and controlling shareholder of the Company, and the Petitioners entered into a settlement agreement, pursuant to which the Petitioners will discontinue proceedings brought against us and Mr. Mo in the Cayman Court entitled and reported as FSD 278 of 2020 upon the terms and subject to the conditions set out therein. On October 24, 2023, the Cayman Court approved a Consent Order signed by the parties regarding the withdrawal of: (i) the Winding-up Petition; (ii) the application for appointment of provisional liquidators over us filed by the Petitioners on December 4, 2020; and (iii) the application for reconstitution of the board of directors of the Company dated June 18, 2021. Accordingly, the entire proceedings under the Cayman Court Cause No: FSD 278 of 2020 (DDJ) were discontinued. The parties were released from all undertakings given to the Cayman Court in these proceedings.

We received a preliminary and non-binding proposal letter (the “General Atlantic Proposal”), dated November 30, 2020, from General Atlantic Singapore Fund Pte. Ltd., a company incorporated in Singapore, proposing to acquire all of the outstanding shares and ADSs of the Company not currently owned by the proposing buyer in a “going-private” transaction for US\$1.468 per Share (or US\$14.68 per ADS) in cash, subject to certain conditions. In March 2021, our board of directors resolved to cease all discussions and actions regarding the General Atlantic Proposal.

We entered into settlement deeds (the “Settlement Deeds”) with CIH on September 24, 2021, and with the Company’s convertible notes holders, namely (1) Safari Group CB Holdings Limited, (2) IDG Ultimate Global Limited, (3) Quartz Fortune Limited, (4) Velda Power Limited, and (5) Fountain II Limited, in relation to the convertible notes issued by us in 2015 (the “Convertible Notes”), on (1) June 25, 2021, (2) August 20, 2021, (3) August 20, 2021, (4) August 20, 2021, and (5) September 22, 2021, respectively. As a result of the Winding-up Petition (as described above) and pursuant to the terms of the Convertible Notes, the outstanding principal of, and accrued and unpaid interest on the Convertible Notes, which were originally due in 2022, became due and payable on December 13, 2020. CIH was liable for the payment obligations under the Convertible Notes pursuant to the guarantee provided by CIH to the Convertible Notes holders in connection with the CIH’s separation from Fang on June 11, 2019. Pursuant to the Settlement Deeds, the Company and CIH will each bear half and together repay the Convertible Notes holders 50% of the outstanding principal under the Convertible Notes and accrued interest on September 30, 2021 and the remaining 50% and accrued interest on December 31, 2021, in full and final settlement of the Company’s indebtedness under the Convertible Notes. Accordingly, we repaid a total of US\$84,313,094 in full to the Convertible Notes holders by December 31, 2021.

On May 18, 2022, we received a notice from the NYSE regarding the commencement of delisting proceedings of the ADSs on the basis that the ADSs were not suitable for listing due to our failure to file with the SEC our annual report on Form 20-F for the year ended December 31, 2020 and current report on Form 6-K for the half year ended June 30, 2021 by May 17, 2022, which was the maximum time allowed under Section 802.01E of the NYSE’s Listed Company Manual. The NYSE suspended the trading in the ADSs on May 18, 2022.

On June 2, 2022, the NYSE filed a Form 25 with the SEC to remove our ADSs from listing, which became effective 10 days after the filing. Our ADSs have been quoted on the OTC markets under the symbol “SFUNY” after the NYSE suspended the trading of our ADSs on May 18, 2022. Our ADSs are currently quoted on the OTC Expert Market.

On December 22, 2022, we entered into a set of agreements in connection the Merger (as described below). On December 22, 2022, CIH entered into an Agreement and Plan of Merger (the “Merger Agreement”) with CIH Holdings Limited (“Parent”) and CIH Merger Sub Holdings Limited (“Merger Sub”), a wholly owned subsidiary of Parent. Pursuant to the Merger Agreement and subject to the terms and conditions thereof, Merger Sub will be merged with and into CIH, with CIH continuing as the surviving company and becoming a wholly owned subsidiary of Parent (the “Merger”), in a transaction implying an equity value of CIH of approximately US\$92.0 million. The merger consideration represents a premium of approximately 42.9% to the closing price of the CIH’s ADSs on August 22, 2022, the last trading day prior to CIH’s receipt of the preliminary non-binding “going private” proposal from us on August 23, 2022, and premiums of approximately 46.2% and 33.1% to the volume-weighted average closing price of the CIH’s ADSs during the last 30 trading days and 60 trading days, respectively, prior to and including August 22, 2022. In connection with the Merger, we executed a letter agreement (the “Equity Commitment Letter”) in favor of Parent, pursuant to which, among other things, we agreed, subject to the terms and conditions set forth therein, to make a cash equity investment of approximately US\$14.8 million in Parent to fund the Merger. We also executed and delivered to CIH a limited guarantee (the “Limited Guarantee”) in favor of CIH, pursuant to which we agreed to guarantee certain payment obligations of Parent under the Merger Agreement. We and certain other shareholders of CIH (collectively, the “Buyer Group”) entered into an equity contribution agreement (the “Support Agreement”), pursuant to which such shareholders irrevocably agreed to contribute their equity interests in CIH to Merger Sub prior to the effective time of the Merger in exchange for newly issued shares of Parent. The Buyer Group also entered into an interim investors agreement (the “Interim Investors Agreement”) to govern the actions of Parent and Merger Sub and the relationship among the members of the Buyer Group with respect to, among other things, the Merger and related transaction agreements. Our board of directors and its audit committee approved the Equity Commitment Letter, the Limited Guarantee, the Support Agreement, the Interim Investors Agreement and the transactions as contemplated under the Merger Agreement, including without limitation, the Merger. The Merger was closed in April 2023. Upon completed, the Merger resulted in CIH becoming a company privately owned by the Buyer Group, and CIH’s ADSs are no longer be listed on the NASDAQ Capital Market.

On September 4, 2023, we received a preliminary non-binding proposal letter (the “Proposal Letter”), dated September 4, 2023, from Mr. Richard Jiangong Dai (“Mr. Dai” or the “Proposing Buyer”), proposing to acquire all outstanding Class A ordinary shares and Class B ordinary shares of the Company, including Class A Shares represented by the ADSs, each ADS representing ten Class A ordinary shares, that are not currently owned by the Proposing Buyer in a “going-private” transaction at a proposed purchase price of US\$0.619 per Class A Share or US\$6.19 per ADS in cash. According to the Proposal Letter, the US\$6.19 per ADS price represents a premium of approximately 210% to the closing price of the ADSs on September 1, 2023 and a premium of approximately 25% to the volume-weighted average closing price of the ADSs during the last 30 trading days prior to the date that the NYSE suspended the trading in the company’s ADSs. According to the Proposal Letter, the Proposing Buyer intends to finance the proposed acquisition with cash on hand.

On September 26, 2023, our board of directors formed a special committee of independent directors who are not affiliated with the Proposed Buyer (the “Special Committee”) to evaluate the Proposal. The Special Committee consists of Mr. Howard Huyue Zhang, Mr. Shaohua Zhang and Mr. Changming Yan, each of whom currently serves as an independent director on the board. The Special Committee will carefully review the Proposal to determine the course of action it believes is in the best interests of the Company and its shareholders and other stakeholders. As of the date of this report, no decisions have been made by our Special Committee with respect to the Proposal.

On October 13, 2023, we entered into a placing agreement to restructure its previously issued CNY 720,000,000 4.8% structured note, originally issued on October 29, 2019, and extended in 2020. The outstanding structured note was replaced with a new issuance of CNY 360,000,000 4.25% bonds, maturing in 2024, through a private placement agreement with CNCB (Hong Kong) Capital Limited. This restructuring resulted in a reduced principal and interest rate, reflecting our ongoing efforts to optimize our debt structure. In conjunction with the structured note restructuring, the corresponding trust arrangements were also modified to reflect the changes in the bond terms. The trust, which holds assets linked to the structured note, has been adjusted in line with the new bond’s reduced principal and interest terms. This alignment between the bond restructuring and the trust ensures that our liabilities and trust-related assets remain consistent and properly reflected in our financial statements.

Our principal executive offices are located Tower A, No. 20 Guogongzhuang Middle Street, Fengtai District, Beijing 100070, the People’s Republic of China. Our telephone number at this address is +8610 5631 8000. Our website address is www.fang.com. We do not incorporate the information on our website into this annual report.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F no later than four months after the close of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the Internet at the SEC's website at www.sec.gov.

B. Business Overview

Overview

We believe we operate a leading real estate Internet portal in China in terms of the number of page views and visitors to our websites in 2024. Our user-friendly websites and mobile apps support active online communities and networks of users seeking information on, and services for, the real estate and home-related sectors in China. Our service offerings include:

- *Marketing services:* We offer advertisement services via our online platform to real estate developers in the marketing phase of new property developments.
- *Listing services:* We offer listing services via our online platform to real estate developers, real estate agents and brokers, and property managers to allow them to post information related to properties on our online platform.
- *Leads generation services:* Our leads generation services connect our customers with scattered demand for real estate and home furnishing and improvement-related services by extending their reach and visibility from a limited number of local consumers to a large number of users and user communities on our online platform to generate sales leads for our customers.
- *Financial services:* We provide financial services primarily through our offline micro loan subsidiaries. We provide primarily secured consumer loans to individuals that meet our credit assessment requirements. We launched financial services in 2014.
- *Other services:* We grant licenses to certain local agencies to use our brand and backend systems for real estate marketing, generating additional revenue through these licenses.

We have built a large and active community of users who are attracted by the comprehensive real estate and home-related content available on our portal that forms the foundation of our service offerings. According to our own records, in the fourth quarter of 2024, our websites, including www.fang.com, received a monthly average of approximately 20 million unique visitors and generated a monthly average of approximately 30 million website visits. We currently maintain approximately 43 offices to focus on local market needs.

On June 11, 2019, we completed the separation of CIH from us to form two independent, publicly traded companies with differing business objectives and opportunities, via a dividend distribution of all the CIH's ordinary shares owned by us to our equity holders. Following the completion of the separation of CIH from us, CIH has the exclusive right to operate the spun-off business comprising certain portions of our listing and value-added services, and we have the exclusive right to operate the retained business. In particular, the spun-off business comprises (1) certain information and analytics services, initially operated as part of our value-added services, and (2) certain marketplace services, initially operated as part of our listing services. Following the separation and distribution, CIH strategically focuses on serving the commercial property sector in China to capture the enormous market opportunity from its rapid development, while we retain our business operating a real estate Internet portal focusing primarily on serving the residential property sector.

Our Services

We provide (1) marketing services, (2) listing services, (3) leads generation services, (4) financial services, (5) other services to participants in the PRC real estate and home-related sectors primarily through our websites and our mobile apps.

Marketing Services

We target our marketing services toward participants in China's real estate and home-related sectors. Marketing is one of our most important businesses. Our revenues generated from marketing services were US\$37.2 million, US\$16.7 million and US\$11.0 million in 2022, 2023 and 2024, respectively, representing 46.2%, 33.4% and 36.0% of our revenues, respectively. Our marketing services are delivered through our website www.fang.com and our mobile apps, which can be downloaded for both iOS- and Android-based operating systems, and include traditional Internet advertisements such as banners, links, logos and floating signs, as well as featured promotions, which are specially-tailored packages of traditional online advertising tools. Customers of our marketing services include a broad range of participants in the PRC real estate and home-related sectors, such as:

- real estate developers;
- real estate professionals, such as agents and brokers;
- retailers and other suppliers of home furnishing and improvement products and services; and
- home design, decoration and re-modeling companies.

We also combine traditional online advertising tools with new marketing strategies to create featured promotion packages for our customers. Using the inherent flexibility of website advertising, we create customized marketing and promotional packages with additional features at the request of our customers to meet the different needs of various customers operating in diverse geographic markets in China. We believe that we have the opportunity to provide additional features to generate additional revenues without incurring significant additional costs. Marketing services have been and will continue to be a key area of growth for us, as we believe that participants in China's real estate and home-related sectors are increasingly turning to the Internet and mobile apps as additional channels for reaching customers.

We generally enter into two main types of marketing contracts with our customers. The first type is a framework contract prescribing the total payment amount and price of products. The second type is an order contract with payment due within 90 days of the execution of the contract. Our marketing framework contracts generally have a one-year term.

Listing Services

Prior to the separation of CIH, our listing services included basic listing services and special listing services on our websites and mobile apps. Following the spin-off of CIH, we retained our basic listing services, while the special listing services, namely the specialized marketing campaigns provided primarily to developers through online channels and offline themed events, are operated by CIH. Revenue from special listing services have been classified and reported under discontinued operations for all the periods presented. Our revenues generated from listing services were US\$13.1 million, US\$7.7 million and US\$4.7 million in 2022, 2023 and 2024, respectively, representing 16.3%, 15.5% and 15.3% of our revenues, respectively.

Real estate agents, brokers, managers, developers, owners and suppliers of home furnishing and improvement products and services subscribe to our basic listing services for a fee, which allow them to post listings for properties or home furnishing and improvement products and services over the subscription periods. All visitors to our websites and mobile apps have access to listing information free of charge.

Most of our basic listing subscription contracts are one to three months in duration. We typically collect payments for such subscriptions for our basic listing services before the signing of a subscription contract. We also offer longer arrangements, such as to certain large real estate agencies. For subscription contracts with longer terms, the contract prices are generally payable in installments every one to three months until the end of the contract term.

We offer free trials of our basic listing services. These free trials allow users to experience our basic listing services and high user traffic. While there is no time restriction on our free trials, there are incentives for free trial users to upgrade their free trial accounts to paid subscriptions for our basic listing services because listings posted through free trial accounts are featured in less prominent positions and rankings than those of subscribers. The average number of paying subscribers to our basic listing services was approximately 20,000 and 17,000 in 2023 and 2024, respectively.

In addition, we allow individual property owners to list their own properties for sale or rent on our property listing sections without charge. Such free listings do not enjoy prime positioning and are strictly limited to individual, non-real estate professional home owners. To help prevent real estate professionals from abusing the individual property owner basic listing service, we have created a customer hotline for our users to report any abuse.

Our basic listing services help us build our comprehensive database of information regarding new, secondary and rental properties as well as home furnishing and improvement products and services in major urban centers across China. The large amount of our basic listings attracts significant user traffic on our websites and mobile apps, which we believe can be leveraged to yield more marketing customers and higher marketing fees from our institutional customers.

We update the listing data on our websites and mobile apps on a daily basis through our proprietary content management process and software. This proprietary content management process is monitored by our listing monitoring team and allows our customers to submit listing information in a specific format. Our listing monitoring team periodically checks all listing information uploaded to our websites and mobile apps to identify common anomalies in posted information in order to limit unreliable data. Once we discover false information in a listing, we liaise with the real estate agent or broker to rectify the listing immediately. If such listing information is not revised on a timely basis, we will move it into a database that cannot be accessed by our users.

Leads Generation Services

We launched our leads generation services in late 2017 and began to recognize revenue in 2018. Our revenues generated from leads generation services were US\$15.8 million, US\$13.5 million and US\$8.0 million in 2022, 2023 and 2024, respectively, representing 19.6%, 27.0% and 26.1% of our revenues, respectively. We provide leads generation services to real estate developers, real estate brokers and, to a lesser extent, suppliers of home furnishing and improvement-related products and services by connecting our customers with scattered demand for real estate and home furnishing and improvement-related services. We charge the service fee based on the number of sales leads we delivered during a certain period of time. We recognize revenues upon our delivery of the sales leads to our customers.

Financial Services

Our revenues generated from financial services were US\$9.7 million, US\$4.6 million and US\$5.0 million in 2022, 2023 and 2024, representing 12.1%, 9.1% and 16.2% of our revenues, respectively.

We primarily provide secured consumer loans to individuals that meet our credit assessment requirements. We generally charge borrowers both interest and service fees. We assess each individual loan receivable for impairment on a quarterly basis. As part of our impairment assessment, we consider the timeliness of collection to date, changes in the value of collateral provided by the borrowers and expected default rates.

We obtained approvals to engage in the microfinancing business from government authorities of three cities, including Beihai (the obtained approval for which was transferred to Nanning in 2021), Shanghai and Chongqing.

Other Services

In addition to our core offerings of listing, marketing, and financial services, we also grant licenses to certain local agencies, allowing them to use our brand and backend systems for real estate marketing. These licensing agreements enable the agencies to leverage our established platform and tools, while generating additional revenue for us through the associated fees and services.

Our Websites

Our principal website, www.fang.com, is the leading real estate Internet portal and one of the leading home furnishing and improvement websites in China in terms of visitor traffic. As part of our effort to promote our brand recognition, we changed the address of our principal website from www.soufun.com to www.fang.com in July 2014. “Fang” means “home” in Chinese. We believe that this new and simplified address will be much easier for Chinese users to remember and access, thereby improving our brand recognition. According to our own records, our websites, including www.fang.com, received a monthly average of approximately 24 million and 20 million unique visitors in the fourth quarter of 2023 and 2024, respectively. In addition, we had approximately 110 million and 110 million registered members of our www.fang.com website and had about 25.7 million and 25 million registered members of our free and paid Fang membership services as of December 31, 2023 and 2024, respectively.

As of December 31, 2024, our www.fang.com website contained contents covering 658 cities across China, as well as Hong Kong, Singapore, United States, Canada, and Australia.

We believe user satisfaction ultimately rests on the appeal, attraction and functionality of our websites. Our Internet technology and sales and marketing teams spend considerable time and resources upgrading and enhancing our websites based on market trends and feedback from users and our marketing and listing customers. We distinguish ourselves from other websites focused on real estate and home-related products and services through the quality and breadth of our content. We also maintain a centralized customer service hotline and an e-mail reporting system through which users can obtain assistance or otherwise contact us.

Our www.fang.com website covers a wide spectrum of PRC real estate and home furnishing and improvement and other home-related information and constitutes the foundation and gateway for our primary business activities. We aim at providing a central forum offering reliable information regarding China’s real estate and home-related markets, designed to assist market participants throughout the transaction process. Our content, which is generally free to our website users, is designed to assist users with each step of the real estate and home furnishing and improvement and other home-related transaction process. Our extensive home-related content and information is organized into the following sections and categories on our website, which are intended to address the individual needs of our users.

Online Property Listings and Search Engines for New Home and Secondary and Rental Properties

Our www.fang.com website contains databases for new home, secondary and rental properties, and provides search engines on such properties in our databases.

With our on-the-ground capabilities in approximately 43 offices in China, we devote significant resources to collect first-hand real estate market intelligence and listing information in such markets and to update such information on a regular basis. Our user-friendly search engines and website interfaces allow users to tailor their searches to specific types of properties by using search criteria. Users seeking information on properties in specific geographic locations can narrow their searches to a specific city and often to specific districts or areas in the vicinity of a particular subway line within that city by using pull-down menus. Users can further refine their searches using selection criteria, including price range, type of property, number of rooms and size. After selecting search parameters, users are directed to a page listing available properties as well as basic information about each individual property, including location, price, number of rooms and the source of the listing.

Information on Home Related Products and Services

Our www.fang.com website contains information regarding design firms, contractors, do-it-yourself projects, building materials and a wide range of products and services relevant to home decoration and re-modeling, furniture and other home furnishing and services. We provide an efficient platform for companies in the home-related sector, which primarily include suppliers of furnishing and improvement products and services and are usually small in size, to promote their brands and establish their presence on the Internet. We also provide search tools enabling visitors to search for specific businesses by area of expertise, product or service category. For example, a visitor interested in searching for suppliers and installers of window products in Beijing can use our pull-down search tools to focus their search for businesses providing such products and services.

Other pull-down menus allow visitors to view numerous design concepts, model interior decoration plans or other home improvement ideas. After selecting search parameters, users are directed to a page listing applicable home furnishing and improvement products and services as well as basic information about each home furnishing and improvement product or service, including price, product and service information and the source of the information. Much of the content, pictures and graphics are provided by other users of the website, which allows people interested in home decoration and furnishing to share ideas and information online. Users can also use this section to find and compare the work and experience of architects and interior designers.

Online Residential Communities

We offer online residential community services through our website, www.fang.com. Such online residential community services provide a forum for visitors to share personal views, anecdotes and other information regarding different aspects of the PRC real estate market, specific property developments and residential communities and other subjects. They also provide a platform for conducting real estate and home furnishing and improvement and other home-related transactions online. We believe our electronic bulletin board forums, blogs and other online community-oriented services are valuable means for enhancing loyalty and brand awareness among our users by creating virtual communities sharing a common interest in PRC real estate and home-related topics. In addition to using such forums to increase website traffic, we are also exploring ways to generate new revenue streams from our online forums and community-oriented services.

Our Mobile Channels

We have developed a comprehensive real-estate mobile platform comprising our own mobile app, “Fang Tian Xia,” our mobile WAP websites and New Media Matrix, primarily to provide content to and attracts consumers in China’s real estate and home furnishing and improvement-related sectors.

Mobile apps and WAP websites

We have developed a series of mobile apps to meet the diverse needs of home buyers, renters and real estate agents. As of December 31, 2024, we had approximately 7 iOS and 4 Android-based mobile apps, respectively. These mobile apps are downloadable through our websites and major app stores in China.

New Media Matrix

We also actively explore and develop new types of mobile channels to expand our mobile access points and user base. Launched in November 2017, our New Media Matrix is a flexible and dynamic communication channel, which includes various self-owned or self-operated programs and media accounts on popular third-party mobile platforms in China, such as Tencent, Baidu, Weibo, Alibaba and Toutiao, to provide frequent, up-to-date property and home furnishing and improvement-related information to home buyers, renters, and real estate agents.

Our National Coverage

As of December 31, 2024, we provided advertisement, property listing, search services, and other real estate-related content in 658 cities in China. We believe this extensive nationwide coverage enhances our national brand image, which enables us to deliver consistent, high-quality services to customers. The real estate industry is inherently a local business, and online marketing and listing services targeted at the real estate industry are most effective when delivered by personnel familiar with and experienced in the relevant local markets. Our network of branch offices enables us to tailor our services to local conditions and the needs of local property developers and real estate professionals. Our local personnel also provide our headquarters with valuable data insights into these local real estate markets, which contributes to our collective knowledge and expertise about real estate markets across China.

We derive a substantial portion of our revenues from several major urban centers in China, including Beijing, Shanghai, Chongqing, Wuhan, Guangzhou and Tianjin. We also offer limited listing and other information relating to the real estate markets in Hong Kong, Singapore, United States, Canada and Australia, but these markets do not constitute a material part of our business.

Brand Awareness and Marketing

We employ a variety of marketing and branding promotion methods to promote our online platform and brands recognition and attract our customers, including our directed selling efforts and other methods, such as cooperation with affiliated or third-party partners in the areas of research, academic organizations and the publication of various research reports, event sponsorships, portal collaboration arrangements and marketing alliances. We believe we have become commonly associated with China’s growing real estate and home furnishing and improvement-related sectors.

Real estate knowledge base. Our knowledge of China’s real estate and home furnishing and improvement-related sectors provides a valuable competitive advantage and helps promote our brand names in China’s real estate and furnishing and improvement-related markets. We promote our brand and marketing our service offerings by enhancing the comprehensiveness of our listing data and real estate information on our online platform. We strategically cooperate with our affiliates, including CIH, to improve both the quality and quantity of content and information on our online platform. We also seek to recruit and retain employees who are well-versed in China’s real estate and home furnishing and improvement-related sectors through a variety of incentive measures, including share-based compensation plans.

Collaboration arrangements with third-parties. We cooperate with well-known third-party online platforms in China to effectively promote our brand and market our service offerings by providing valuable real estate and home furnishing and improvement-related data and information to the consumers on these platforms. We operate various mini programs and media accounts on WeChat and Weibo to promote our brand and market our services. Our collaboration arrangements with these online platforms through our New Media Matrix have contributed the rapid growth of our user base.

Advertising and marketing. We also conduct both online and offline marketing and advertising activities to promote awareness of our online platform and service offerings, including the “Fang Tian Xia” and “Fang.com” brands, through advertisements on billboards and high - traffic online channels.

Our Sales Force

We have built a sales and marketing team experienced in the online advertising, Internet and real estate industries. As of December 31, 2024, our sales and marketing team consisted of over 250 members. We also occasionally engage sales agents to collect information on local markets or for specific business lines within local markets. Our sales and marketing team, together with these sales agents, work closely with our customers in local markets and help us gain insight into developments in these local markets, the competitive landscape and new market opportunities, which assists us in setting our prices and strategies for each specific locality.

Our sales and marketing personnel are divided into the new home group, secondary and rental properties group, home furnishing and improvement group. This structure allows our sales and marketing personnel to gain expertise with a specific subset of customers within the market sectors that we target, and effectively design market-tailored services to customers within each subset.

To motivate our sales and marketing personnel, a majority of their compensation consists of performance incentives such as commissions and bonuses. Sales quotas are assigned to all sales personnel according to monthly, quarterly and annual sales plans. We also apply a merit-based promotion system to motivate our sales personnel.

We are focused on training programs designed to improve the sales and marketing skills of our staff. We provide three types of training to our sales and marketing personnel: (1) mandatory onboarding training for each new sales and marketing employee during a three-month probationary period, (2) rotation training that places every sales and marketing employee in different posts for a certain period of time, and (3) regular training in which weekly seminars and case studies are conducted for sales and marketing personnel. The combination of our training, performance-based compensation, and merit-based promotion system have been effective in identifying, motivating and retaining strong performers.

Our Technology

The key components of our technology platform include:

Large-scale system infrastructure. We have designed our system to handle large amounts of data flow with a high degree of scalability and reliability. Our distributed architecture uses parallel computing technology and clusters of low-cost computers to handle high-volume visitor traffic and process large amounts of information.

Anti-fraud and anti-spam technology. We have also developed a proprietary anti-fraud and anti-spam system through which we are able to detect and monitor fraudulent activities and identify and filter spam messages. We seek to continuously improve the accuracy and effectiveness of this technology through machine-learning capability and customizable rules.

Data mining technology. Our big data storage and distribution system stores and processes a large amount of multi-dimensional user data, including time and location, user behavior, consumption and social data, which serve as the foundation of our big data technology. Synthesizing a wide variety of data from our users, we have built our recommendation model through machine learning. The model can predict a user's preference for types of properties or home furnishing and improvements-related services and products, such as location, price range and room size, which allows us to make accurate and personalized recommendations of real estate agents, brokers, properties, services and products to our users.

Seasonality

The real estate sector in China is characterized by seasonal fluctuations, which may cause our revenues to fluctuate significantly from quarter to quarter. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced advertising and marketing activity of our customers in the PRC real estate industry during and around the Chinese Lunar New Year holiday, which generally occurs in January or February of each year. In contrast, the third quarter of each year generally contributes the largest portion of our annual revenues due to increased advertising and marketing activity of our customers in the PRC real estate industry as most property purchases take place in September and October of each year in terms of monthly transaction volumes. See “*Item 3.D. Key Information—Risk Factors—Risks related to our business—You should not rely on our quarterly operating results as an indication of our future performance because our quarterly financial results are subject to fluctuations.*”

Competition

We face competition from other companies in each of our primary business activities. We compete with these companies primarily on our ability to attract users to our online platform and attract customers using our service offerings and on the basis of the quality and quantity of real estate listings and other content and services. We compete for developers' business on the basis on online traffic volume, customer loyalty, geographic coverage and service offerings. We also compete for qualified employees with skills and experience related to sales, real estate services, advertising, technology and the Internet industry.

Our competitors may have more established brand names, larger visitor numbers and more extensive distribution channels than we do, either overall, or in specific regions in which we operate. Some of our competitors may have greater access to capital markets, more financial and other resources and a longer operating history than us.

Other existing and potential competitors primarily include:

- real estate and home furnishing and improvement websites and mobile apps offering listing and marketing services in China including real estate websites and mobile apps sponsored or supported by local governments in China, which may be able to use such government connections to develop relationships with locally-active real estate developers;
- traditional advertising media such as general-purpose and real estate-focused newspapers, magazines, television and outdoor advertising that compete for overall advertising spending; and
- online listing service providers, including general-purpose Internet portals and regional websites and mobile apps dedicated to online listing. We believe the key players in the markets for online real estate marketing and listing services in China include *58.com* and *Anjuke.com*. We also compete with general-purpose advertising media, such as Toutiao and WeChat.

Intellectual Property

Our copyrights, trademarks, trade secrets, domain names and other intellectual property are important to our business. We rely on intellectual property laws and contractual arrangements with our key employees and certain of our customers, collaborators and others to protect our intellectual property rights. Despite these measures, we cannot assure you that we will be able to prevent unauthorized use of our intellectual property, which would adversely affect our business.

We have applied to register “SouFun” trademark in both Chinese and English dual-language as well as “SouFun” in English and “搜房” (“SouFun” in Chinese) individually in China. While we have successfully registered these trademarks in some industry categories, our applications for the “SouFun” trademark for certain industry categories in China conflict with existing registrations of or applications for similar trademarks, leading to litigations. In April 2014, the Higher People’s Court of Beijing Municipality reversed a lower court’s judgment in favor of us and ordered the PRC Trademark Review and Adjudication Board of SAIC to reconsider another PRC company’s trademark application for “SOFANG” that it had previously rejected. In April 2015, the Supreme People’s Court of the PRC accepted our application for retrial over the judgment of the Higher People’s Court of Beijing Municipality but ultimately denied our application. See *“Item 3.D. Key Information-Risk Factors-Risks related to our business-Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may materially and adversely affect our business, financial condition, results of operations, reputation and competitive advantage”* and *“-We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business.”* Nevertheless, in 2015, we obtained new trademarks “Fang.com” in English and “房天下” (“Fang Tian Xia” in Chinese) and began to market our services under these new brands in connection with the transformation of our business model. We therefore do not currently expect our business would be materially and adversely affected even if we lose the right to use the trademark relating to “SouFun” in certain limited industry categories.

As of December 31, 2024, we held 38 registered copyrights and owned or licensed 1,071 registered trademarks in China.

We have also registered certain trademarks in a number of other jurisdictions, including Hong Kong, Macao, Taiwan, Japan, Singapore, Malaysia, Cambodia, Australia, France, Spain, the United Kingdom, Greece, Cyprus, Canada, the United States, and United Arab Emirates.

As of December 31, 2024, we owned or licensed 1,059 registered domain names, including our official website, www.fang.com, and domain names registered in connection with www.fangtx.com.

As of December 31, 2024, we had 38 registered patents relating to database maintenance and computer data backup recognized by the State Intellectual Property Office of the PRC.

Facilities

Our principal executive offices are located at Tower A, No. 20 Guogongzhuang Middle Street, Fengtai District, Beijing 100070, the People’s Republic of China, with approximately 69,313 sq.m. of office space. As of December 31, 2024, we leased or owned properties with an aggregate gross floor area of approximately 49,674 sq.m. for our local offices across China in addition to our principal executive offices in Beijing. Our leased properties mainly consist of office premises, all of which are leased from independent third parties. We believe our existing leased and owned premises are adequate for our current business operations and that additional space can be obtained on commercially reasonable terms to meet our future requirements. See *“Item 3.D. Key Information—Risk Factors—Risks related to our business—Certain of our leased property interests may be defective and we may be forced to relocate operations affected by such defects, which could cause significant disruption to our business.”*

We own an office building with a total usable office space of approximately 69,313 sq.m. in Beijing as our headquarters.

We own an office building with a gross floor area of 325,000 square feet at 72 Wall Street, New York. It is currently under major refurbishment work.

We own certain commercial properties of approximately 3,116 sq.m and 22,064.8 sq.m, in Sanya, Hainan province and Wuhan, Hubei province, China, respectively. We also own office space of 46,681 sq.m, together with 373 parking spaces, in an office building in Chengdu, Sichuan province, China; 1,264.67 sq.m, in an office building in Changzhou, Jiangsu province, China; as well as office space of 35,225.01 sq.m in an office building in Chongqing, China. We primarily use these properties as our local offices.

In addition, we own a portion of a building known as the BaoAn Building located at 800 Dongfang Road, Pudong, Shanghai, China. The property has usable space of approximately 42,000 sq.m. and is currently used for offices, retail space and a hotel. We acquired the property to support our expansion in Shanghai and the East China region, which consists of 15 cities including Jiangsu provincial capital Nanjing and Zhejiang provincial capital Hangzhou, China.

We own a building in Hangzhou with usable space of approximately 27,421.7 sq.m. as our branch office in Hangzhou, China.

We also purchased a total net rentable area of 264,964 square feet in an office building in San Jose, CA. Our San Jose office is primarily used as our technology and research center in the US.

Insurance

We maintain property insurance to cover potential damages to a portion of our property. In addition, we provide medical, unemployment and other insurance to our employees in compliance with applicable PRC laws, rules and regulations. We do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance.

Legal Proceedings

On July 30, 2025, we received the first-instance judgment from a court in Beijing regarding the dispute with a property management company over service fees, heating fees, and cooling fees. The court ruled that we shall pay the property management company RMB 40,926,740.84, along with default interest calculated at 0.01% per day from December 31, 2023, until the date of full payment. Due to our objections concerning whether the property management company committed a fundamental breach of contract, as well as disagreements over the charging standards and scope of these fees, we have filed an appeal with a higher court, and in the opinion of our management, this case is unlikely to have a material adverse effect on our business, financial condition or results of operations.

From time to time, we may be subject to claims and legal actions arising in the ordinary course of business, such as intellectual property infringement claims against us for use of others' articles or photographs and employment disputes. Such claims or legal actions, even if without merit, could result in the expenditure of significant financial and management resources and potentially result in civil liability for damages. We are currently not involved in any material legal or arbitration proceedings, except as disclosed below:

Property Services Dispute

On July 30, 2025, the Fengtai District People's Court of Beijing issued a civil judgment in case (2024) Jing 0106 Min Chu No. 27718, arising from a contractual dispute between Beijing Jinyu Dacheng Property Management Co., Ltd. ("Jinyu Property") as plaintiff, and Beijing SouFun Fangtianxia Network Technology Co., Ltd. ("Fang Tianxia") together with seven affiliated companies as defendants. The affiliated defendants are: Beijing Jiatianxia Advertising Co., Ltd.; Beijing Zhongzhi Index Information Co., Ltd.; Beijing Century Jiatianxia Technology Development Co., Ltd.; Beijing Litian Rongze Yijia Technology Development Co., Ltd.; Beijing SouFun Technology Development Co., Ltd.; Beijing Huajuetianxia Network Technology Co., Ltd.; and Beijing SouFun Internet Information Service Co., Ltd.

The dispute concerned unpaid property management, heating, and cooling fees for the "New Direction Center" located in Fengtai District, Beijing, under a property service agreement. Jinyu Property claimed that it continued to provide services after the expiration of the contract, but the defendants did not fully pay the required fees.

The court ordered each of the seven property-using affiliate companies to pay Jinyu Property specified amounts for property management, heating, and cooling fees, with the aggregate amount across all seven parties totaling approximately RMB 37.96 million. Payment is required within seven days after the judgment becomes effective.

Beijing SouFun Fangtianxia Network Technology Co., Ltd. was held jointly and severally liable for the above payments. In addition, Fang Tianxia was ordered to pay default penalties on the unpaid balance of RMB 40,926,740.84, calculated at a rate of 0.01% per day until the obligation is fully settled. If payments are not made on time, late interest will accrue at double the standard rate, as required by PRC civil procedure law.

The judgment also addressed litigation costs. The total case acceptance fee was RMB 532,010.16, of which the plaintiff has already paid RMB 309,927.43. Fang Tianxia is required to pay the remaining RMB 222,082.73 within seven days after the judgment. The asset preservation fee of RMB 5,000 was borne by the plaintiff.

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Defendants have the right to appeal the judgment to the Beijing No. 2 Intermediate People's Court within fifteen days of receiving the judgment.

As of the date of this annual report, the Company's appeal to the Beijing No. 2 Intermediate People's Court is pending, and the result is still uncertain.

Winding-Up Petition

On January 19, 2024, Koa Capital L.P. and 507 Summit LLC (the "Petitioners"), holders of approximately 4.6% of the Company's Class A Ordinary Shares (representing approximately 3.3% of the total issued share capital), filed a petition (the "Petition") with the Grand Court of the Cayman Islands seeking the winding up of Fang Holdings Limited ("Fang" or the "Company"). The Petition names the Company as respondent and seeks the appointment of joint official liquidators.

The Petition alleges that the Company's Executive Chairman, Vincent Mo, and directors under his control, have conducted the Company's affairs in a manner that is unfairly prejudicial and oppressive to minority shareholders, including the Petitioners. The Petitioners allege, among other things, that: (i) the Company's business and assets have been used to benefit Mr. Mo and his associates through a series of related-party transactions; (ii) the Company adopted an amended and restated memorandum of association that is oppressive to minority shareholders; (iii) the Company has failed to comply with statutory and regulatory disclosure requirements, including failure to file required SEC reports and to meet NYSE listing standards; (iv) the Company has provided misleading information to shareholders and the market, failed to disclose material transactions, and engaged in frequent auditor changes and accounting deficiencies; and (v) the Company's affairs have been managed in a manner that disregards the interests of minority shareholders and lacks probity, resulting in a loss of trust and confidence in the Company's management.

The Petitioners seek, among other things: (i) an order winding up the Company on just and equitable grounds pursuant to section 92(e) of the Companies Act (2023 Revision) of the Cayman Islands; (ii) the appointment of joint official liquidators with broad powers to manage the Company's affairs and protect its assets; and (iii) ancillary relief to facilitate the liquidation process and protect the interests of shareholders and creditors.

As of the date of this annual report, the Petition remains pending before the Grand Court of the Cayman Islands. The Company intends to vigorously contest the Petition.

Derivative Action

On May 29, 2023, Oasis Investments II Master Fund Ltd. ("Plaintiff"), derivatively on behalf of nominal defendant Fang Holdings Limited ("Fang" or the "Company"), commenced a derivative action in the Supreme Court of the State of New York, New York County, Commercial Division (Index No. 652607/2023), against Vincent Tianquan Mo, Richard Jiangong Dai, Ace Smart Investments Limited, Next Decade Investments Limited, Media Partner Technology Limited, and True Knight Limited (collectively, the "Defendants"). The lawsuit alleged that the Defendants, directly or indirectly, harmed Fang in connection with a series of related-party transactions between 2019 and 2023. These transactions included: (i) the June 2019 spin-off of Fang's wholly owned subsidiary, China Index Holdings Limited ("CIH"); (ii) the repurchase of CIH shares from entities affiliated with certain Defendants; (iii) Fang's cessation of SEC filings and subsequent NYSE delisting in June 2022; (iv) the acquisition of CIH and Fang shares by certain Defendants; and (v) an April 2023 take-private transaction involving CIH. Fang was named as a nominal defendant only, and no claims were asserted against the Company.

To avoid the cost, delay, and risks of continued litigation, the parties agreed to a settlement (the "Settlement"), subject to Court approval. Under the terms of the Settlement: (i) Defendants will pay \$30,000,000 USD into a common settlement account. After deduction of Court-approved attorneys' fees, expenses, and administrative costs, the net proceeds will be distributed on a pro rata basis to Fang minority shareholders of record as of the settlement record date. Defendants, D&O releasees, and other excluded Fang shareholders will not participate in this distribution. (ii) Defendants will provide Fang with 20,471,063 shares of CIH Holdings Limited. (iii) Fang will implement specified corporate governance reforms, including (a) appointment of a new fully independent outside director, and (b) establishment of a special committee (including at least one fully independent outside director) to review any related party or insider transactions. These changes will remain in effect for a minimum of five years following the effective date of the Settlement.

If the Court approves the Settlement and it becomes effective, the lawsuit will be dismissed with prejudice, and the releases described in the Settlement will become effective. The Settlement is not contingent on the release of any claims held by Fang minority shareholders, and the Court may approve the Settlement even without granting such a release.

For more information about this lawsuit, please also refer to the current reports on Form 6-K furnished by the Company to the SEC on October 30, 2025 and October 31, 2025.

Arbitration Award Recognition and Enforcement

On April 12, 2023, the United States District Court Central District of California entered judgment in favor of Beijing SouFun Science and Technology Development Co., Ltd. (“SouFun”) and against Yao Lin, an individual. The court granted SouFun’s petition to confirm, recognize, and enforce a foreign arbitration award rendered by the China International Economic and Trade Arbitration Commission (“CIETAC”) on September 6, 2019. As a result of this judgment, Yao Lin is ordered to pay SouFun the following: (i) \$17,989,991.87 (RMB 123,546,269.20) for damages and costs; (ii) \$3,169,474.55 in interest on RMB 82,418,872.85, for the period from September 8, 2017 through the date of the judgment; (iii) \$5,689.55 in interest on RMB 148,794.45, for the period from September 19, 2017 through the date of the judgment; and (iv) post-judgment interest at a rate of 4.32% per annum, pursuant to 28 U.S.C. § 1961(a), accruing from April 12, 2023 forward. This judgment confirms and enforces the CIETAC arbitral award in the United States, allowing SouFun to pursue collection and enforcement against Yao Lin using U.S. legal mechanisms.

Regulation

Our business is subject to substantial regulation by the PRC government. This section sets forth a summary of certain significant PRC regulations that affect our business and the industries within which we operate. See “*Item 3.D. Key Information—Risk Factors*” which discusses risks related to regulation of our business and industry.

General

The telecommunications industry, including Internet information services and Internet access services, is highly regulated by the PRC government. Regulations issued or implemented by the State Council, MIIT and other relevant government authorities cover virtually every aspect of telecommunications network operations, including entry into the telecommunications industry, the scope of permissible business activities, interconnection and transmission line arrangements, tariff policy and foreign investment.

MIIT, under the leadership of the State Council, is responsible for, among other things:

- formulating and enforcing telecommunications industry policy, standards and regulations;
- granting licenses to provide telecommunications and Internet services;
- formulating tariff and service charge policies for telecommunications and Internet services;
- supervising the operations of telecommunications and Internet service providers; and
- maintaining fair and orderly market competition among telecommunications and Internet service providers.

In addition to the regulations promulgated by the central PRC government, some local governments have also promulgated local rules applicable to Internet companies operating within their respective jurisdictions.

In 1994, the Standing Committee of the National People’s Congress promulgated the PRC Advertising Law. In addition, SAMR and other ministries and agencies have issued regulations that further regulate our advertising business, as discussed below.

Restrictions on Foreign Ownership in the Online Advertising Industry

Internet Content Provision and Wireless Value-Added Services

In September 2000, the State Council promulgated the Telecommunications Regulations, amended in July 2014 and February 2016, which categorize all telecommunications businesses in China as either basic telecommunications businesses or value-added telecommunications businesses. In February 2003, MIIT amended the original classification of telecommunications business with Internet content provision services and wireless value-added services being classified as value-added telecommunications businesses. In December 2015, MIIT further amended the classification of telecommunications business, which sets out in details of the information service business classification under the category of value-added telecommunications businesses. In June 2019, MIIT further amended the classification of basic telecommunications businesses. The Telecommunications Regulations also set forth extensive guidelines with respect to different aspects of telecommunications operations in China.

In order to comply with China's commitments with respect to its entry into the World Trade Organization, the State Council promulgated the Administrative Rules on Foreign-invested Telecommunications Enterprises in December 2001, as amended in September 2008, February 2016 and March 2022. The Administrative Rules on Foreign-invested Telecommunications Enterprises set forth detailed requirements with respect to capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. Pursuant to these administrative rules, the ultimate capital contribution ratio of the foreign investor or investors in a foreign-invested telecommunications enterprise that aims to provide value-added telecommunications services may not exceed 50.0%. In addition, pursuant to the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) issued by the PRC government, the permitted foreign investment in value-added telecommunications service providers may not be more than 50.0%. On April 8, 2024, the MIIT promulgated the Notice on the Pilot Program for Expanding the Opening up of Value-added Telecommunications Services, which clarify that the foreign ownership restrictions are abolished, as for the foreign-invested telecommunications enterprises engaging in internet data centers (IDC), content distribution networks (CDN), internet access services (ISP), online data processing and transaction processing, information publishing platforms and delivery services (except internet news and information, online publishing, online audiovisual and internet cultural operations), information protection and processing services in the Beijing Comprehensive Demonstration Zone for Expanding the opening up of the Service industry, the Shanghai Pilot Free Trade Zone, the new Lingang Area and the Socialist Modernization Leading Zone, the Hainan Free Trade Port, and the Shenzhen Socialist Pilot Demonstration Zone. Moreover, foreign investors that meet these requirements must obtain approvals from MIIT and MOFCOM or their authorized local counterparts, which retain considerable discretion in granting approvals.

In July 2006, MIIT publicly released the Circular on Strengthening the Administration of Foreign Investment in Value-Added Telecommunications Services, or the MIIT Notice. According to the MIIT Notice, if any foreign investor intends to invest in a PRC telecommunications business, a foreign-invested telecommunications enterprise must be established and such enterprise must apply for the relevant telecommunications business licenses. Under the MIIT Notice, domestic telecommunications enterprises may not rent, transfer or sell a telecommunications license to foreign investors in any form, nor may they provide any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China.

As a result of current PRC laws, rules and regulations that impose substantial restrictions on foreign investment in the Internet business in China, we conduct this portion of our operations through a series of contractual arrangements among our PRC subsidiaries and our consolidated controlled entities.

In the opinion of our PRC legal counsel:

- each of the Structure Contracts is legal, valid and binding on the contracting parties under applicable PRC laws, rules and regulations;
- the execution, delivery, effectiveness, enforceability and performance of each of the Structure Contracts do not violate any published PRC laws, rules and regulations currently in force and effect;
- none of our Structure Contracts contravenes any published PRC laws, rules and regulations currently in force and effect; and

- no filings, registrations, consents, approvals, permits, authorizations, certificates and licenses of any PRC government authorities are currently required in connection with the execution, delivery, effectiveness, performance and enforceability of each Structure Contract, provided that the pledges of equity interests under the Structure Contracts should be registered with competent PRC government authorities, and provided further that the exercise of the call option in the future must be approved and registered by competent PRC government authorities.

However, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws, rules and regulations, including the laws and regulations governing the enforcement and performance of our Structure Contracts in the event of any imposition of statutory liens, bankruptcy and criminal proceedings. Accordingly, we cannot assure you that the PRC regulatory authorities will not ultimately take a contrary view from that of our PRC legal counsel. See “*Item 3.D. Key Information—Risk Factors—Risks related to our corporate structure—If the PRC government determines that the structure contracts that establish the structure for our business operations do not comply with applicable PRC laws, rules and regulations, we could be subject to severe penalties or be forced to restructure our ownership structure*” and “*Item 3.D. Key Information—Risk Factors—Risks related to our corporate structure—Substantial uncertainties exist with respect to the adoption of new or revised PRC laws relating to our corporate structure, corporate governance and business operations.*”

Regulations relating to Our Business

Internet Content Provision Services

The provision of real estate and home-related and other content on Internet websites is subject to applicable PRC laws, rules and regulations relating to the telecommunications industry and the Internet, and regulated by various government authorities, including MIIT and SAMR. The principal regulations governing the telecommunications industry and the Internet include:

- The Telecommunications Regulations (Revised in 2016);
- The Catalog of Classes of Telecommunications Business (Revised in 2019);
- The Administrative Measures for Telecommunications Business Operating Licenses (2017); and
- The Internet Information Services Administrative Measures (2024).

Under these regulations, Internet content provision services are classified as value-added telecommunications businesses, and a commercial operator must obtain a telecommunications and information services operating license, or ICP license, from the appropriate telecommunications authority in order to carry out commercial Internet content provision operations in China. If an Internet content provider is not engaged in commercial Internet content operations, it is only required to file a record with the appropriate telecommunications authority. In addition, the regulations also provide that operators involved in Internet content provision in sensitive and strategic sectors, including news, publishing, education, health care, medicine and medical devices, must obtain additional approvals from the relevant authorities in relation to those sectors.

Two of our consolidated controlled entities, Beijing Technology and Beijing JTX Technology, each hold an ICP license issued by the Beijing Telecommunications Administration Bureau, a municipal branch of MIIT.

On December 21, 2013, the State Council promulgated the Decision of the State Council on Temporary Adjustments to the Administrative Approval Items or Special Administrative Measures on Access Prescribed in the Relevant Administrative Regulations or State Council’s Documents in China (Shanghai) Pilot Free Trade Zone, which provides that temporary adjustments shall be made to special administrative measures on access in respect of qualification requirements and restrictions on shareholding proportion under the Administrative Rules on Foreign-invested Telecommunications Enterprises.

Pursuant to the Opinions of the MIIT and the People's Government of Shanghai Municipality on Further Opening Up Value-added Telecommunications Business in China (Shanghai) Pilot Free Trade Zone ("Pilot Opinions"), which were jointly issued by the MIIT and People's Government of Shanghai Municipality on January 6, 2014, foreign ownership in telecommunications service business (only include apps stores), which China has committed to opening-up after its WTO entry, may exceed 50% on a pilot basis. Foreign ownership in online data processing and transaction processing (operational electronic commerce) shall not exceed 55%. Except for the Internet connection service business (provision of internet connection service for online users), the scope for other businesses services specified by the Pilot Opinions can be nationwide. On April 15, 2014, MIIT promulgated the Circular on Printing and Distributing the Administrative Measures of China (Shanghai) Pilot Free Trade Zone for the Pilot Operation of Value-added Telecommunications Business by Foreign Investment, which further provides the requirements and procedures for foreign-invested enterprises to apply for and obtain the approval to conduct value-added telecommunications business based in the China (Shanghai) Pilot Free Trade Zone.

On May 29, 2015, MIIT promulgated the Circular on Relaxing the Geographical Restrictions Imposed on Certain Service Facilities Providing Value-added Telecommunication Services in the China (Shanghai) Pilot Free Trade Zone, which extends the geographical scope of establishing an agent of call center business and edge routers for domestic Internet virtual private network business from the China (Shanghai) Pilot Free Trade Zone to Shanghai Municipality. On June 19, 2015, MIIT further issued the Circular of the MIIT on Removing the Restrictions on Shareholding Ratio Held by Foreign Investors in Online Data Processing and Transaction Processing (Operational E-commerce) Business, which liberalizes the foreign ownership restrictions in online data processing and transaction processing (operational electronic commerce) business by expanding the business areas from the China (Shanghai) Pilot Free Trade Zone to nationwide, and the foreign ownership may be up to 100%.

The MIIT Notice requires that a value-added telecommunications business operator (or its shareholders) must own domain names and trademarks used by it in the value-added telecommunications business, and have premises and facilities appropriate for such business. To comply with the MIIT Notice, all of our related trademarks and domain names are owned directly by Beijing Technology and Beijing JTX Technology.

Furthermore, according to the Administrative Provisions on Online Publishing Services, jointly issued by the MIIT and the SARFT in February 2016, all entities that are engaged in Internet publication services in China must be approved by competent publication administrative department and acquire an Online Publishing Service License. The online publishing services defined in the Administrative Provisions on Online Publishing Services refer to the provision of online publications to the public through information networks while the Online Publications refer to digitized works with characteristics of publishing, such as editing, production or processing provided to the public through information networks.

Advertising Services

SAMR is responsible for regulating advertising activities in China. The principal regulations governing advertising in China, including online advertising, include:

- the Advertising Law (Revised in 2021);
- the Administration of Advertising Regulations (1987);and
- Administrative Measures for Online Advertising (2023).

These regulations stipulate that companies that engage in advertising activities in China must obtain from SAMR or its local branches a business license which specifically includes operating an advertising business within its business scope. Companies conducting advertising activities without such a license may be subject to penalties, including fines, confiscation of illegal revenues and orders to cease advertising operations. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of any relevant law or regulation.

The business scope of each of Beijing Advertising, Beijing Technology, Beijing JTX Technology and Beijing Yi Ran Ju Ke includes operating an advertising business, which allows them to engage in the advertising business.

Electronic Bulletin Board Services

In November 2000, MIIT adopted the Administrative Regulations on Internet Electronic Bulletin Board Services, which required that an Internet content service provider providing online bulletin board service register with, and obtain approval from, local telecommunications authorities. The Administrative Regulations on Internet Electronic Bulletin Board Services was abolished by MIIT on September 23, 2014, and the management of Internet electronic bulletin board services is currently governed by the Telecommunications Regulations, the Internet Information Services Administrative Measures and the Administrative Measures for Telecommunications Business Operating Licenses, which provide that an Internet content provider that intends to provide online bulletin board services shall fulfill the approval formalities.

On November 6, 2006, the Beijing Telecommunications Administration Bureau issued to Beijing Technology, an approval for operating electronic bulletin board services on www.fang.com. Beijing JTX Technology also obtained an approval for operating electronic bulletin board services on www.jiatx.com on June 15, 2007. Each of these approvals has an original validity tied to the corresponding ICP license, and their continued validity is subject to the fulfillment of certain conditions and qualifications.

Internet Live-Streaming Services

On July 6, 2004, the SARFT promulgated the Rules for the Administration of Broadcasting of Audio/Video Programs through the Internet and Other Information Networks, or the A/V Broadcasting Rules, which were replaced by Provisions on the Administration of Private Network and Targeted Communication Audiovisual Program Services which took effect on June 1, 2016, and revised on March 23, 2021. For an entity that engages in content delivery, integrated broadcast control, transmission distribution and other private network and targeted communication to send audio-visual program service, an Internet Audio/Video Program Transmission License is required.

On April 13, 2005, the State Council announced Several Decisions on Investment by Non-state-owned Companies in Culture-related Business in China. These decisions encourage and support non-state-owned companies to enter certain culture-related business in China, subject to restrictions and prohibitions for investment in audio/video broadcasting, website news and certain other businesses by non-state-owned companies. These decisions authorize the SARFT, the Ministry of Culture and Tourism and the GAPP to adopt detailed implementation rules according to these decisions.

On December 20, 2007, the SARFT and the MIIT jointly issued the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56, which came into effect as of January 31, 2008 and was amended in August 2015. Circular 56 reiterates the requirement set forth in the A/V Broadcasting Rules that online audio/video service providers must obtain an Internet Audio/Video Program Transmission License from the SARFT. Furthermore, Circular 56 requires all online audio/video service providers to be either wholly state-owned or state-controlled companies. According to relevant official answers to press questions published on the SARFT's website dated February 3, 2008, officials from the SARFT and the MIIT clarified that online audio/video service providers that already had been operating lawfully prior to the issuance of Circular 56 may re-register and continue to operate without becoming state-owned or controlled, provided that such providers have not engaged in any unlawful activities. This exemption will not be granted to online audio/video service providers established after Circular 56 was issued. These policies have been reflected in the Application Procedure for Audio/Video Program Transmission License. Failure to obtain the Internet Audio/Video Program Transmission License may subject an online audio/video service provider to various penalties, including fines of up to RMB30,000, seizure of related equipment and servers used primarily for such activities and even suspension of its online audio/video services.

In addition, the Cyberspace Administration promulgated the Administrative Provisions on Internet Live-Streaming Services, or Internet Live-Streaming Services Provisions, on November 4, 2016, which came into effect on December 1, 2016. According to the Internet Live-Streaming Services Provisions, an Internet live-streaming service provider shall (1) establish a live-streaming content review platform, (2) conduct authentication registration of Internet live-streaming issuers based on their identity certificates, business licenses and organization code certificates, (3) follow the principle of "background real name, foreground voluntary", conduct verification of online live-streaming users based on valid identity information such as mobile phone number, and validate registration of online live-streaming publishers based on their identity documents, business licenses, organization code certificates, and so forth, and (4) enter into a service agreement with Internet live-streaming services user to specify both parties' rights and obligations.

In March 2018, the Office for SARFT issued the Notice on Further Regulating the Transmission Order of Internet Audio-Visual Programs, which requires that, among others, audio-visual platforms shall (1) not to produce or transmit programs intended to parody or denigrate classic works, (2) not to re-edit, re-dub, re-caption or otherwise ridicule classic works, radio and television programs, or original Internet audio-visual programs without authorization, (3) not to transmit re-edited programs which unfairly distort the original content, (4) strictly monitor the adapted content uploaded by platform users and not provide transmission channels for illicit content, (5) immediately take down unauthorized content upon receipt of complaints from copyright owners, radio and television stations, or film and television production institutions, (6) strengthen the administration of movie trailers and prevent improper broadcasting of movie clips and trailers prior to authorized release, and (7) strengthen the administration of sponsorship and endorsement for Internet audio-visual programs. Pursuant to this notice, the provincial branches of SARFT shall have the authority to supervise radio and television stations and websites that offer audio-visual programs within its jurisdiction and require them to further improve their content management systems and implement relevant management requirements.

Regulations on the Real Estate Service Industry

The principal regulations governing the real estate service industry in China include the Law on the Administration of the Urban Real Estate, as amended in August 2019, the Real Estate Brokerage Administration Measures issued by the MOHURD, the NDRC, and the PRC Ministry of Human Resources and Social Security on January 20, 2011, which became effective on April 1, 2011, and was further amended on March 1, 2016 and became effective on April 1, 2016.

Real Estate Service Companies

In accordance with the Law on the Administration of the Urban Real Estate and the Real Estate Brokerage Administration Measures, real estate services refer to services of real estate consultation, appraisal and brokerage. A real estate service company is required to meet certain financial and personnel requirements and register with the SAIC or its local counterpart. To be qualified to engage in real estate services, a company is required to file with the relevant local branch of SAIC. Pursuant to the Real Estate Brokerage Administration Measures, a real estate brokerage company must have a certain number of real estate brokers and real estate broker assistants, and shall file with the local real estate regulatory authority within thirty days following the issuance of its business license. Local authorities have specific requirements on employing such brokers and the registration formalities.

On May 11, 2011, the MOHURD and the NDRC jointly issued the Notice of Strengthening the Real Estate Brokerage Administration and Further Standardizing the Order of Real Estate Transactions. On June 13, 2013, the MOHURD and the SAIC jointly issued the Notice of Focusing on Special Administration on Market of Real Estate Agencies. According to these notices, a real estate brokerage company is forbidden to display any false or unverified information. The real estate brokerage company and its brokers shall not conceal transaction price and other transaction information from the transacting parties. Such entities are also prohibited from obtaining any gains by purchasing or renting a property at a lower price and then selling or leasing such property at a higher price. The real estate brokerage company is also required to establish a separate account for transaction settlement if the real estate brokerage company is responsible to collect and pay the transaction amount on behalf of the transaction parties.

Real Estate Service Brokers

In accordance with the Real Estate Brokerage Administration Measures, the PRC government implemented the occupational qualification system for real estate broker personnel.

Pursuant to the Interim Regulations on Professional Qualification for Real Estate Brokerage Professionals and the Implementation Rules on the Examinations of Real Estate Brokerage Professional Qualification issued by the PRC Ministry of Human Resources and Social Security and the MOHURD on December 18, 2001 and the relevant circulars, to practice as a qualified real estate broker, an individual was required to pass an exam and obtain a qualification certificate for real estate brokers. However, the State Council issued the Decision of the State Council on Canceling and Adjusting a Batch of Administrative Examination and Approval Items on July 22, 2014, which eliminated the qualification certificate requirement for real estate brokers. On June 25, 2015, the PRC Ministry of Human Resources and Social Security and the MOHURD further jointly issued Interim Provisions on the Occupational Qualification System of Professional Real Estate Brokers and the Implementing Measures for Occupational Qualification Exams of Professional Real Estate Brokers, which provide that real estate brokerage professional qualifications are divided into three levels, namely associate real estate broker, real estate broker and senior real estate broker. The associate real estate broker and real estate broker shall pass the examination as a method to evaluate their professional skills.

According to the Circular on Preventing Operating Loans from being Illegally Flowed into Real Estate Sector as jointly issued by the MOHURD, the PBOC and the CBIRC on March 26, 2021, banking financial institutions are required to formulate a “White List” of intermediary agencies and shall not cooperate with any intermediary agency which assists any borrower to illegally obtain operating loans. In addition, this circular also prohibits real estate agencies from providing any consultations or services related to financial products of operating loans which are guaranteed by the buyer’s real estate and inducing any buyer to illegally use the funds from operating loans. When providing the real estate brokerage services, real estate agencies shall request home buyers to undertake in writing that they do not misuse operating loans to fund the housing transactions. The local branches of the MOHURD will also establish a “Black List” to record the offending real estate agencies and real estate brokers, and will regularly disclose cases of violations.

On July 13, 2021, the MOHURD and other seven PRC regulatory agencies issued the Notice on Continuous Improvement and Regulation of the Real Estate Market Order, which aimed to strengthen the rectification of improper or illegal behaviors in real estate development, sales and leasing of properties, and property services by ways including, among others, rectifications of publishing false information of properties and illegal advertisements.

Real Estate Service Charges

According to the Notice on Release of Management of Real Estate Consultant and Brokerage Charges jointly issued by the NDRC and the MOHURD which became effective on July 1, 2014, a real estate service company must display its service charges, or commissions. The commissions for the real estate brokerage services are subject to the regulation of the local branch of the MOHURD and the competent pricing department of people’s government at the provincial level, the local authorities may decide to apply “government-guided” prices or “market-adjusted” prices according to the local situation. The commissions for the real estate consulting services shall be based on “market-adjusted” prices, and the real estate consulting service providers may negotiate and determine their commission rates with clients.

Regulations on Microfinance Companies

According to the Guiding Opinions on the Pilot Operation of Microfinance Companies (the “Guiding Opinions”) jointly issued by the China Banking Regulatory Commission and the PBOC on May 4, 2008, microfinance companies are limited liability companies or joint stock companies established with the capital contribution from natural persons, legal persons and other organizations, which do not accept public deposits and engage in the microfinance business. To set up a microfinance company, an applicant shall submit a formal application to the competent administrative departments at the provincial level. Upon approval, the applicant shall apply to the local branch of the SAIC to obtain a business license for the microfinance company. In addition, the applicant shall complete certain filings with the local police department, the local office of the China Banking Regulatory Commission and the local branch of the PBOC. According to the Guiding Opinions, the aggregate balance of the loans granted to any single borrower may not exceed 5% of the net capital of the microfinance company. The PBOC is responsible for monitoring the interest rates and fund flows of microfinance companies and record the relevant information into the PBOC’s credit information system. Microfinance companies are required to provide information regarding their borrowers, loan amounts, guarantees for loans and loan repayment to the credit information system.

According to the Guiding Opinions, a provincial government may launch pilot programs for microfinance companies within prefectural regions of the province only after it designates a department (finance office or other relevant institutions) to be in charge of supervision and administration of microfinance companies and is willing to be responsible for risk management and disposals with respect to microfinance companies. Consequently, microfinance companies are primarily regulated locally by provincial governments under rules and regulations promulgated by the provincial governments.

Pursuant to Notice on Regulating the “Cash Loan” Business, issued by Office of the Leading Group for the Special Campaign against Internet Financial Risks and the Office of the Leading Group for the Special Campaign against Peer-to-peer Lending Risks on December 1st, 2017 (“Notice on Regulating Cash Loan”), internet microfinance businesses are strictly regulated. According to the Notice on Regulating Cash Loan, among other requirements, microfinance companies are required to suspend distribution of internet microloans that are not supported by specific scenarios and no specific purpose, gradually reduce the inventory business within a time limit and rectification shall be completed within the prescribed time limit. Issuing “campus loans” and “down payment loans” are also prohibited.

According to Notice on Regulating Cash Loan, microfinance companies may not sell, transfer, and disguise the company's credit assets through Internet platforms or local trading venues. Providing real property financing and other debt financing matchmaking services in relation to the purchase of real properties are also prohibited. Violation of these requirements may subject the relevant authorities to various penalties, including restrictions on the entity conducting such activities' business operations, or canceling business qualifications and/or closing the entity.

Regulations on Entrusted Loans

The General Lending Code was promulgated by the PBOC on June 28, 1996 and came into effect on August 1, 1996. The General Lending Code defines a "loan provider" as a PRC owned financial institution established in China that engages in the provision of interest bearing loans. One type of loan defined in and regulated in accordance with the General Lending Code is the entrusted loan. Entrusted loans are arrangements whereby the capital for a loan is supplied by a government department, an enterprise or a natural person (the "capital provider") and entrusted to a financial institution as the loan provider. Entrusted loans are made by the loan provider to a specified borrower for a particular purpose and in an amount, for a term and at an interest rate determined by the capital provider. The term "specified borrower" describes the party specified by the capital provider as the person who will receive the amount of an entrusted loan (the "loan recipient"). While the loan provider exercises supervision over and receives repayment from the loan recipient, the loan provider does not assume any risk of default in repayment by the loan recipient. In accordance with the General Lending Code and the relevant judicial interpretation from the Supreme People's Court of the PRC, in an entrusted loan arrangement, the relationship between the loan provider and the capital provider is that of trustee and trustor; and the relationship between the loan provider and the loan recipient is that of lender and borrower. No creditor/debtor relationship exists between the capital provider and the loan recipient. The General Lending Code requires that loan providers must be authorized by and have been granted a financial institution license or a financial institution operation license from the PBOC; and must have registered with the SAIC. The General Lending Code further stipulates that enterprises which are not authorized and registered as loan providers must not breach the laws of the PRC by engaging in intercompany loan transactions or the provision of loans through unauthorized means. An intercompany loan is a loan provided directly from one company to another where the loan provider is not authorized and registered as a loan provider.

According to the Opinions of the Ministry of Housing and Urban-Rural Development and other Authorities on Strengthening the Administration Over the Real Estate Agencies to Promote the Healthy Development of the Industry issued by the MOHURD, the MIIT, the SAT, the SAIC, the PRC National Development and Reform Commission, the CSRC and the PBOC on July 29, 2016, real estate service companies, which prepare the housing loan applications on behalf of clients, shall not compel clients to choose financial institutions designated by them, nor shall they associate the loan application services with other services. A real estate service company shall not, by itself or cooperating with other entities, offer illegal financial products and services, or receive any commissions from financial institutions. In addition, financial institutions are strictly prohibited from cooperating with real estate service companies which have not gone through the filing formalities with competent real estate authorities.

Regulations relating to Information Security and Confidentiality of User Identity and Information

Internet content in China is also regulated and restricted from a state security standpoint. Based on the Decision of the Standing Committee of the National People's Congress on Internet Security Protection enacted by the Standing Committee of the National People's Congress, any effort to undertake the following actions may be subject to criminal punishment in China:

- gain improper entry into a computer or system of national strategic importance;
- disseminate politically disruptive information;
- leak government secrets;
- spread false commercial information; or
- infringe intellectual property rights.

The Ministry of Public Security has also promulgated measures that prohibit the use of the Internet in ways that, among other things, result in the leakage of government secrets or the spread of socially destabilizing content. The Ministry of Public Security has supervision and inspection powers in this regard, and we may be subject to the jurisdiction of the local security bureaus. If an ICP license holder violates these measures, the PRC government may revoke its license and shut down its website.

The security and confidentiality of information on the identity of Internet users are also regulated in China. The Administrative Measures on Internet Information Service promulgated by the PRC State Council in September 2000 and revised in January 2011 require Internet content service providers to maintain an adequate system that protects the security of user information. In January 2006, the Ministry of Public Security promulgated the Regulations on Technical Measures of Internet Security Protection, requiring Internet service providers to utilize standard technical measures for Internet security protection.

On December 29, 2011, the MIIT promulgated the Several Provisions on Regulating the Market Order of Internet Information Services, effective on March 15, 2012. It stipulates that ICP operators may not, without a user's consent, collect the user's information that can be used alone or in combination with other information to identify the user and may not provide any such information to third parties without the user's prior consent. ICP operators may only collect users' personal information that is necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and use of such personal information. In addition, an ICP operator may only use users' personal information for the stated purposes under the ICP operator's scope of service. ICP operators are also required to ensure the proper security of users' personal information, and take immediate remedial measures if users' personal information is suspected to have been inappropriately disclosed. If the consequences of any such disclosure are expected to be serious, ICP operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

On December 28, 2012, the Standing Committee of the National People's Congress of the PRC issued the Decision on Strengthening the Protection of Online Information. Most requirements under this decision relevant to ICP operators are consistent with the requirements already established under the MIIT provisions discussed above, but are often stricter and broader. Under this decision, ICP operators are required to take such technical and other measures necessary to safeguard information against inappropriate disclosure. To further implement this decision and relevant rules, the MIIT issued the Regulation of Protection of Telecommunication and Internet User Information on July 16, 2013, effective on September 1, 2013, which contains detailed requirements on the use and collection of personal information as well as security measures required to be taken by telecommunications business operators and Internet information service providers.

In addition, the Standing Committee of the National People's Congress promulgated the Cyber Security Law of the People's Republic of China, or the Cyber Security Law, effective June 2017, and it was amended on October 28, 2025, with the amendments taking effect on January 1, 2026, to protect cyberspace security and order. Pursuant to the Cyber Security Law, any individual or organization using the network must comply with the constitution and the applicable laws, follow the public order and respect social moralities, and must not endanger cyber security, or engage in activities by making use of the network that endanger the national security, honor and interests, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. The Cyber Security Law sets forth various security protection obligations for network operators, which are defined as "owners and administrators of networks and network service providers," including, among others, complying with a series of requirements of tiered cyber protection systems, verifying users' real identity, localizing the personal information and important data gathered and produced by key information infrastructure operators during operations within the PRC, and providing assistance and support to government authorities where necessary for protecting national security and investigating crimes. Furthermore, on October 1, 2019, Cyberspace Administration of China ("CAC") issued Provisions on the Cyber Protection of Personal Information of Children to protect the security of personal information of children and promote the healthy growth of children.

For the further purposes of regulating data processing activities, safeguarding data security, promoting data development and utilization, protecting the lawful rights and interests of individuals and organizations, and maintaining national sovereignty, security, and development interests, on June 10, 2021, Standing Committee of the PRC National People's Congress published the PRC Data Security Law, which took effect on September 1, 2021. The Data Security Law requires data processing, which includes the collection, storage, use, processing, transmission, provision, publication of data, to be conducted in a legitimate and proper manner. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it may cause to national security, public interests, or legitimate rights and interests of individuals or organizations if such data are tampered with, destroyed, leaked, illegally acquired or illegally used. The appropriate level of protection measures is required to be taken for each respective category of data. For example, a processor of important data is required to designate the personnel and the management body responsible for data security, carry out risk assessments of its data processing activities and file the risk assessment reports with the competent authorities. State core data, i.e., data having a bearing on national security, the lifelines of national economy, people's key livelihood and major public interests, shall be subject to stricter management system. Moreover, the Data Security Law provides a national security review procedure for those data activities which affect or may affect national security and imposes export restrictions on certain data and information. In addition, the Data Security Law also provides that any organization or individual within the territory of the PRC shall not provide any foreign judicial body and law enforcement body with any data without the approval of the competent PRC governmental authorities. On March 15, 2024, the National Cybersecurity Standardization Technical Committee issued the Data Security Technology Data Classification and Grading Rules, which provide guidelines for identifying important data. This voluntary national standard became effective on October 1, 2024.

On July 6, 2021, the PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities, which, among others, provides for improving the laws and regulations on data security, cross-border data transmission, and confidential information management. It provided that efforts will be made to revise the regulations on strengthening the confidentiality and file management relating to the offering and listing of securities overseas, to implement the responsibility on information security of overseas listed companies, and to strengthen the standardized management of cross-border information provision mechanisms and procedures.

On December 28, 2021, the CAC amended the Measures for Cybersecurity Review, which became effective on February 15, 2022. The scope of review under these amended measures extends to critical information infrastructure operators that intend to purchase internet products and services and data processing operators engaging in data processing activities, which affect or may affect national security. According to Article 7 of the amended measures, operators who possess personal information of over a million users shall apply to the Cybersecurity Review Office for cybersecurity reviews before listing in a foreign country. Besides, the amended measures also provide that if the authorities consider that certain network products and services, data processing activities and listings in foreign countries affect or may affect national security, the authorities may initiate a cybersecurity review even if the operators do not have an obligation to report for a cybersecurity review under such circumstances. The amended measures also elaborated the factors to be considered when assessing the national security risks of the relevant activities, including among others, risks of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or exited the country and risks of critical information infrastructure, core data, important data or a large amount of personal information data being affected, controlled and maliciously used by foreign governments in a foreign listing.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission, which came into effect on September 1, 2022 and shall regulate the security assessment on the cross-border data transfer by data processor of important data and personal information collected and generated during operations within the PRC. According to these measures, personal data processors will be subject to security assessment conducted by the Cyberspace Administration of China prior to any cross-border transfer of data if the transfer involves (i) important data; (ii) personal information transferred overseas by operators of critical information infrastructure or a data processor that has processed personal data of more than one million persons; (iii) personal information transferred overseas by a data processor who has already provided personal data of 100,000 persons or sensitive personal data of 10,000 persons overseas since January 1 of last year; or (iv) other circumstances as requested by the CAC. According to the official interpretation by the official of the CAC, cross-border data transfer activities subject to these measures include (1) the transmission and storage overseas by data processors of the data generated during PRC domestic operations, and (2) the access to or use of the data collected and generated by data processors and stored in the PRC by overseas institutions, organizations or individuals. Furthermore, any cross-border data transfer activities conducted in violation of the Measures for the Security Assessment of Cross-border Data Transmission before the effectiveness of these measures are required to be rectified by March 2023. In addition, on June 1, 2023, the Provisions on the Prescribed Agreement on Cross-border Data Transfer, or the Provisions on Prescribed Agreement promulgated by the CAC came into effect, which stipulates detailed procedure and provide a prescribed agreement template for data transfer activities.

On March 22, 2024, the CAC promulgated Provisions on Promoting and Regulating Cross-border Data Flows, which became effective on the date of promulgation and further clarifies the circumstances exempting from cross-border digital transmission security assessment. For instance, according to the Provisions on Promoting and Regulating Cross-border Data Flows, the data collected and generated in such activities as international trade, cross-border transport, academic cooperation, transnational manufacturing and marketing, which does not contain personal information or important data, is exempted from declaring cross-border digital transmission security assessment, and the data processors other than critical information infrastructure operators, which have provided the personal information (excluding sensitive personal information and important data) of no more than 100,000 people cumulatively since January 1 of the current year and provide personal information abroad, shall be exempted from declaring across-border digital transmission security assessment also.

On September 24, 2024, the State Council promulgated the Network Data Security Management Regulation, which came into effect on January 1, 2025. According to the Network Data Security Management Regulation, the national data security coordination mechanism coordinates relevant departments to formulate important data catalogues and strengthen the protection of important data; all regions and departments shall, in accordance with the data classification and classification protection system, determine the specific catalogue of important data in their own regions, departments and related industries and fields, and focus on the protection of network data included in the catalogue. The Network Data Security Management Regulation also sets forth the obligations of “Important Data Processors” as follows: (1) designating a person responsible for network data security and establish a network data security management department; (2) conducting a risk assessment before providing, entrusting, or jointly processing important data, except in cases where they are fulfilling statutory duties or legal obligations; (3) taking measures to ensure network data security in the event of mergers, divisions, dissolutions, bankruptcies, or other situations that may affect the security of important data; (4) conducting an annual risk assessment of the network data processing activities and submit a risk assessment report to the relevant competent authorities at the provincial level or above. Additionally, data processors handling personal information of more than 10 million individuals should be regarded as “Important Data Processors.” As of the date of this annual report, we have not received any regulatory notice that we are a processor of important data as mentioned above. We believe that our business operations are compliant with PRC laws and regulations relating to data security in all material respects.

On September 11, 2025, the CAC issued the Administrative Measures for Cybersecurity Incident Reporting and attached the Classification Guide for Cybersecurity Incidents, which became effective on November 1, 2025. Pursuant to the measures, network operators that construct or operate networks, or provide services through networks within PRC, shall report cybersecurity incidents in accordance with the provisions herein upon the occurrence of such incidents. Cybersecurity incidents refer to incidents caused by human factors, cyber attacks, network vulnerabilities, software or hardware defects or failures, force majeure, and other factors, which cause harm to network and information systems, or the data and business applications therein, and have adverse impacts on the nation, society, or economy. The measures classify cybersecurity incidents into four levels: General, Relatively Major, Major, and Extremely Major. Under circumstances not involving critical information infrastructure and where the network operator is not a department directly under the central or state organs or their affiliated institutions, if a cybersecurity incident involving the operator is identified through assessment according to the Classification Guide for Cybersecurity Incidents as being at the Relatively Major level or above, the operator shall promptly report it to the provincial-level cyberspace administration in its locality, with the report submitted no later than four hours after discovery or awareness of the incident.

Regulations relating to Trademarks

Both the PRC Trademark Law, last amended on November 1, 2019, and the Implementation Regulation of the PRC Trademark Law, effective on May 1, 2014, provide protection to the holders of registered trademarks and trade names. The PRC Trademark Office handles trademark registrations and grants a renewable term of rights of 10 years to registered trademarks. In addition, trademark license agreements must be filed with the Trademark Office.

After receiving a trademark registration application, the PRC Trademark Office will make a public announcement with respect to the proposed trademark registration application if the relevant trademark passes the preliminary examination. Any person may, within three months after such public announcement, object to such trademark application. The PRC Trademark Office will then decide who is entitled to the trademark registration, and its decisions may be appealed to the PRC Trademark Review and Adjudication Board, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement period or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, upon which the trademark is registered and will be effective for a renewable 10-year period, unless otherwise revoked.

Regulations relating to Patents

According to the Patent Law of the PRC promulgated by the Standing Committee of the National People's Congress on March 12, 1984, as last amended on October 17, 2020, and effective from June 1, 2021, and the Implementation Rules of the Patent Law of the PRC, promulgated by the State Council on June 15, 2001, as last amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents in the PRC, including invention patents, utility model patents and design patents. The protection period is 20 years for an invention patent, 10 years for a utility model patent and 15 years for a design patent, commencing from their respective application dates. Any individual or entity that utilizes a patent or conducts any other activity in infringement of a patent without prior authorization of the patent holder shall pay compensation to the patent holder and is subject to a fine imposed by relevant administrative authorities, and, if constituting a crime, shall be held criminally liable in accordance with the law. According to the PRC Patent Law, for public health purposes, the State Intellectual Property Office of the PRC may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which PRC has acceded. In addition, according to the Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model patent established in China is required to report to the State Intellectual Property Office for confidentiality examination.

Regulations relating to Copyrights

According to the Copyright Law of the PRC, which took effect on June 1, 1991, and was last amended November 11, 2020 and subsequently enforced on June 1, 2021, copyright includes computer software, and the Copyright Protection Centre of China provides a voluntary register system for copyright.

According to the Regulation on Computer Software Protection, which took effect on October 1, 1991 and was last amended on January 30, 2013 and subsequently enforced on March 1, 2013, the software copyright shall exist from the date on which its development has been completed, and software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council. On February 20, 2002, the National Copyright Administration of the PRC issued the Measures on Computer Software Copyright Registration, which outlines the operational procedures for registration of software copyright, as well as registration of the license for the software copyright and software copyright transfer contracts. The Copyright Protection Center of the PRC is mandated as the software registration agency under the regulations.

Regulations relating to Domain Names

Domain names are protected under the Administrative Measures on the Internet Domain Names issued by the MIIT, on August 24, 2017 and effective from November 1, 2017, and the Implementing Rules on Registration of Country Code Top Level Domain issued by China Internet Network Information Center on June 18, 2019. The MIIT is the main regulatory body responsible for the administration of PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Regulations relating to Employee Share Options

Under the Stock Option Rule promulgated by SAFE in February 2012, a PRC entity's directors, supervisors, senior management officers, other staff or individuals who have an employment or labor relationship with a Chinese entity and are granted stock options by an overseas publicly listed company are required, through a PRC agent or PRC subsidiary of such overseas publicly listed company, to register with SAFE and complete certain other procedures. We and our PRC resident employees who have been granted stock options are subject to these regulations. We have designated our PRC relevant subsidiaries to handle the registration and other procedures required by the Stock Option Rule. If we or our PRC option holders fail to comply with these regulations in the future, we or our PRC option holders may be subject to fines and legal sanctions.

Regulations relating to Employees

The principal PRC laws and regulations that govern employment include:

- the PRC Labor Law which became effective on January 1, 1995 and was amended on August 27, 2009 and December 29, 2018; and
- the PRC Labor Contract Law which became effective on January 1, 2008, and its amendments which became effective on July 1, 2013.

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with workplace safety training. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative liabilities. Criminal liability may arise for serious violations.

In addition, employers in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

Regulations relating to Foreign Investment

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law. The existing foreign-invested enterprises established prior to the effective of the Foreign Investment Law may keep their corporate forms within five years. The implementing rules of the Foreign Investment Law will be stipulated separately by State Council. Pursuant to the Foreign Investment Law, "foreign investors" means natural person, enterprise, or other organization of a foreign country; "foreign-invested enterprises" means any enterprise established under PRC law that is wholly or partially invested by foreign investors and "foreign investment" means any foreign investor's direct or indirect investment in mainland China, including: (1) establishing FIEs in mainland China either individually or jointly with other investors; (2) obtaining stock shares, stock equity, property shares, other similar interests in Chinese domestic enterprises; (3) investing in new projects in mainland China either individually or jointly with other investors; and (4) making investment through other means provided by laws, administrative regulations, or State Council provisions.

The Foreign Investment Law stipulates that China implements the management system of pre-establishment national treatment plus a negative list to foreign investment and the government generally will not expropriate foreign investment, except under special circumstances, in which case it will provide fair and reasonable compensation to foreign investors. Foreign investors are barred from investing in prohibited industries on the negative list and must comply with the specified requirements when investing in restricted industries on that list. When a license is required to enter a certain industry, the foreign investor must apply for one, and the government must treat the application the same as one by a domestic enterprise, except where laws or regulations provide otherwise. In addition, foreign investors or foreign-invested enterprises are required to file information reports and foreign investment which affects or is likely to have effect on the national security shall be subject to the national security review.

The Implementing Regulations of the Foreign Investment Law of the PRC was promulgated on December 26, 2019 by the State Council and became effective on 1 January 2020, which replaced the Regulations on Implementing the Sino-Foreign Equity Joint Venture Enterprise Law, the Provisional Regulations on the Duration of Sino-Foreign Equity Joint Venture Enterprises, the Regulations on Implementing the Wholly Foreign-Owned Enterprise Law and the Regulations on Implementing the Sino-Foreign Cooperative Joint Venture Enterprise Law. The Implementing Regulation of the Foreign Investment Law specifies that no foreign investor may invest in any industry forbidden by the negative list and foreign investors making investments the restricted industry shall comply with the special administrative measures for restricted access as requirements on shareholding and senior executives as stipulated in the negative list. In addition, foreign investors or foreign-invested enterprises are required to file information reports and foreign investment which affects or is likely to have effect on the national security shall be subject to the national security review. Pursuant to the Implementing Regulation of the Foreign Investment Law, foreign investors or foreign-invested enterprises shall submit the investment information to the competent department of commerce through the enterprise registration system and the National Enterprise Credit Information Publicity System. The competent department of commerce and the department for market regulation under the State Council shall effectively ensure the linkage of relevant business systems, and provide guidance for foreign investors or foreign-invested enterprises on submission of investment information. On December 26, 2019, the Supreme People’s Court issued the Interpretations of the Foreign Investment Law. Both the Implementing Regulations of the Foreign Investment Law and the Interpretations of the Foreign Investment Law came into effect since January 1, 2020.

Regulations relating to Foreign Investment in Value-Added Telecommunications Industry

According to the Administrative Rules on Foreign-invested Telecommunications Enterprises issued by the State Council effective in January 2002, as amended in September 2008, February 2016 and March 2022, a foreign investor may hold no more than a 50% equity interest in a value-added telecommunications services provider in China.

Pursuant to the Opinions of the MIIT and the People’s Government of Shanghai Municipality on Further Opening Up Value-added Telecommunications Business in China (Shanghai) Pilot Free Trade Zone (“Pilot Opinions”), which were jointly issued by the MIIT and People’s Government of Shanghai Municipality on January 6, 2014, foreign ownership in telecommunications service business (only include apps stores), which China has committed to opening-up after its WTO entry, may exceed 50% on a pilot basis. Foreign ownership in online data processing and transaction processing (operational electronic commerce) shall not exceed 55%. Except for the Internet connection service business (provision of internet connection service for online users), the scope for other businesses services specified by the Pilot Opinions can be nationwide. On April 15, 2014, MIIT promulgated the Circular on Printing and Distributing the Administrative Measures of China (Shanghai) Pilot Free Trade Zone for the Pilot Operation of Value-added Telecommunications Business by Foreign Investment, which further provides the requirements and procedures for foreign-invested enterprises to apply for and obtain the approval to conduct value-added telecommunications business based in the China (Shanghai) Pilot Free Trade Zone.

On May 29, 2015, MIIT promulgated the Circular on Relaxing the Geographical Restrictions Imposed on Certain Service Facilities Providing Value-added Telecommunication Services in the China (Shanghai) Pilot Free Trade Zone, which extends the geographical scope of establishing an agent of call center business and edge routers for domestic Internet virtual private network business from the China (Shanghai) Pilot Free Trade Zone to Shanghai Municipality. On June 19, 2015, MIIT further issued the Circular of the MIIT on Removing the Restrictions on Shareholding Ratio Held by Foreign Investors in Online Data Processing and Transaction Processing (Operational E-commerce) Business, which liberalizes the foreign ownership restrictions in online data processing and transaction processing (operational electronic commerce) business by expanding the business areas from the China (Shanghai) Pilot Free Trade Zone to nationwide, and the foreign ownership may be up to 100%.

The MIIT Notice requires that a value-added telecommunications business operator (or its shareholders) must own domain names and trademarks used by it in the value-added telecommunications business, and have premises and facilities appropriate for such business. To comply with the MIIT Notice, all of our related trademarks and domain names are owned directly by Beijing Technology and Beijing JTX Technology.

Regulations relating to the Establishment of Offshore Special Vehicle by PRC Residents

Pursuant to the Circular 37 promulgated by SAFE, which became effective on July 4, 2014, a PRC resident, including a PRC resident natural person or a PRC company, shall register with the local SAFE branch before it contributes assets or its equity interests into an overseas SPV established or controlled by the PRC resident for the purpose of investment and financing. When the overseas SPV that fulfilled the initial registration formalities undergoes certain major changes, including but not limited to, the change in the PRC-resident shareholder of the overseas SPV, name of the overseas SPV, term of operation, or any increase or reduction of the registered capital of the overseas SPV, share transfer or swap, and merger or division, the PRC resident shall timely register such change with the local SAFE branch.

We have requested our beneficial owners who are PRC residents to make the necessary applications, filings and amendments required by SAFE. However, we cannot provide any assurances that all of our beneficial owners who are PRC residents will continue to make, obtain or amend any applicable registrations or approvals required by these SAFE regulations. The failure or inability of our PRC resident beneficial owners to comply with the registration procedures set forth therein may subject us to fines and legal sanctions, restrict our cross-border investment activities, or limit our ability to contribute additional capital into our PRC subsidiaries, or limit our PRC subsidiaries' ability to pay dividends or make other distributions to our company or otherwise adversely affect our business. Moreover, failure to comply with the SAFE registration requirements could result in liability under PRC laws for evasion of foreign exchange restrictions.

Regulations on Overseas Offering and Listing

On July 6, 2021, the PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of the regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On, the NDRC and the Ministry of Commerce jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version), which became effective on, and further amended in 2024. Pursuant to these administrative measures, if a domestic company engaging in the prohibited business stipulated in the negative list seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company shall not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the regulations on the domestic securities investments by foreign investors.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report their information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. If the issuer meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; (ii) its major operational activities are carried out in China or its main places of business are located in China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or are domiciled in China; and (iii) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and where an issuer makes an application for listing in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that the domestic companies that have already been listed overseas on or before the effective date of the Overseas Listing Trial Measures (i.e., March 31, 2023) shall be deemed as existing issuers. These existing issuers are not required to complete the filing procedures, and they shall be required to file with the CSRC when subsequent matters such as refinancing are involved.

According to the Overseas Listing Trial Measures, an overseas listed company shall file with the CSRC within three business days after the completion of its subsequent securities offering on the same market, and an overseas listed company shall file with the CSRC within three business days after its application of offering and listing on a different market. If an overseas listed company purchases PRC domestic assets through a single or multiple acquisitions, share swaps, shares transfers or other means, and such purchase constitutes direct or indirect listing of PRC domestic assets, a filing with the CSRC is also required. In addition, an overseas listed company is required to report to the CSRC the occurrence of any of the following material events within three business days after the occurrence and announcement thereof: (i) a change of control of the listed company; (ii) the investigation, sanction or other measures undertaken by any foreign securities regulatory agencies or the competent authorities in respect of the listed company; (iii) a change of listing status or transfer of listing segment; and (iv) the voluntary or mandatory delisting of the listed company. If there is any material change of the principal business of the listed company after the overseas offering and listing so that the listed company is no longer required to file with the CSRC, it shall file a specific report and a legal opinion issued by a domestic law firm to the CSRC within three business days after the occurrence hereof.

On February 24, 2023, the CSRC, together with the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration of China, issued the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, which came into effect on March 31, 2023. These rules reiterate that working papers produced in the PRC by securities companies and securities service providers for direct and indirect international offering and listing by domestic companies, should be retained in mainland China, and, without prior approval by competent authorities of mainland China, such working papers shall not be brought, mailed or otherwise transferred to recipients outside of mainland China. Furthermore, the rules establish a cross-border regulatory cooperation mechanism as prescribed in the PRC Securities Law and strengthen cross-border regulatory cooperation as prescribed in the Overseas Listing Trial Measures, which shifts the overall direction of cross-border supervision of international offering and listing from a “dominated by domestic regulators or depend on the conclusions of inspections by domestic regulators” approach to a “cross-border regulatory cooperation” mechanism.

The rules provide that, among other things, (i) in relation to the international offering and listing activities of domestic enterprises, the domestic enterprises are required to strictly comply with the requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities; (ii) during the course of an international offering and listing, if a domestic enterprise needs to publicly disclose or provide to securities companies, accounting firms or other securities service providers and international regulators, any materials that contain the state secrets, work secrets of government agencies or that have a sensitive impact (i.e., be detrimental to national security or the public interest if divulged), the domestic enterprise should complete the approval/filing and other regulatory procedures; and (iii) working papers produced in mainland China by securities companies and securities service institutions, which provide domestic enterprises with securities services during their international issuance and listing, should be stored in mainland China, and the transmission of all such working papers to recipients outside of mainland China is required to be approved by competent authorities of mainland China.

C. *Organizational Structure*

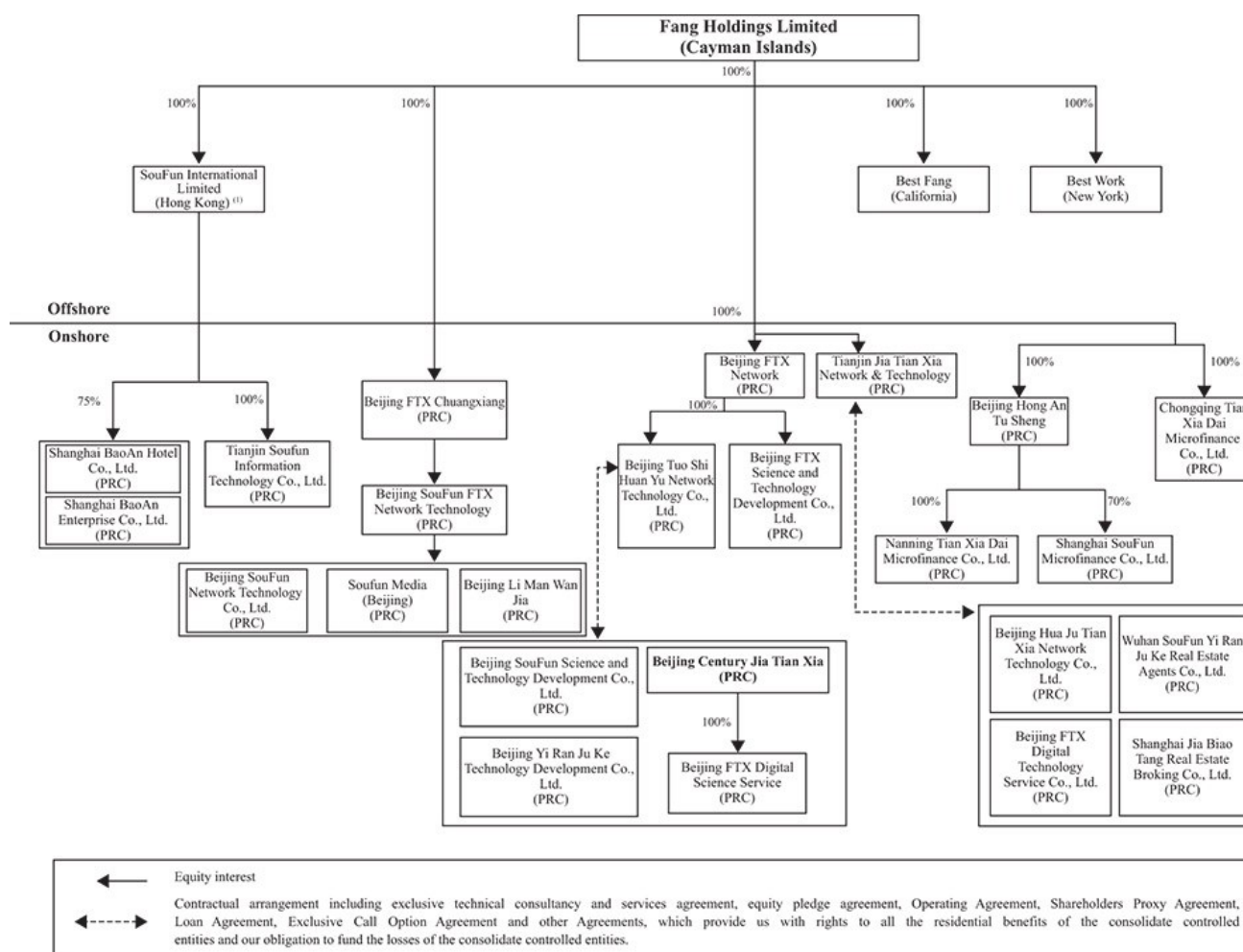
We conduct substantially all of our operations in China through our PRC subsidiaries and consolidated controlled entities. For more information regarding the contractual arrangements among our PRC subsidiaries and consolidated controlled entities, see “*Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Structure Contracts.*”

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The following is a list of our principal subsidiaries and consolidated controlled entities as of the date of this annual report:

Company name	Place of Establishment	Principal Activities
Beijing SouFun Network Technology Co., Ltd. (“SouFun Network”)	PRC	Provision of technology, leads generation and information consultancy services
Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”)	PRC	Provision of marketing services, leads generation services and listing services
Beijing Fangtianxia Technology Development Co., Ltd. (“Beijing FTXTechnology”)	PRC	Provision of technology, leads generation and listing services
Xinjiang Tuo Shi Huan Yu Network Technology Co., Ltd.	PRC	Provision of technology, leads generation and listing services
Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (“Beijing TuoShi”)	PRC	Provision of technology, leads generation and information consultancy services
Beijing Yi Ran Ju Ke Technology Development Co., Ltd. (“Beijing Yi Ran Ju Ke”)	PRC	Provision of marketing services, rental services, leads generation services and real estate agency services
Beijing Hua Ju Tian Xia Network Technology Co., Ltd. (“Beijing Hua Ju Tian Xia”)	PRC	Provision of technology and information consultancy services
Beijing FTX Digital Technology Service Co., Ltd (previously known as Beijing Tianxia Dai Information service Co., Ltd.)	PRC	Provision of finance information services
Shanghai SouFun Microfinance Co.,Ltd. (“Shanghai SouFun Microfinance”)	PRC	Provision of Microfinance services
Nanning Tian Xia Dai Microfinance Co., Ltd (“Beihai Tian Xia Dai Microfinance”)	PRC	Provision of microfinance services
Company name	Place of Establishment	Principal Activities
Shanghai BaoAn Enterprise Co., Ltd. (“Shanghai BaoAn Enterprise”)	PRC	Lease, resale and management of property
Shanghai BaoAn Hotel Co., Ltd. (“ShanghaiBaoAn Hotel”)	PRC	Operation and management of hotel, restaurant and other catering business
Chongqing Tian Xia Dai Microfinance Co., Ltd (“Chongqing Tian Xia Dai Microfinance”)	PRC	Provision of microfinance services
Best Fang Holdings LLC	United States of America	Investment holding
Best Work Holdings (New York) LLC (“Best Work”)	United States of America	Investment holding

The following diagram illustrates our corporate structure including our principal subsidiaries and consolidated controlled entities as of the date of this annual report.



* The diagram above omits the names of subsidiaries and consolidated controlled entities that are insignificant individually and in the aggregate.

- (1) Each of Shanghai BaoAn Enterprise and Shanghai BaoAn Hotel is owned as to 25.0% by Shanghai China Index, one of our consolidated controlled entities.
- (2) Shanghai SouFun Microfinance is owned as to 20.0% by Beijing Technology and as to 10.0% by Beijing JTX Technology, both of which are our consolidated controlled entities.
- (3) Shanghai JBT Real Estate Broking is owned as to 30.0% by Beijing Jia Tian Xia Advertising Co., Ltd. which is our consolidated controlled entity.

Contractual Agreements that Provide Us with Effective Control over the variable interest entities and agreements that Transfer Economic Benefits of the variable interest entities to Us

See “Item 4. Information on the Company” and in “Item 7. Major Shareholders and Related Party Transactions” and elsewhere in this annual report.

D. *Property, Plant and Equipment*

See “Item 4.B. Information on the Company—Business Overview—Facilities.”

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our consolidated financial statements and their related notes included elsewhere in this annual report. This discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. See “Forward-Looking Statements.” In evaluating our business, you should carefully consider the information provided under “Item 3.D. Key Information—Risk Factors.” We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

A. *OPERATING RESULTS*

Overview

We believe we operate a leading real estate Internet portal in China in terms of the number of page views and visitors to our websites in 2024. Our user-friendly websites and mobile apps support active online communities and networks of users seeking information on, and services for, the real estate and home-related sectors in China. Our service offerings include:

- *Marketing services:* We offer advertisement services via our online platform to real estate developers in the marketing phase of new property developments.
- *Listing services:* We offer listing services via our online platform to real estate developers, real estate agents and brokers, and property managers to allow them to post information related to properties on our online platform.
- *Leads generation services:* Our leads generation services connect our customers with scattered demand for real estate and home furnishing and improvement-related services by extending their reach and visibility from a limited number of local consumers to a large number of users and user communities on our online platform to generate sales leads for our customers.
- *Financial services:* We provide financial services primarily through our offline micro loan subsidiaries. We provide primarily secured consumer loans to individuals that meet our credit assessment requirements. We launched financial services in 2014.
- *Other services:* Our other services include granting licenses to certain local agencies to utilize our brand and backend systems for real estate marketing services, enabling them to operate in their local markets. This arrangement allows us to expand our market presence while generating revenue through these licensing agreements.

We have built a large and active community of users who are attracted by the comprehensive real estate and home-related content available on our portal that forms the foundation of our service offerings. According to our own records, in the fourth quarter of 2024, our websites, including www.fang.com, received a monthly average of approximately 20 million unique visitors and generated a monthly average of approximately 30 million website visits. We currently maintain approximately 43 offices to focus on local market needs.

Our revenues, net loss from operations attributable to our shareholders in 2024 were US\$30.7 million and US\$28.8 million, respectively. Marketing, listing, leads generation, financial, and other services accounted for 36.0%, 15.3%, 26.1%, 16.2% and 6.4%, respectively, of our revenues in 2024.

Key Operating and Financial Performance Metrics

We monitor the key operating and financial performance metrics set forth in the tables below to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts and assess our operational efficiencies.

Selected Metrics	Year Ended December 31,		
	2022	2023	2024
Average monthly unique visitors (million)*(1)	41	28	23
Average monthly mobile unique visitors (million)*(2)	32	22	18

* Source: Internal records for data in 2022, 2023 and 2024

(1) Refers to the number of combined average monthly unique visitors for our websites, mobile apps and WAP websites, which includes the number of average monthly mobile unique visitors.

(2) Refers to the number of combined average monthly unique visitors for our mobile apps and WAP websites.

Factors Affecting Our Results of Operations

Economic growth in China and in the PRC real estate market

We conduct substantially all of our business and operations in China. Accordingly, our results of operations have been, and are expected to continue to be, affected by the general performance of China's economy. As a leading real estate Internet portal, our financial results have also been affected by the performance of the real estate and home furnishing and improvement sectors in China. Following a slower-than-anticipated recovery in 2023 after the lifting of COVID-19 restrictions, the challenges facing the PRC real estate market persisted and potentially intensified in 2024. Factors such as continued subdued consumer confidence, widespread financial pressure on property developers, and adjustments in market supply and demand dynamics continued to significantly weigh on the industry throughout the year ended December 31, 2024. While government policies aimed at stabilizing the market were introduced, their effects may take time to materialize, and the overall market conditions remained challenging. This environment negatively impacted transaction volumes for both new and secondary properties, as well as related sectors like home furnishing and improvement. For additional discussion of these and other risks, please refer to "Item 3.D. Key Information—Risk Factors—Risks related to our business."

Growth in China's Internet and online marketing sectors

We are an Internet portal company and a majority of our revenues are generated from our marketing, listing and leads generation services. As such, our results of operations are heavily dependent on the successful and continued development of China's Internet and online marketing sectors. The Internet has emerged as an increasingly attractive and cost-effective advertising channel in China, especially as the number of Internet users, disposable income of urban households and network infrastructure in China have increased.

Performance of certain geographic areas and urban centers in China

A substantial portion of our revenues are concentrated in China's major urban centers including Beijing, Shanghai, Chongqing, Wuhan, Guangzhou and Tianjin. Although our percentage of revenues from these eight urban centers has decreased as we expanded our operations elsewhere in China, we expect customers in these cities to continue to represent a significant portion of our revenues in the near term. We may also expand into new geographic areas and sectors. As of December 31, 2024, we had established real estate-related content, search services, marketing and listing coverage of 658 cities across China. The financial performance of newly penetrated cities will have a substantial impact on our results of operations as we expand into new markets, as we may incur significant additional operating expenses, including hiring new sales and other personnel, in order to expand our operations.

Competition in China's online real estate and home-related Internet services

We face competition from other companies in each of our primary business activities. In particular, the online real estate and home-related Internet service market in China has become increasingly competitive, and such competition may continue to intensify in the future. As the barriers to entry for establishing Internet-based businesses are typically low, it is possible for new entrants to emerge and rapidly scale up their operations. We expect additional companies to enter the online real estate and home-related Internet service industry in China and a wider range of online services in this area to be introduced.

We anticipate to face additional competition as we develop and offer new services. For example, we launched our leads generation services in late 2017. Some of our customers offer the same or similar services. Accordingly, we may face competition from these customers. In addition, such competition may adversely affect our relationships with these customers and our business.

PRC regulations affecting the Internet, online marketing, real estate and financing industries

The Internet, online marketing, real estate and financing industries in China are heavily regulated. PRC laws, rules and regulations cover virtually every aspect of these industries, including entry into the industry, the scope of permissible business activities and foreign investment. The PRC government also exercises considerable direct and indirect influence over these industries by imposing industry policies and other economic measures. Many of these regulations have recently been implemented and are expected to be refined and adjusted over time. Moreover, the PRC government regulates interest rates, real estate transaction taxes and the acquisition and ownership of real estate. It also regulates Internet access and the distribution of news, information or other content, as well as products and services, through the Internet. The PRC government also levies business taxes, value-added taxes, surcharges and cultural construction fees on advertising-related sales in China, such as sales of our marketing, listing, leads generation, financial and other services. In addition, because certain of our PRC subsidiaries and consolidated controlled entities currently qualify as "high and new technology enterprises" or "Software Enterprise", they enjoy tax holidays or lower rates from the relevant PRC tax authorities or under local governmental policies. If we were to lose such preferential tax treatment, we would be subject to a higher enterprise income tax rate, which would have a material adverse effect on our financial condition, results of operations and profitability. See "Item 4.B. Information on the Company—Business Overview—Regulation." Political, economic and social factors may also lead to further policy refinement and adjustments. The imposition of new laws and regulations, or changes to current laws and regulations, could have a material impact on our business, financial condition and results of operations.

Our ability to grow financial services while maintaining effective risk management

We began to offer financial services in the third quarter of 2014. We offer secured entrusted loans, mortgage loans as well as unsecured loans to property buyers and other borrowers and charge interest, service fees, and guarantee fees. As of December 31, 2024, we had loans receivable with a net balance of US\$37.5 million. The lending market has historically been dominated by commercial banks and other financial institutions. Compared with these market participants, we have significantly less experience in managing the lending business. The growth of our financial services will depend on our ability to develop attractive loan products and services and manage related credit risk.

Basis of Presentation

Due to legal restrictions on foreign ownership and investment in, among other areas, value-added telecommunication services, we, similar to all other entities with foreign-incorporated holding company structures operating in our industry in China, operate our websites and mobile apps and provide such services in China through contractual arrangements with our consolidated controlled entities. The equity interests of the consolidated controlled entities are held directly or indirectly by Mr. Mo, our founder and executive chairman, together with Mr. Jiangong Dai and Mr. Jianning Dai, but the effective control of the consolidated controlled entities has been transferred to us through a series of Structure Contracts. We have funded these consolidated controlled entities' paid-in capital by extending loans to Mr. Mo, Mr. Jiangong Dai and Mr. Jianning Dai. Pursuant to the terms of the Structure Contracts, we are obligated to bear substantially all of the risk of losses from our consolidated controlled entities' activities and are entitled to receive substantially all of their profits, if any. See "Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Structure Contracts" and our consolidated financial statements included elsewhere in this annual report.

Based on these Structure Contracts, we believe that, notwithstanding our lack of equity ownership, the arrangements provide us with effective control over our consolidated controlled entities. Accordingly, the financial results of these entities are included in our consolidated financial statements.

We refer to our consolidated controlled entities as PRC entities we control through contractual arrangements together with their subsidiaries, or the PRC Domestic Entities and the PRC Domestic Entities' subsidiaries in our consolidated financial statements and related notes included elsewhere in this annual report.

Components of our Results of Operations

Revenues

We derive our revenues from marketing services, listing services, leads generation services, financial services, and other services.

Marketing Services

Our marketing service revenues consist of revenues mainly derived from the advertising services provided by our new home businesses. We offer marketing services on our websites and mobile apps, primarily through banner advertisements, floating links, logos, and other media insertions. Our marketing services are available to real estate developers, real estate brokers, and suppliers of home furnishing and improvement-related products and services. Marketing services allow our customers to place advertisements in specific areas on our websites or mobile apps, in specific formats, and for specific durations.

Listing Services

Our listing services are targeted at real estate agents, brokers, developers, property owners, property managers and others seeking to sell or rent new and secondary properties and allow visitors to our websites and mobile apps to search for product suppliers and service providers in China's home furnishing and improvement sector. Revenues from listing services are predominantly derived from our secondary and rental business.

Leads Generation Services

We provide leads generation services to real estate developers, real estate brokers, and to a lesser extent, suppliers of home furnishing and improvement-related products and services by connecting our customers with scattered demand for real estate and home furnishing and improvement-related services. We charge the service fee based on the number of sales leads we delivered during a certain period of time.

Financial Services

Our revenues from financial services consist of interest income and service fees from primarily secured consumer loans to individuals that meet our credit assessment requirements.

Other Services

We grant licenses to certain local agencies to use our brand and backend systems for real estate marketing, generating additional revenue through these agreements.

Cost of Revenues

Our cost of revenues includes cost of services. Cost of services primarily includes staff costs, tax surcharges, rental costs related to server and bandwidth leasing fees and other direct costs incurred in providing the related services. Staff costs encompass salaries and benefits for our editorial staff, customer service personnel, personnel dedicated to servicing and designing websites and mobile apps for our customers, and brokerage personnel. Cost of revenues also includes share-based compensation expenses related to share options and other share-based compensation granted to our editorial and production staff. In 2022, 2023 and 2024, our cost of revenues represented 15.2%, 15.8% and 18.6% of our revenues, respectively.

Operating Expenses

Our operating expenses consist of selling expenses and general and administrative expenses.

Selling Expenses

Our selling expenses primarily consist of staff costs, such as salaries and benefits paid to personnel in the sales and distribution department, operating lease expenses, which include rental expenses related to selling and distribution, traveling and communication expenses, office expenses, and advertising and promotion expenses, including fees we pay to other Internet portals to promote and increase traffic to our websites and mobile apps. Selling expenses also include other expenses incurred in relation to our selling and distribution activities and share-based compensation expenses related to share options and other share-based compensation granted to our sales and marketing personnel.

General and Administrative Expenses

General and administrative expenses primarily consist of staff costs, such as salaries and benefits paid to our management and general administrative, product, and development personnel, credit loss expenses related to uncollectible accounts and loans receivable, office expenses, communication expenses, professional service fees, and other expenses related to general and administrative functions, as well as maintenance expenses. Our general and administrative expenses also include share-based compensation expenses related to share options and other compensation granted to our general administrative, technical, and research personnel.

Impairment of Long-lived Assets

Our impairment charges relate to the land and real estate we hold in mainland China and the United States. We monitor broader property-market conditions, such as shifts in economic activity, changes in credit availability, policy adjustments, and overall transaction liquidity, and reassess carrying values when these factors indicate a sustained change in market outlook. When warranted, we record a non-cash charge to reflect current market expectations for these properties. The timing and level of such charges may vary with macroeconomic trends and sector sentiment.

Taxation

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions where we, our subsidiaries or our consolidated controlled entities are domiciled or have operations.

Cayman Islands

Under the current laws of the Cayman Islands, the Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

British Virgin Islands

Under the current laws of the British Virgin Islands, or BVI, all dividends, interests, rents, royalties, compensations and other amounts paid by subsidiaries incorporated in the BVI to persons who are not residents in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of subsidiaries incorporated in the BVI by persons who are not residents in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not residents in the BVI with respect to any shares, debt obligation or other securities of companies incorporated in the BVI.

All instruments relating to transfers of property to or by subsidiaries incorporated in the BVI and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from payment of stamp duty in the BVI. This assumes that such subsidiaries incorporated in the BVI do not hold an interest in real estate in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to subsidiaries incorporated in the BVI.

HongKong

Under the Hong Kong tax laws, subsidiaries are subject to a Hong Kong profits tax rate of 16.5% and are exempt from income tax on foreign-derived income. Additionally, there are no withholding taxes on the remittance of dividends. A two-tiered profits tax regime was introduced in 2018, where the first HK\$2 million of assessable profits earned by a company will be taxed at half of the current rate (8.25%), while the remaining profits will continue to be taxed at 16.5%. This regime aims to reduce the tax burden on small and medium-sized enterprises. An anti-fragmentation measure requires each group to nominate only one company to benefit from the progressive rates. No provision for Hong Kong profits tax has been made in the financial statements, as the subsidiaries in Hong Kong did not have assessable profits for the three years ended December 31, 2024.

United States

The Tax Act, enacted in December 2017, brought significant changes to U.S. tax laws, including a reduction of the statutory tax rate from 35% to 21% effective from 2018 onwards. This change required us to re-measure our deferred tax balances to reflect the lower rate applicable in future periods. Additionally, the Tax Act introduced the global intangible low-taxed income (“GILTI”) regime, which imposes a tax on certain offshore earnings at an effective rate of 10.5% for tax years beginning after December 31, 2017, and increasing to 13.125% for tax years beginning after December 31, 2025. Although these adjustments were made to align with the revised U.S. tax environment, the overall impact on our tax position in the U.S. remains moderate, given the nature of our operations. We continue to monitor ongoing regulatory changes and adjust our tax strategies accordingly.

Singapore

Our Singapore-incorporated subsidiary does not conduct any substantive operations of its own. No provision for Singapore profits tax has been made in the financial statements as this entity has no assessable profits for the three years ended December 31, 2024.

China

In March 2007, a new enterprise income tax law in China was enacted and then amended in February 2017 and December 2018. The New EIT Law applies a unified 25% enterprise income tax, or EIT, rate to both foreign invested enterprises and domestic enterprises, unless a preferential EIT rate is otherwise stipulated. On April 14, 2008, relevant governmental regulatory authorities issued the Administrative Measures for Certification of High and New Technology Enterprises which was amended in January 2016. High and New Technology Enterprise, or HNTE, status under the New EIT Law would entitle qualified and approved entities to a favorable EIT tax rate of 15%. The SAT issued Circular No. 203 in April 2009 and Circular 24 in June 2017 stipulating that entities which qualified for the HNTE status should apply with competent tax authorities to enjoy the reduced EIT rate of 15% provided under the New EIT Law starting from the year when the new HNTE certificate becomes effective. The HNTE certificate is effective for a period of three years and can be renewed for another three years. Subsequently, an entity needs to re-apply for the HNTE status in order to enjoy the preferential tax rate of 15%.

As of December 31, 2024, we obtained HNTE certificates for Beijing Technology, Beijing Tuoshi and Beijing FTX Technology, allowing these subsidiaries to benefit from the preferential tax rate of 15%. The HNTE certificates for each subsidiary have varying validity periods: Beijing Technology (2024 to 2026), Beijing Tuoshi (2022 to 2024), Beijing FTX Technology (2023 to 2025).

If any entities fail to maintain the HNTE qualification under the New EIT Law, they will no longer qualify for the preferential tax rate of 15%, which could have a material and adverse effect on our results of operations and financial position provided that they do not qualify for any other preferential tax treatment. Historically, the abovementioned PRC subsidiaries have successfully obtained or renewed their HNTE certificates when the previous certificates had expired.

Dividends paid by our PRC subsidiaries out of the profits earned after December 31, 2007 to non-PRC tax resident investors are subject to PRC withholding tax. The withholding tax on dividends is 10%, unless a foreign investor's tax jurisdiction has a tax treaty with the PRC that provides a lower withholding tax rate and the foreign investor is recognized as the beneficial owner of the income under the relevant tax rules.

Moreover, the New EIT Law treats enterprises established outside of China but managed and controlled in China as PRC resident enterprises for tax purposes. The term "effective management and control" is generally defined as exercising overall management and control over the business, personnel, accounting, properties, and other operations of an enterprise. Our company, if classified as a PRC resident enterprise for tax purposes, would be liable for PRC EIT at the rate of 25% on our worldwide income for the period after January 1, 2008. As of December 31, 2022, 2023 and 2024, we had not accrued PRC tax on this basis.

Critical Accounting Policies And Estimate

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosure of contingent assets and liabilities on the date of each set of financial statements and the reported amounts of revenues and expenses during each financial reporting period. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates and assumptions is an integral component of the financial reporting process, actual results could differ from those estimates and assumptions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically could materially impact the consolidated financial statements. We believe the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements. The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included elsewhere in this annual report.

Impairment of Long-Lived Assets

We evaluate long-lived assets or asset groups with finite lives for impairment when events or changes in circumstances indicate that their carrying amounts may not be fully recoverable. This assessment requires judgment in identifying the appropriate asset group at the lowest level of largely independent cash flows and in determining whether indicators of impairment exist, such as deterioration in operating performance, adverse changes in market demand or the business environment, changes in expected use, or plans for disposal.

If indicators of impairment are identified, we estimate the future undiscounted cash flows expected from the use and eventual disposition of the asset group and compare those cash flows to its carrying amount. This analysis involves assumptions about future revenue, utilization, operating margins, capital expenditure requirements and residual values, which are inherently subjective. When the carrying amount is not recoverable, any impairment loss is measured as the excess of the carrying amount over fair value, which is generally determined using discounted cash flow or market-based valuation techniques that require further assumptions such as discount rates and market-based yields. Because these estimates involve significant judgment and are sensitive to changes in assumptions and market conditions, changes in these estimates or differences between actual results and our assumptions could materially affect the carrying values of our long-lived assets, the related depreciation and impairment charges, and, as a result, our results of operations.

Fair Value Measurement of Long-Term Investments

We hold certain long-term equity investments that are measured at fair value on a recurring basis, including investments for which we have elected the fair value option. Fair value is determined in accordance with ASC 820, which requires the use of observable and unobservable inputs and classification within a three-level fair value hierarchy. Because many of these investments do not have quoted prices in active markets, their fair values are often based on Level 3 measurements and involve significant judgment.

In estimating the fair value of these investments, we typically apply market and income approaches, including the use of valuation multiples of comparable companies or discounted cash flow analyses. These valuation techniques require assumptions about projected revenue and profitability, discount rates, market multiples, expected exit strategies and, where relevant, liquidity or control premiums and discounts. Because these fair value measurements rely on significant unobservable inputs and management judgment, changes in these inputs or differences between estimated and actual performance of the investees could materially increase or decrease the reported fair values of our long-term investments and the related gains or losses recognized in our results of operations.

Revenue Recognition

We adopted the revenue recognition standards, or ASC 606, effective January 1, 2018. We recognize revenue upon the satisfaction of our performance obligations in an amount that reflects the consideration we expect to receive in exchange for goods or services, excluding amounts collected on behalf of third parties, such as value-added taxes. For performance obligations satisfied over time, we recognize revenue by measuring progress toward complete satisfaction of those obligations. If a performance obligation is not satisfied over time, it is recognized at a point in time.

Contracts with customers often involve multiple products and services. We account for individual performance obligations separately if they are distinct and capable of being separately identifiable within the contract context. Determining whether products and services are distinct requires significant judgment. Additionally, judgment is necessary to determine the stand-alone selling price (SSP) for each distinct obligation. When SSP is not directly observable, we determine it using information that may include market conditions and other relevant inputs.

In addition, our revenues are presented net of value-added tax collected on behalf of governments starting from January 1, 2018. We have elected to adopt the practical expedient for incremental costs to obtain a contract with a customer, with amortization periods of one year or less to be recorded in selling and marketing expenses when incurred. We have elected the practical expedient not to disclose the information about remaining performance obligations which are part of the contracts that have an original expected duration of one year or less.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable represent amounts due from real estate property sellers, buyers, and agents arising in the ordinary course of business, net of an allowance for credit losses. Effective January 1, 2020, the Company adopted ASC 326, Financial Instruments - Credit Losses, which introduced the current expected credit loss (“CECL”) model. The adoption of ASC 326 did not have a material impact on the Company’s financial statements.

Under ASC 326, the Company evaluates its accounts receivable on a regular basis and establishes an allowance for credit losses based on the amount expected to be collected. This allowance reflects management’s estimate of expected credit losses, taking into account historical collection patterns, the nature of the receivables, and prevailing economic conditions, including forecasts of future conditions that may affect the customers’ ability to pay. The allowance is determined by segmenting accounts receivable based on common credit risk characteristics and applying an expected loss rate derived from historical experience, adjusted for management’s judgment regarding the impact of current and forecasted economic factors.

Loans Receivable and Allowance for Credit Losses

Loans receivable consists primarily of consumer microloans to individuals that have passed our credit assessment. These loans are recorded at their principal amount, less an allowance for credit losses, as of the balance sheet date. Loan periods extended to borrowers generally range from 0.5 to 36 months.

Starting from January 1, 2020, the Company adopted ASC 326, which introduced the CECL model. Under this model, we estimate the allowance for credit losses based on expected lifetime credit losses for the entire loans receivable portfolio, considering past collection experience, current and future economic conditions, and changes in customer payment trends. The adoption of ASC 326 did not have a material impact on our financial statements, and no retrospective adjustments were required.

The allowance for credit losses is assessed on a collective basis, grouping loans with similar risk characteristics. The allowance estimate is driven by key risk factors, such as probability of default and loss given default, primarily based on historical loss rates adjusted for current and projected economic conditions. We also incorporate relevant observable data, including macroeconomic trends and shifts in credit quality indicators.

The Company performs quarterly evaluations of the adequacy of the allowance for credit losses. We believe that our estimates, which may include qualitative adjustments, are reasonable, considering available information, past events, current conditions, and reasonable and supportable forecasts of future economic conditions.

Income Taxes

We follow the liability method of accounting for income taxes, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards, if any. We reduce carrying amounts of deferred tax assets by a valuation allowance, if, based on the available evidence, it is “more-likely-than-not” that such assets will not be realized. Accordingly, we assess the need to establish valuation allowances for deferred tax assets at each reporting period based on a “more-likely-than-not” realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards, if any, not expiring.

We apply ASC 740, “Income Taxes,” to address uncertainties in income taxes. In accordance with ASC 740, we recognize the impact of a tax position in our financial statements if it is considered likely to prevail based on the relevant facts and technical merits. Tax positions that meet the recognition threshold are typically measured at an amount reflecting a likelihood of realization.

Our estimated liability for unrecognized tax benefits, included in “other non-current liabilities,” is periodically assessed for adequacy and may be influenced by changing interpretations of laws, rulings from tax authorities, and developments in tax audits. The outcome of any specific audit cannot be determined with certainty until its conclusion, and actual benefits realized may differ from estimates. Adjustments, if necessary, are recorded in our financial statements as audits conclude. Additionally, changes in facts or new information may lead us to revise our estimates regarding individual tax positions, with any adjustments recognized in the period they occur.

Interest and penalties related to underpayment of income taxes are calculated in accordance with applicable tax laws. The interest expense is determined by applying the relevant statutory interest rate to the difference between the recognized tax position and the amounts previously reported or expected to be reported in a tax return. Interest and penalties recognized in line with ASC 740 are classified in our consolidated statements of comprehensive income (loss) as part of income tax expense.

Recent Accounting Pronouncements

A list of recent relevant accounting pronouncements is included in Note 2 “Summary of Principal Accounting Policies” of our consolidated financial statements.

Results of Operations

The following table sets forth selected financial data from our consolidated statements of comprehensive income (loss) for the periods indicated.

	For the Years Ended December 31,					
	2022		2023		2024	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(US\$ in thousands, except percentage)					
Revenues:						
Marketing services	37,187	46.2 %	16,722	33.4 %	11,032	36.0 %
Listing services	13,105	16.3 %	7,749	15.5 %	4,693	15.3 %
Leads generation services	15,760	19.6 %	13,499	27.0 %	7,996	26.1 %
Financial services	9,716	12.1 %	4,572	9.1 %	4,964	16.2 %
Other services	4,713	5.9 %	7,473	15.0 %	1,991	6.4 %
Total revenues	80,481	100.0 %	50,015	100.0 %	30,676	100.0 %
Cost of revenue:						
Cost of services	(12,267)	(15.2)%	(7,909)	(15.8)%	(5,708)	(18.6)%
Total cost of revenues	(12,267)	(15.2)%	(7,909)	(15.8)%	(5,708)	(18.6)%
Gross profit	68,214	84.8 %	42,106	84.2 %	24,968	81.4 %
Operating income (expenses):						
Selling expenses	(30,783)	(38.2)%	(19,603)	(39.2)%	(15,086)	(49.2)%
General and administrative expenses	(27,174)	(33.8)%	(51,569)	(103.1)%	(35,840)	(116.8)%
Impairment of long-lived assets	—	—	(151,097)	(302.1)%	(55,058)	(179.5)%
Reverse of (provision for) credit loss and recovery of previously written-off receivables	(50,335)	(62.5)%	(30,389)	(60.8)%	41,280	134.6 %
Other income, net	103	0.1 %	4,633	9.3 %	5,320	17.3 %
Operating loss	(39,975)	(49.7)%	(205,919)	(411.7)%	(34,426)	(112.2)%
Foreign exchange gain	1,222	1.5 %	126	0.3 %	488	1.6 %
Interest income	6,854	8.5 %	5,958	11.9 %	4,201	13.7 %
Interest expense	(10,765)	(13.4)%	(8,081)	(16.2)%	(9,658)	(31.5)%
Change in fair value of securities	828	1.0 %	(1,523)	(3.0)%	(2,853)	(9.3)%
Government grants	1,523	1.9 %	254	0.5 %	193	0.6 %
Investment income (loss), net	523	0.6 %	2,100	4.2 %	(1,435)	(4.7)%
Loss before income taxes	(39,790)	(49.4)%	(207,085)	(414.0)%	(43,490)	(141.8)%
Income tax benefit (expenses)	(35,772)	(44.4)%	27,364	54.7 %	14,734	48.0 %
Net loss	(75,562)	(93.9)%	(179,721)	(359.3)%	(28,756)	(93.7)%

Revenues

Our total revenue decreased by 38.7% year-over-year in 2024, following a 37.9% decline in 2023 compared to 2022. The decline over these three years reflects significant reductions across most service lines, particularly in marketing services, listing services, and leads generation services. Financial services saw growth in 2024, providing only a partial offset to the overall decrease in revenue.

Marketing Services. Our marketing service revenue, which is primarily derived from new home business. Marketing services for real estate developers, decreased by 34.0% year-over-year in 2024, following a 55.0% decline in 2023 compared to 2022. The decrease in revenue over these two years was predominantly driven by the continued and deepening downturn across the broader PRC real estate industry.

Throughout 2023 and more visibly in 2024, the sector faced broad challenges. Housing demand remained soft as consumers stayed cautious. Many developers were under financial stress with limited access to funding. The effects of a strict regulatory environment also persisted. These factors reduced demand for our services because developers cut advertising budgets and adopted conservative sales plans. A general wait-and-see approach among buyers kept transactions low, which reduced the need for large marketing campaigns. As the industry moved through a long adjustment period, both developers and buyers remained cautious and cost focused, which continued to weigh on our marketing service revenue in 2024.

Listing Services. Our listing service revenue, primarily generated from real estate agents subscribing to our platform to upload secondary home listings, decreased by 39.4% year-over-year in 2024, following a 40.9% decline in 2023 compared to 2022. This segment continued to underperform relative to our marketing services, reflecting the profound and persistent weakness plaguing the secondary home market throughout 2023 and 2024.

The secondary home market remained weak during the year. Buyer demand was limited amid ongoing economic uncertainty and a general wait-and-see mindset, which kept transactions low. This pressured agents, and many reduced spending on listing subscriptions, scaled back activity, or left the market. In some areas, uneven property prices and tighter mortgage procedures further slowed deals. Taken together, these conditions led to a continued decline in demand for our listing services in 2024.

Leads Generation Services. Our leads generation service revenue, primarily driven by new home projects from real estate developers, decreased by 40.8% year-over-year in 2024, following a 14.3% decline in 2023 compared to 2022. The decline in 2024 reflected continued weakness in the PRC real estate market, particularly impacting new home sales and developer demand for leads generation. Market conditions during the year led developers to adjust their marketing expenditures, including those for acquiring potential buyer leads, in response to factors such as project timelines and sales performance. Buyer activity, including inquiries and site visits, was also affected by prevailing market sentiment, influencing developer demand for these services. A smaller portion of our leads generation services relates to secondary home and rental listings, which also experienced reduced demand. Overall, the revenue decrease in this segment during 2024 was connected to lower transaction volumes and adjustments in developer marketing strategies amidst challenging market conditions.

Financial Services. Our financial service revenue, primarily derived from secured consumer loans to individuals, increased by 8.6% in 2024, following a decrease of 52.9% in 2023 compared to 2022. The increase in 2024 occurred from a lower revenue base established after the significant decline in the prior year. While the overall lending environment remained cautious due to ongoing real estate market challenges, the revenue increase in 2024 reflects factors such as targeted adjustments in our lending activities or changes in the portfolio mix, alongside continued management of existing loan receivables. The decrease in 2023 was mainly attributable to reduced loan origination volumes and lower average loan balances, reflecting adjustments in our credit policies implemented in response to prevailing economic conditions and perceived credit risks within a weaker market environment.

Other Services. Other service revenue, primarily from licensing agreements granting local agencies the use of our brand and backend systems for real estate marketing, decreased by 73.4% year-over-year in 2024. This followed an increase of 58.6% in 2023 compared to 2022. Other service revenue accounted for 5.8%, 15.0%, and 6.4% of our total revenue in 2022, 2023 and 2024, respectively. The significant decrease in 2024 reflects a confluence of factors, including the persistent challenges within the broader real estate market impacting local agency operations, variations in regional partner performance, and potential adjustments to our partnership strategies or focus. The increase observed in 2023 occurred from a lower base in 2022 and may have reflected specific regional dynamics or certain program adjustments during that period, factors which shifted under the evolving market conditions of 2024.

Cost of Revenues

Cost of revenues primarily consists of staff costs, rental costs incurred in relation to server and bandwidth leasing fees and other direct costs incurred in providing the related services. As a percentage of total revenues, our cost of revenues was 15.2%, 15.8% and 18.6% in 2022, 2023 and 2024, respectively.

In 2024, our cost of revenues decreased by 27.8% year-over-year to US\$5.7 million, primarily due to a reduction in staff costs, which declined by approximately US\$1.3 million as we continued to streamline our operations in response to lower business volume. Reductions in servers and bandwidth leasing fees and communication expenses also contributed to the overall decline.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit decreased by 40.7% year-over-year in 2024, following a 38.3% decline in 2023. Our gross margin was 84.8%, 84.2% and 81.4% in 2022, 2023 and 2024, respectively.

Operating Expenses

The following table sets forth our operating expenses, in absolute amount and as a percentage of our total operating expenses, for the periods indicated.

	Year Ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(US\$ in thousands, except percentage)					
Selling expenses	30,783	28.5 %	19,603	7.9 %	15,086	25.4 %
General and administrative expenses	27,174	25.1 %	51,569	20.8 %	35,840	60.3 %
Impairment of long-lived assets	—	—	151,097	60.9 %	55,068	92.7 %
Reverse of (provision for) credit loss and recovery of previously written-off receivables	50,335	46.5 %	30,389	12.3 %	(41,280)	(69.5)%
Other income, net	(103)	(0.1)%	(4,633)	(1.8)%	(5,320)	(8.9)%
Total	108,189	100.0 %	248,025	100.0 %	59,394	100.0 %

Selling Expenses. Our selling expenses decreased by 23.1% in 2024 compared to 2023, following a 36.3% decline in 2023 compared to 2022. The overall decrease over the two-year period was primarily attributable to reductions in staff costs, distribution expenses, and promotional spending, as we streamlined operations and adjusted our marketing activities in response to lower business volume. These cost reductions were part of our broader efforts to manage expenses amid challenging market conditions.

General and Administrative Expenses. Our general and administrative expenses decreased by 30.5% in 2024 compared to 2023, primarily due to our continued cost control efforts and efficiency improvements across functions. In contrast, general and administrative expenses increased by 89.8% in 2023 compared to 2022, primarily due to certain non-recurring items and legal-related costs incurred during the year.

Impairment of long-lived assets. In 2023, we recognized an impairment charge of US\$151.1 million related to certain buildings and land use rights, primarily as a result of the significant downturn in China's real estate market. As market conditions continued to deteriorate in 2024 and projected utilization of these same properties declined further, we identified additional impairment indicators and performed updated recoverability assessments. Based on the results of these assessments, we recorded an incremental impairment charge of US\$55.1 million in 2024 to further write down the carrying values of these assets to their estimated fair values. No such impairment charges were recorded in 2022.

Reverse of (provision for) credit loss and recovery of previously written-off receivables: Amount in 2024 reflected a net reversal of credit losses, primarily because the Company fully recovered certain long-outstanding receivables for which credit loss allowances had been recorded in prior years. By contrast, the amounts in 2023 and 2022 represented net provisions for credit losses on other receivables as credit risk increased on certain counterparties.

Other Income, net. Our other income, primarily derived from net rental income generated by properties we own, in 2024, other income, net increased 14.8% to US\$5.3 million from US\$4.6 million in 2023, primarily reflecting lower property operating expenses and depreciation charges associated with our owned properties. In 2023, other income, net rebounded from US\$0.1 million in 2022 as rental operations recovered and previously idle space was leased.

Interest Income

Our interest income decreased to US\$4.2 million in 2024, compared to US\$6.0 million in 2023 and US\$6.9 million in 2022. The decline was primarily due to a reduction in cash balances following significant debt repayments made during 2022 and 2023.

Interest Expense

Our interest expense increased by 19.5% to US\$9.7 million in 2024 from US\$8.1 million in 2023, primarily due to the impact of new long-term bank borrowings entered into in late 2023 and during 2024, which raised our average outstanding debt for the year. In contrast, interest expense decreased by 25.0% in 2023 from US\$10.8 million in 2022, mainly as a result of continued repayments of bank borrowings during 2022 and 2023.

Change in Fair Value of Securities

The fair value changes of our securities recorded losses of approximately US\$2.9 million in 2024, US\$1.5 million in 2023, and income of US\$0.8 million in 2022. These income and losses primarily reflect the broader market conditions and fluctuations during these years, which influenced the valuation of our investment holdings.

Investment Income, Net

Our investment income primarily consists of the Company's proportionate share of net income or loss from equity method investments, as recognized under the equity method, together with cash distributions and dividends received from certain investees.

Income Tax Expenses

Our effective tax rate was 89.9%, -13.2% and -33.9% in 2022, 2023 and 2024, respectively. In 2024, our effective tax rate was -33.9%, which differed from the statutory income tax rate of 25% due to several factors. These include: (1) non-deductible expenses amounting to US\$15.2 million, and (2) a US\$1.5 million tax benefit from the expiration of loss carryforwards. These factors were partially offset by: (1) a US\$21.8 million reversal of previously unrecognized tax benefits due to the expiration of the applicable statute of limitations, and (2) a US\$0.8 million increase in valuation allowance.

In 2023, our effective tax rate was -13.2%, which differed from the statutory income tax rate of 25% due to several factors. These include: (1) non-deductible expenses amounting to US\$47.1 million, (2) a US\$10.4 million tax benefit from tax holidays or preferential tax rates, and (3) a US\$2.3 million withholding tax payment by our PRC subsidiaries on profit distributions to overseas entities. These were partially offset by: (1) a research and development super deduction benefit of US\$1.8 million and (2) a US\$19.2 million reversal of previously recorded unrecognized tax benefits due to the expiration of the applicable statute of limitations, and (3) a US\$15.3 million decrease in valuation allowance.

In 2022, our effective tax rate was 89.9%, which differed from the statutory income tax rate of 25% due to several factors. These include: (1) non-deductible expenses amounting to US\$9.4 million, (2) a US\$35.9 million withholding tax payment by our PRC subsidiaries on profit distributions to overseas entities, and (3) US\$8.2 million in valuation allowance changes. These were partially offset by: (1) a research and development super deduction benefit of US\$2.5 million, and (2) a US\$7.1 million reversal of previously recorded unrecognized tax benefits because of expiration of statutory limitation.

B. *Liquidity and Capital Resources*

We have consistently managed our liquidity requirements through a combination of cash generated from operations, strategic use of bank borrowings, short-term bonds, and various equity financings. As of December 31, 2024, we maintained cash and cash equivalents of US\$65.1 million, current restricted cash of US\$21.8 million, and short-term investments of US\$58.9 million. These figures compare to US\$86.1 million, US\$4.3 million, and US\$106.5 million, respectively, as of December 31, 2023, reflecting our proactive approach to managing our liquidity amidst evolving market conditions.

The fluctuations in cash and cash equivalents over the past three years primarily reflect changes in our financing and investment activities, including debt repayments and adjustments to our investment portfolio. These movements are consistent with our ongoing efforts to manage liquidity conservatively and maintain flexibility to support business operations under evolving market conditions.

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As of December 31, 2024, our current liabilities were significantly reduced to US\$211.2 million from US\$214.8 million in 2023, driven by a reduction in amount due to related parties. Additionally, our non-current liabilities decreased to US\$280.7 million from US\$348.3 million in 2023, primarily due to the repayment of long-term bank borrowings.

Despite the challenging market conditions, our strong working capital position and prudent financial management practices have ensured that we maintain sufficient liquidity to meet our operational and strategic needs. We believe that our current cash reserves, coupled with our access to capital markets and credit facilities, provide a robust foundation for sustaining our business activities. However, we remain vigilant in monitoring market conditions and may consider additional financing options to further enhance our liquidity if necessary.

Overall, we are confident that our well-balanced liquidity management strategy positions us to navigate any future uncertainties while supporting our ongoing business operations and growth initiatives.

Cash Flows

The following table sets forth information regarding our cash flows for the periods indicated.

	Year Ended December 31,		
	2022	2023	2024
	(US\$ in thousands)		
Consolidated statements of cash flows data			
Net cash (used in) provided by operating activities	(16,061)	(9,991)	3,585
Net cash provided by (used in) investing activities	70,855	(41,851)	13,050
Net cash provided by (used in) financing activities	(340,836)	33,356	(15,333)
Exchange rate effect on cash, cash equivalents and restricted cash	(1,464)	(1,436)	(4,828)
Net decrease in cash, cash equivalents and restricted cash	(287,506)	(19,922)	(3,526)
Cash, cash equivalents and restricted cash at beginning of year	397,865	110,359	90,437
Cash, cash equivalents and restricted cash at end of year	110,359	90,437	86,911

Net Cash (Used in) Provided by Operating Activities

In 2024, we recorded a net cash inflow from operating activities of US\$3.6 million, compared to an outflow of US\$10.0 million in 2023. The cash inflow in 2024 was primarily attributable to a significant decrease in net loss, which declined from US\$179.7 million in 2023 to US\$28.8 million in 2024. In addition, the total amount of non-cash charges for impairment of long-lived assets and provisions for credit losses decreased substantially, from US\$181.5 million in 2023 (US\$151.1 million in impairment charges and US\$30.4 million in credit loss provisions) to US\$35.1 million in 2024 (US\$55.1 million in impairment, partially offset by a US\$20.0 million reversal of credit loss provisions). The lower level of these non-cash adjustments in 2024 reduced the add-backs to net loss when reconciling to net operating cash flow, partially offsetting the positive impact from the reduced net loss. Changes in working capital, including higher prepayments and lower loan collections, also contributed to the continued net outflow.

Net Cash Provided by (Used in) Investing Activities

In 2024, our investing activities generated a net cash inflow of US\$13.1 million, compared to a net cash outflow of US\$41.9 million in 2023. The inflow in 2024 primarily resulted from increased proceeds from the disposal of short-term investments totaling US\$54.6 million, partially offset by continued acquisitions of short-term investment products and property and equipment of US\$6.6 million and US\$4.8 million, respectively. In addition, a net decrease in amounts due to related parties contributed positively to investing cash flow during the year.

In 2023, our investing activities generated a net cash outflow of US\$41.9 million, compared to an inflow of US\$70.9 million in 2022. The outflow in 2023 was primarily driven by the acquisition of short-term investments and an investment of US\$14.5 million in acquiring more equity interests in CIH, as well as a cash payment of US\$56.4 million to CIH, offset by proceeds from the disposal of short-term and equity investments.

Net Cash Provided by (Used in) Financing Activities

In 2024, our financing activities resulted in a net cash outflow of US\$15.3 million, compared to a net inflow of US\$33.4 million in 2023. The outflow in 2024 was mainly attributable to loan and debt repayments of US\$15.3 million, while no new borrowings were raised during the year. In contrast, the inflow in 2023 primarily reflected proceeds from new long-term loans of US\$126.6 million, partially offset by loan and bond repayments of US\$94.6 million.

In 2023, our financing activities resulted in a net cash inflow of US\$33.4 million, mainly due to new long-term borrowings of US\$126.6 million, partially offset by loan and bond repayments of US\$94.6 million. This marked a shift from the significant outflows in 2022, which were US\$340.8 million, primarily driven by large-scale loan repayments.

Capital Expenditures

Our capital expenditures were US\$10.8 million, US\$1.0 million and US\$4.8 million in 2022, 2023 and 2024, respectively. We still have ongoing projects that require capital expenditures, including property construction and development. However, given our current liquidity and overall conditions, we plan to approach future capital spending cautiously. While we anticipate some capital expenditures to support business growth, these investments will be carefully managed.

Inflation

According to the National Bureau of Statistics of China, the change in the consumer price index in China was 2.0%, 0.2% and 0.2% in 2022, 2023 and 2024, respectively. Recent inflation has not had a material impact on our results of operations. However, we cannot assure you that we will not be adversely affected by inflation or deflation in China in the future.

C. *Research and Development, Patents and Licenses, etc.*

We have a team of experienced engineers who are primarily based at our headquarters in Beijing. We recruit most of our engineers locally and have established various recruiting and training programs with leading universities in China. We compete aggressively for engineering talent to help us address challenges such as Chinese language processing, information retrieval and high-performance computing. See “Item 4. B. Information on the Company—Business Overview—Intellectual Property.”

D. *Trend Information*

The most relevant trends affecting our operations relate to the prolonged weakness in China’s real estate market, which has dampened customer marketing budgets, lengthened sales cycles, and increased variability in the performance of certain regional partners. We are continuing to streamline operations and re-prioritize resources toward core service lines, while monitoring cash collections and partner credit risk. In addition, higher average outstanding bank borrowings since late 2023 have increased our interest expense, and exchange-rate movements between the Renminbi and the U.S. dollar may affect our reported results. We also continue to assess evolving regulatory requirements applicable to online marketing and data usage.

As of the date of this report, other than the matters discussed elsewhere in this annual report, including “Item 3.D. Risk Factors,” we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources.

E. *Off-Balance Sheet Arrangements*

We do not currently have any material outstanding off-balance sheet arrangements or commitments. We have no plans to enter into transactions involving, or otherwise form relationships with, unconsolidated entities or financial partnerships established for the purpose of facilitating off-balance sheet arrangements or commitments.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our significant contractual obligations as of December 31, 2024.

	Payment due by period				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Loan principal and interest expense obligation	204,859	48,798	37,168	30,531	88,362
Capital commitments	13,444	13,444	—	—	—
Operating leases	426	296	130	—	—

G. Safe Harbor

See “Forward Looking Statements.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Executive Officers

The following table sets forth certain information relating to our directors and executive officers as of the date of this annual report.

Name	Age	Position
Vincent Tianquan Mo	62	Executive chairman of the board of directors and director
Jian Liu	50	Chief executive officer and director
Shaohua Zhang	63	Independent director
Howard Huyue Zhang	56	Independent director
Changming Yan	62	Independent director
Shihang Dong	35	President
Frank Hua Lei	46	Chief investment officer
Lili Chen	37	Deputy chief financial officer

Vincent Tianquan Mo has served as our executive chairman of our board of directors and director, a member of the nominating and corporate governance committee and the compensation committee of our board of directors since November 1, 2024. Mr. Mo is our founder and previously served as our director and executive chairman of the board of directors from 1999 to February 2022. Prior to founding our company, Mr. Mo held positions as Executive Vice President at Asia Development and Finance Corporation from 1996 to 1998, and as General Manager for Asia at Teleres, a joint venture of Dow Jones & Co. and AEGON US which provides online commercial real estate information services from 1994 to 1996. He holds a bachelor’s degree in engineering from South China University of Technology, a master’s degree of science degree in business administration from Tsinghua University and a master of arts degree and Ph.D. candidate in economics at Indianan University.

Jian Liu has served as our chief executive officer since January 2019 and our director since January 2021. Mr. Liu joined us in April 2000 and was appointed from our chief operations officer to our president on July 1, 2016. Mr. Liu was also our first chief information officer. Prior to joining us, Mr. Liu worked at the information center of Ningbo Economic Committee in Zhejiang Province. Mr. Liu holds a bachelor’s degree in computer science from Ningbo University.

Shaohua Zhang has served as an independent director of our company and a member of our audit committee since August 2018. Mr. Zhang served as an executive director and the general manager of Shun Cheong Holdings Ltd. (currently known as IDG Energy Investment Limited), a company listed on the Hong Kong Stock Exchange (stock code: 0650), from March 2008 to August 2016. He was an independent non-executive director of Shun Cheong Holdings Ltd. from September 2006 to March 2008. Mr. Zhang is an entrepreneur with over 20 years of experience in starting up, developing and managing businesses in various industries. Mr. Zhang founded Beijing Beyondal Electric Co., Ltd. and has been the managing director since 2003, a company with a good market share in setting up internet data centers in China. He also served as the general manager of GE Digital Energy (China). Mr. Zhang received a bachelor’s degree in science from China University of Technology in 1985 and a master’s degree in economics (majoring in business administration) from the Capital University of Economics and Business in 1988.

Howard Huyue Zhang has served as an independent director of our company and a member and the chair of our audit committee since May 2019. Mr. Zhang has also served as a managing director of real estate investment division of CITIC Private Equity Funds Management Co., Ltd., a private equity asset management company in China, since March 2018. Mr. Zhang had served as a managing director at Blackstone Group (HK) Limited, a subsidiary of Blackstone Group L.P. (NYSE: BX), from October 2014 to January 2018. Mr. Zhang was the chief investment officer at Infrared NF Investment Advisers Limited, a Hong Kong-based private equity real estate fund, from 2008 to September 2014, and was responsible for acquisitions in the real estate market of China. He had also worked at Citigroup Property Investors, a principal investment firm based in the United States. Mr. Zhang has extensive real estate investment and asset management experience in the Greater China area and the United States. Mr. Zhang received a bachelor's degree from Tsinghua University in architecture and a master's degree from Massachusetts Institute of Technology in real estate. He is also a chartered financial analyst.

Changming Yan has served as an independent director of our company, a member of the audit committee and the compensation committee of our board of directors, and a member and the chair of the nominating and corporate governance committee of our board of directors since June 2020. Mr. Yan founded Cada Resource International Limited, a company engaged in high-tech development and mineral resource industry, and has been its president since 1996. Mr. Yan also serves as the president of Tsinghua University Alumni Association (Hong Kong). He was the vice chairman of the Western Returned Scholars Association of China from 2008 to 2013. Mr. Yan had been awarded as one of the top ten overseas returned entrepreneurs in China in 2002. Mr. Yan received a bachelor's degree and a master's degree from Tsinghua University in engineering and a master's degree from University of Ottawa in engineering.

Shihang Dong has served as our president since January 2021. Mr. Dong joined our company in 2014 and has since accumulated extensive experience in us. In particular, Mr. Dong has served as the vice president of our company and the general manager of our new home business since 2019 and 2020, respectively.

Frank Hua Lei has served as our chief investment officer since January 2019. Mr. Lei had served as the acting chief financial officer of our company since September 2016 and as our chief financial officer from November 2016 to January 2019. He joined us in 2009 and has accumulated extensive experience across multiple functions in our company. Prior to the recent appointments, Mr. Lei had been the managing director of our company's investment management division and the deputy chief financial officer in 2015 and 2014, respectively. Mr. Lei holds a Ph.D. in finance from University of the West of England in the United Kingdom, a master's degree in banking and finance from Loughborough University in the United Kingdom and a bachelor's degree in economics from Beijing Forestry University in China.

Lili Chen has served as our deputy chief financial officer since January 2024, in charge of financial affairs of our company. Ms. Chen has also served as the deputy chief financial officer of China Index Holdings Limited since January 2021, and previously served as the financial controller of China Index Holdings Limited from January 2018 to December 2020. Ms. Chen served as the director of the Beijing financial management center of our company from 2017 to 2018, a senior financial manager at our company from 2015 to 2016, and a financial manager at our company from 2014 to 2015. Ms. Chen holds both a bachelor's degree and a master's degree in finance from La Trobe University at Melbourne, Australia.

B. Compensation

Compensation of Directors and Executive Officers

Our executive directors and executive officers receive compensation in the form of salaries, annual bonuses and share options. Our independent directors receive annual compensation in connection with the performance of their duties. All directors receive reimbursements from us for expenses necessarily and reasonably incurred by them for providing services to us or in the performance of their duties. We have entered into service contracts with our executive officers. None of these service contracts provide benefits to our directors and executive officers upon termination.

For the year ended December 31, 2024, we paid an aggregate cash compensation of approximately US\$608 (RMB4,323,241) to our directors and executive officers as a group. Other than the statutory benefits that we are required by the PRC law to contribute for each employee, including pension insurance, we have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers.

Share Options

1999 Stock Incentive Plan

At a meeting held on September 1, 1999, our board of directors reserved a total of 12.0% of our fully diluted share capital for issuance upon the exercise of options to be granted to our executive directors, officers and employees or their affiliated entities from time to time. On September 1, 1999, our shareholders approved the stock-related award incentive plan (the “1999 Stock Incentive Plan”). The number of options awarded to a person was based on the person’s potential ability to contribute to our success, the person’s position with us and other factors deemed relevant and necessary by our board of directors. As of the date of this annual report, we had awarded to several of our employees and directors options to purchase 9,708,100 ordinary shares of our company under the 1999 Stock Incentive Plan. As of December 31, 2024, options to purchase 2,738,250 ordinary shares remained outstanding. Options generally do not vest unless the grantee remains under our employment or in service with us on the given vesting date. However, the 1999 Stock Incentive Plan provides that in circumstances where there is a change in the control of our company, if no substitution or assumption is provided by the successor corporation, the outstanding options will automatically vest and become exercisable for a period of 30 days, after which such options will terminate. The termination date for the options granted is 10 years after the date of grant.

a. Standard Stock Options

From September 1, 1999 to September 30, 2006, we awarded standard stock options exercisable to acquire Class A or Class B ordinary shares of our company. All standard stock options were granted to employees and directors and vested over the requisite service periods of three to four years using a graded vesting. The maturity life of the standard stock options was 10 years originally. On April 20, 2010, our board of directors resolved to extend the maturity life of the standard stock option 10 years to 15 years.

From 2001 to 2003, we awarded 1,739,500 standard stock options, classified as liability awards, with exercise prices ranging from HK\$1.00 to HK\$5.00. In April 2010, we agreed with the grantees to modify the Hong Kong dollar exercise currency to U.S. dollars. The modified exercise prices of these options range from US\$0.13 to US\$0.64.

b. Special Stock Options

As of the date of this annual report, we had awarded 18,327,800 special stock options to purchase 9,163,900 ordinary shares to our employees and directors, with exercise prices ranging from US\$1.99 to US\$10.63, since December 31, 2006. Terms for special stock options are the same as standard stock options, except that two special stock options are exercisable into one Class A ordinary share. These special stock options vest 10.0% after the first year of service, 20% after the second year of service, 40.0% after the third year of service and 30.0% after the fourth year of service, except for special stock options granted in September 2010, which vest 20.0% after the first year of service, 20.0% after the second year of service, 30.0% after the third year of service and 30.0% after the fourth year of service. The maturity life of the special stock options is 10 years.

In December 2018, we extended the expiration date of share options to purchase 252,500 ordinary shares granted in 2008 under the 1999 Stock Incentive Plan to certain employees from December 30, 2018 to December 30, 2028. The replacement awards were fully vested as of the replacement date. The total incremental share-based compensation of US\$0.6 million resulting from the modification was fully recognized during the year ended December 31, 2018.

In 2018, we extended the expiration date of share options to purchase 518,175 ordinary shares granted under the 1999 Stock Incentive Plan to certain employees for a term of period ranging from two days to nine years. These stock options had expired prior to December 31, 2017. The awards granted were fully vested as of the extension date. These transactions were accounted for as new grant. The total incremental share-based compensation of US\$2.8 million resulting from such new grant was fully recognized in 2018.

In April 2019, we extended the expiration date of share options to purchase 119,920 ordinary shares granted under the 1999 Stock Incentive Plan to certain employees, to July 27, 2019 and March 30, 2020, respectively. These stock options would have been expired between April 27, 2019 and December 30, 2019 if not modified. These options were fully vested as of the date of the modification and US\$0.02 million incremental compensation cost was recognized for the year ended December 31, 2019 resulting from the modification.

In June 2019, we extended the expiration date of share options to purchase 119,920 ordinary shares granted under the 1999 Plan to certain employees to July 27, 2020 and March 30, 2021, respectively. These stock options would have been expired between July 27, 2019 and March 30, 2020 if not modified. These options were fully vested as of the date of the modification and US\$0.01 million of incremental compensation cost was recognized for the year ended December 31, 2019 resulting from the modification.

In December 2019, we extended the expiration date of share options to purchase 225,000 ordinary shares granted under the 1999 Plan to certain employees to December 30, 2029. These stock options would have been expired on December 30, 2019 if not modified. These options were expected to be vested on November 14, 2020. There was US\$0.8 million of incremental compensation cost resulting from the modification, of which US\$0.03 million was recognized for the year ended December 31, 2019.

Our board of directors may amend, alter, suspend or terminate the 1999 Stock Incentive Plan at any time, provided, however, that our board of directors must first seek the approval of our shareholders and, if such amendment, alteration, suspension or termination would adversely affect the rights of an optionee under any option granted prior to that date, the approval of such optionee. Without further action by our board of directors, our 1999 Stock Incentive Plan has no specified termination date.

2010 Stock Incentive Plan

We adopted our 2010 stock incentive plan (the “2010 Stock Incentive Plan”) on August 4, 2010. The purpose of our 2010 Stock Incentive Plan is to recognize and acknowledge the contributions made to our company by eligible participants and to promote the success of our business. By providing an opportunity to have a personal stake in our company, our 2010 Stock Incentive Plan aims to:

- attract and retain the best available personnel;
- to provide an additional incentive to our employees, directors and consultants; and
- to promote the success of our business.

As of the date of this annual report, we had awarded options to purchase 8,969,792 of our ordinary shares under the 2010 Stock Incentive Plan, with an exercise price per share ranging from US\$1.99 to US\$30.00.

a. Eligible Participants

Under the 2010 Stock Incentive Plan, our board of directors or its designated committee may, at its discretion, offer to grant an option to subscribe for such number of our ordinary shares at an exercise price as our directors may determine to the following parties:

- any full-time or part-time employees, executives or officers of us, our parent or any of our subsidiaries;
- any directors, including non-executive directors and independent non-executive directors, of us, our parent or any of our subsidiaries;
- any advisers, consultants and agents to us or any of our subsidiaries; and
- such other persons who, in the sole opinion of our board of directors or its designated committee, has made contributions to the business or other development of us.

b. Maximum Number of Ordinary Shares

The maximum number of ordinary shares in respect of which options may be granted (including ordinary shares in respect of which options, whether exercised or still outstanding, have already been granted) under the 2010 Stock Incentive Plan may not in the aggregate exceed 10.0% of the total number of ordinary shares in issue from time to time, including ordinary shares issuable upon conversion of any preferred shares in issue from time to time. As of the date of this annual report, there were outstanding options to purchase 1,961,090 of our ordinary shares under the 2010 Stock Incentive Plan, of which options to purchase 1,961,090 ordinary shares were exercisable.

c. Price of Ordinary Shares

The determination by our board of directors, or its designated committee, of the exercise price will be by reference to the fair market value of the ordinary shares, and the exercise price may be the same as, higher, or lower than the fair market value, except for options or awards which are incentive stock options or subject to Rule 409A of the Internal Revenue Code. If there exists a public market for our ordinary shares, including our ADSs, the fair market value of our ordinary shares will be (1) the closing price for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by our board of directors, or its designated committee, to be the primary market for our ordinary shares or ADSs, or (2) if the ordinary shares are not traded on any such exchange or national market system, the average of the closing bid and asked prices of an ordinary shares on the New York Stock Exchange for the day prior to the time of the determination (or, if not such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in *The Wall Street Journal* or such other source as the board of directors or its designated committee deems reliable. If there is no established market for our ordinary shares, our board of directors, or its designated committee, will determine the fair market value of our ordinary shares in good faith by reference to the placing price of the latest private placement of our ordinary shares and the development of our business operations since such latest private placement.

d. Performance Criteria

The 2010 Stock Incentive Plan allows our board of directors, or its designated committee, to establish the performance criteria when granting stock options on the basis of any one of, or combination of, increase in our share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value-added, personal management objectives, or other measures of performance selected by our board of directors, or its designated committee. Partial achievement of the specified criteria may result in a vesting corresponding to the degree of achievement as specified in the award agreement with the relevant optionee.

e. Time of Exercise of Options

The time and conditions under which an option may be exercised will be determined by the board of directors, or its designated committee, under the terms of the 2010 Stock Incentive Plan and as specified in the award agreement with a grantee. Notwithstanding the foregoing, in the case of any options granted to an officer, director or consultant that may become exercisable, the award agreement governing such grant may provide that the options may become exercisable, subject to reasonable conditions such as the officer, director or consultant's continuous service at any time or during any period established in the award agreement governing such grant.

f. Administration

Our board of directors has established a stock option committee, comprised of a single member, Mr. Mo, to administer the 2010 Stock Incentive Plan with respect to option grants to non-officer/director employees as well as consultants. Our compensation committee has the authority under the 2010 Stock Incentive Plan to determine stock option grants to our officers and directors.

g. Termination

Unless terminated earlier, the 2010 Stock Incentive Plan will continue for a term of 10 years. Our board of directors has the authority to amend or terminate the 2010 Stock Incentive Plan subject to shareholder approval with respect to certain amendments. However, no such action may impair the rights of any grantee of any options unless agreed by the grantee. The 2010 Plan expired in August 2020.

2015 Stock Incentive Plan

We adopted our 2015 stock incentive plan (the “2015 Stock Incentive Plan”) on July 3, 2015. The purpose of our 2015 Stock Incentive Plan is to recognize and acknowledge the contributions made to our company by eligible participants and to promote the success of our business. By providing an opportunity to have a personal stake in our company, our 2015 Stock Incentive Plan aims to:

- attract and retain the best available personnel;
- to provide an additional incentive to our employees, directors and consultants; and
- to promote the success of our business.

In August 2017, we replaced share options to purchase 1,377,730 ordinary shares granted during the years ended December 31, 2015 and 2016 under the 2015 Stock Incentive Plan to 200 employees with (i) 153,036 options to purchase 153,036 ordinary shares and (ii) 1,224,694 restricted shares. The exercise price of 153,036 options was reduced from a range of US\$27.2 and US\$30.0 per ordinary share to US\$18.1 per ordinary share. The replacement awards were subject to graded vesting over four years from the replacement date, in which 25% of the awards vest at the end of each of the four years. The total incremental share-based compensation of US\$12.5 million resulting from the modification is recognized ratably over the new requisite service period. The total unamortized share-based compensation of US\$7.4 million resulting from the modification is recognized ratably over the original requisite service period.

In June 2019, we granted options to certain of our officers and employees under the 2015 Stock Incentive Plan to purchase 1,423,337 ordinary shares at exercise prices of US\$5.85 per ordinary share. The options were subject to graded vesting over four years from the grant date, in which 25% of the awards vest at the end of each of the four years. The options have a contractual term of ten years.

As of the date of this annual report, we had awarded options to purchase 2,993,537 of our ordinary shares under the 2015 Stock Incentive Plan, with an exercise price per share ranging from US\$1.99 to US\$27.2, and granted 1,675,525 restricted shares.

a. Eligible Participants

Under our 2015 Stock Incentive Plan, our board of directors or its designated committee may, at its discretion, offer to grant an option to subscribe for such number of our ordinary shares at an exercise price as our directors may determine to the following parties:

- any full-time or part-time employees, executives or officers of us, our parent or any of our subsidiaries;
- any directors, including non-executive directors and independent non-executive directors, of us, our parent or any of our subsidiaries;
- any advisers, consultants and agents to us or any of our subsidiaries; and
- such other persons who, in the sole opinion of our board of directors or its designated committee, has made contributions to the business or other development of us.

b. Maximum Number of Ordinary Shares

The maximum number of ordinary shares in respect of which options may be granted for each fiscal year during which the 2015 Stock Incentive Plan is effective may be up to 1.5% of our outstanding ordinary shares as of the last day of the previous fiscal year. As of the date of this annual report, there were outstanding options to purchase 1,121,480 of our ordinary shares under the 2015 Stock Incentive Plan, of which options to purchase 1,121,480 ordinary shares were exercisable.

c. Price of Ordinary Shares

The determination by our board of directors, or its designated committee, of the exercise price will be by reference to the fair market value of the ordinary shares, and the exercise price may be the same as, higher, or lower than the fair market value, except for options or awards which are incentive stock options or subject to Rule 409A of the Internal Revenue Code. If there exists a public market for our ordinary shares, including our ADSs, the fair market value of our ordinary shares will be (1) the closing price for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by our board of directors, or its designated committee, to be the primary market for our ordinary shares or the New York Stock Exchange, whichever is applicable, or (2) if the ordinary shares are not traded on any such exchange or national market system, the average of the closing bid and asked prices of an ordinary share on the New York Stock Exchange for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in *The Wall Street Journal* or such other source as the board of directors or its designated committee deems reliable. If there is no established market for our ordinary shares, our board of directors, or its designated committee, will determine the fair market value of our ordinary shares in good faith by reference to the placing price of the latest private placement of our ordinary shares and the development of our business operations since such latest private placement.

d. Performance Criteria

The 2015 Stock Incentive Plan allows our board of directors, or its designated committee, to establish the performance criteria when granting stock options on the basis of any one of, or combination of, increase in our share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value-added, personal management objectives, or other measures of performance selected by our board of directors, or its designated committee. Partial achievement of the specified criteria may result in a vesting corresponding to the degree of achievement as specified in the award agreement with the relevant optionee.

e. Time of Exercise of Options

The time and conditions under which an option may be exercised will be determined by the board of directors, or its designated committee, under the terms of the 2015 Stock Incentive Plan and as specified in the award agreement with a grantee. Notwithstanding the foregoing, in the case of any options granted to an officer, director or consultant that may become exercisable, the award agreement governing such grant may provide that the options may become exercisable, subject to reasonable conditions such as the officer, director or consultant's continuous service at any time or during any period established in the award agreement governing such grant.

f. Dissolution, Liquidation or Change in Control

In the event of the proposed dissolution or liquidation of our company, our board of directors, or its designated committee, will notify the grantee as soon as practicable prior to the effective date of such proposed transaction. Any options will terminate immediately prior to the consummation of such proposed action. In the event of a change in control or a merger of our company, each option may be assumed or an equivalent stock option or right may be substituted by the successor corporation. In the event that no such substitution or assumption occurs, the outstanding options will automatically vest and become exercisable for a limited period of time as determined by our board of directors, or its designated committee, and such options will terminate upon the expiration of such period.

g. Termination

Unless terminated earlier, the 2015 Stock Incentive Plan will continue for a term of five years. Our board of directors has the authority to amend or terminate the 2015 Stock Incentive Plan subject to shareholder approval with respect to certain amendments. However, no such action may impair the rights of any grantee of any options unless agreed by the grantee. The 2015 Plan expired in 2020.

In connection with separation of CIH from us, and in order to make our equity awards holders whole against the adverse changes in the awards' value following the separation, CIH issued the equivalent number of CIH's equity awards to the holders of our equity awards to make them whole under the separation. Such CIH's equity awards have a nominal exercise price and may be exercisable if and to the extent that the corresponding equity awards of our company are exercised. There was US\$0.8 million incremental compensation cost resulting from the modification, of which US\$0.6 million were recognized for the year ended December 31, 2019.

In November 2019, we reduced the exercise prices of share options to purchase 5,991,867 ordinary shares from the original exercise price ranging from US\$5.0 to US\$30.0 per share to the new exercise price of US\$1.99 per share, which were granted to certain of our employees under the 1999 Stock Incentive Plan, 2010 Stock Incentive Plan and 2015 Stock Incentive Plan during the years from 2006 to 2019. In addition to the adjustment of exercise price, we also adjusted the vesting schedules for certain share options. There was US\$9.1 million of incremental compensation cost resulting from the modification, of which US\$1.1 million were recognized for the year ended December 31, 2019.

The following table summarizes, as of the date of this annual report, the outstanding options and restricted shares that we granted to our current directors and executive officers:

Share options

Name	Number of Class A ordinary shares to be issued upon exercise of options	Number of Class B ordinary shares to be issued upon exercise of options	Exercise price per ordinary share (US\$)	Date of grant	Date of expiration
Media Partner / Mr. Mo(1)	112,500	—	1.99	December 30, 2018	December 30, 2026
	112,500	—	1.99	December 30, 2018	December 30, 2027
	112,500	—	1.99	December 31, 2008	December 30, 2028
	112,500	—	—	December 31, 2009	December 30, 2029
	500,000	—	1.99	September 17, 2010	September 16, 2030
	75,000	—	1.99	August 15, 2012	August 14, 2027
	—	—	1.99	December 1, 2016	December 1, 2026
	—	—	1.99	June 7, 2019	June 6, 2029
Next Decade / Mr. Mo(1)	—	1,754,500	1.99	September 30, 2006	September 29, 2031
	112,500	—	1.99	December 30, 2018	December 30, 2026
	112,500	—	1.99	December 30, 2018	December 30, 2027
	112,500	—	1.99	December 31, 2008	December 30, 2028
	112,500	—	1.99	December 31, 2009	December 30, 2029
	500,000	—	1.99	September 17, 2010	September 16, 2030
	75,000	—	1.99	August 15, 2012	August 14, 2027
	50,000	—	1.99	December 1, 2016	December 1, 2026
	144,168	—	1.99	June 7, 2019	June 6, 2029
	*	—	27.2	February 25, 2016	February 24, 2026
	*	—	27.2	February 25, 2016	February 24, 2026

Name	Number of Class A ordinary shares to be issued upon exercise of options	Number of Class B ordinary shares to be issued upon exercise of options	Exercise price per ordinary share (US\$)	Date of grant	Date of expiration
Jian Liu	*	—	1.99	August 15, 2012	August 14, 2027
	*	—	1.99	December 1, 2016	December 1, 2026
	*	—	1.99	June 7, 2019	June 6, 2029
Frank Hua Lei	*	—	1.99	July 26, 2012	July 25, 2027
	*	—	1.99	December 1, 2016	December 1, 2026
	*	—	1.99	June 7, 2019	June 6, 2029
Zhihong Zhang	*	—	1.99	July 26, 2012	July 25, 2027
	*	—	1.99	December 1, 2016	December 1, 2026
	*	—	1.99	June 7, 2019	June 6, 2029

* Upon exercise of all options granted, would beneficially own less than 1.0% of our outstanding ordinary shares.

Restricted shares

- (1) Represents options granted to Mr. Mo in his capacity as our executive chairman. Pursuant to resolutions passed by our board of directors on August 4, 2010, our board of directors resolved that such options be assigned and allocated to Media Partner and Next Decade.

Name	Number of Class A ordinary shares represented by restricted shares	Date of grant	Date of expiration
Media Partner / Mr. Mo(1)	*	August 29, 2017	August 28, 2027
Next Decade / Mr. Mo(1)	*	August 29, 2017	August 28, 2027
Jian Liu	*	August 29, 2017	August 28, 2027
Frank Hua Lei	*	August 29, 2017	August 28, 2027
Zhihong Zhang	*	August 29, 2017	August 28, 2027
Total	260,090		

* Aggregate number of shares represented by all grants of restricted shares to the person accounts for less than 1.0% of our total outstanding shares on an as converted basis or voting power.

- (1) Represents restricted shares granted to Mr. Mo in his capacity as our executive chairman.

C. Board Practices

Board of Directors

Our board of directors currently consists of five members. A director is not required to hold any shares in our company by way of qualification. A director may vote with respect to any contract or transaction in which he or she is materially interested provided the nature of the interest is disclosed prior to its consideration and any vote on such contract or transaction. Our board of directors may exercise all the powers of the Company to borrow money, mortgage its business, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of employment.

Mr. Yu Huang, our independent director of our board of directors and a member of the audit committee of our board of directors, resigned from our board of directors and the audit committee, effective from April 13, 2024.

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Mr. Richard Jiangong Dai, our executive chairman of our board of directors, resigned from our board of directors, the nominating and corporate governance committee and the compensation committee of our board of directors, effective from November 1, 2024, replaced with Mr. Vincent Tianquan Mo, who was appointed as a director and the executive chairman of our board of directors, a member and the chair of the compensation committee, and a member of the nominating and corporate governance committee of our board of directors, effective from the same date.

Duties of Directors

Under Cayman Islands law, our directors owe to us fiduciary duties, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith with a view to our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and, diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than what may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our amended and restated memorandum and articles of association, as amended and restated from time to time. We have, in certain circumstances, the right to seek damages against our directors if a duty owed by our directors is breached.

Our board of directors has overall responsibility for managing our operations. The functions and powers of our board of directors include, among others:

- convening shareholders' meetings and reporting its work to shareholders at such meetings;
- implementing shareholders' resolutions;
- determining our business plans and investment proposals;
- formulating our profit distribution plans and loss recovery plans;
- determining our debt and finance policies and proposals for the increase or decrease in our registered capital and the issuance of debentures;
- formulating our major acquisition and disposition plans, and plans for merger, division or dissolution;
- proposing amendments to our amended and restated memorandum and articles of association; and
- exercising any other powers conferred by the shareholders' meetings or under our amended and restated memorandum and articles of association.

Board Committees

Audit Committee. Our audit committee currently consists of Howard Huyue Zhang, who chairs our audit committee, Changming Yan and Shaohua Zhang. Our board of directors has determined that all of our audit committee members are "independent directors" within the meaning of Section 303A of the New York Stock Exchange Listed Company Manual and meet the criteria for independence set forth in Section 10A of the Exchange Act. In addition, our board of directors has determined that Howard Huyue Zhang is qualified as an audit committee financial expert within the meaning of the SEC rules and regulations.

Our audit committee is responsible for, among other things:

- Appointing, retaining, terminating, overseeing and determining compensation of the independent auditor. The independent auditor shall report directly to the Committee. The Committee has the sole authority to approve the hiring and discharging of the independent auditors, all engagement fees and terms thereof and, to the extent permissible under applicable regulatory guidelines, all non-audit engagements of the independent auditors.
- Reviewing the scope and results of the annual audit with the independent auditor.

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- Reviewing and discussing, with the internal auditors or the person(s) in the financial department acting as internal auditor(s), the overall scope and plans for their audits and determine whether the internal audit function has the appropriate resources and expertise.
- Reviewing and discussing with management and the independent auditors, the adequacy and effectiveness of our disclosure controls, internal accounting and financial controls, the quality of the financial and accounting personnel, and any relevant recommendations.
- Discussing our guidelines and policies with respect to risk assessment and risk management, reviewing contingent liabilities and risks that may be material to us, and reviewing major legislative, regulatory and accounting developments which could materially impact our contingent liabilities and risks.
- Reviewing and discussing with management and the independent auditors the annual audited financial statements and unaudited quarterly financial statements and proposed filings with the SEC, including reviewing our specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and among others, discussing the following matter with the independent accountants: (1) the quality as well as acceptability of the accounting principles applied in the financial statements, (2) new or changed regulatory or accounting policies (including an analysis of the effect of alternative GAAP methods); off-balance sheet structures; significant estimates, judgments, uncertainties or unusual transactions; and accounting policies relating to significant financial statement items, and (3) financial statement presentations.
- Reviewing the reports prepared by management and by our independent auditors, assessing the adequacy and effectiveness of our internal controls and procedures, prior to the inclusion of such reports in our periodic filings as required under SEC rules. The Committee reviews disclosures regarding our internal controls that are required to be included in SEC reports.
- Reviewing on a regular basis management’s assessment (and the basis therefore) of the adequacy and effectiveness of our system of disclosure controls and procedures, including by meeting periodically with our management, independent auditors and legal counsel to review their assessment of such disclosure controls and procedures and to review, before its release, the disclosure regarding such system of disclosure controls and procedures required under SEC rules to be contained in our periodic filings.
- Recommending to our board of directors whether the audited financial statements are satisfactory to be included in our annual or other reports to the SEC.
- At least annually, reviewing any management letters or internal control reports prepared by the independent auditors or our internal auditors and responses to prior management letters, and reviewing with the independent auditors our internal quality control and financial controls, including the budget, staffing and responsibilities of our financial and accounting staff.
- Reviewing and discussing our earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, including the type and presentation of information to be included in earnings press releases.
- Periodically meeting in separate sessions with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors.
- Reviewing with the independent auditor any audit problems or difficulties the independent auditor encountered in the course of audit work (e.g., restrictions on the scope of the independent auditor’s activities or access to requested information and any significant disagreements with management) and the management’s response. The audit committee shall also be responsible for the resolution of disagreements between management and the independent auditors regarding financial reporting.
- Setting clear hiring policies for employees or former employees of the independent auditors.
- Reviewing and approving or prohibiting all proposed related-party transactions in accordance with our related party transaction policy and procedures.
- Monitoring compliance with and reviewing, and approving or prohibiting, actual and potential conflicts with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

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- Establishing procedures for (1) the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters, and (2) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Review periodically with management and our internal accounting department these procedures and any significant complaints received.
- Pre-approving all audit services and permissible non-audit services by the independent auditors, as set forth in Section 10A of the Exchange Act and the rules and regulations promulgated thereunder by the SEC. The audit committee may establish pre-approval policies and procedures, as permitted by Section 10A of the Exchange Act and the rules and regulations promulgated thereunder by the SEC, for the engagement of independent auditors to render services to us, including but not limited to policies that would allow the delegation of pre-approval authority to one or more members of the audit committee, provided that any pre-approvals delegated to one or more members of the audit committee are reported to the audit committee at its next scheduled meeting.
- Evaluating at least annually, the independent auditors' qualifications, performance and independence, which evaluation shall include a review and evaluation of the lead partner of the independent auditor and consideration whether there should be a rotation of the lead partner or independent auditing firm, and take appropriate action to oversee the independence of the independent auditors.
- At least annually, obtaining and reviewing a report by the independent auditors describing: (1) the audit firm's internal quality-control procedures, (2) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the audit firm, and any steps taken to deal with any such issues, (3) all relationships between the independent auditors and us to enable the audit committee to assess the auditors' independence, and (4) any other matters required to be included in a letter from the independent auditors pursuant to applicable requirements of the Public Company Accounting Oversight Board regarding independent auditor's communications with the audit committee concerning independence.
- Reviewing and reassessing, at least annually, the audit committee's performance and the adequacy of its charter and report its conclusion and any recommendations to our board of directors.
- Reporting regularly to the full board of directors.
- Investigating matters came to its attention at the company's expenses.

Nominating and Corporate Governance Committee. We have established a nominating and corporate governance committee, which is responsible for identifying individuals qualified to become directors and recommends director nominees to be approved by our board of directors. The members of our nominating and corporate governance committee include Changming Yan, who chairs our nominating and corporate governance committee, and Mr. Mo, our executive chairman.

Compensation Committee. Our compensation committee consists of Mr. Mo, who chairs our compensation committee, and Changming Yan.

Our compensation committee is responsible for:

- Establishing our general compensation philosophy, and, in consultation with senior management, overseeing the development and implementation of compensation programs.
- At least annually, reviewing and evaluating and, if necessary, revising our compensation plans, policies and programs adopted by the management.
- At least annually, reviewing and approving corporate goals and objectives relevant to compensation of the CEO and evaluate the CEO's performance in light of those goals and objectives.

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- At least annually, either as a committee or together with the other independent directors (as directed by our board of directors), determining and approving, based on the evaluation described above, all compensation arrangements with the CEO including, without limitation: (1) the annual base salary level, (2) the annual incentive opportunity level, (3) the long-term incentive opportunity level, (4) employment agreements, severance arrangements and change-in-control agreements/provisions, in each case as, when and if appropriate, and (5) any special or supplemental benefits. In determining the long-term incentive component of the CEO's compensation, the compensation committee shall consider our performance and relative stockholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years. The compensation committee may choose to discuss the CEO's compensation with the board of directors.
- Reviewing and approving, or making recommendations to our board of directors with respect to our non-CEO executive officer compensation, incentive-compensation plans and equity-based plans. The compensation committee shall attempt to ensure that our compensation scheme is effective in retaining and attracting key employees, implements business strategies and objectives for enhanced shareholder value, and is administered in a fair and equitable manner consistent with our compensation philosophy. The compensation committee shall also seek the input of the CEO with respect to the performance evaluation and compensation of executives other than the CEO.
- Periodically reviewing the compensation of our directors and approving changes or making recommendations to our board of directors with respect thereto.
- Evaluating periodically the internal equity and external competitiveness of compensation of the CEO, the other executive officers, and key management personnel and initiating actions or recommending changes to our board of directors, as appropriate.
- Advising on the setting of compensation for officers whose compensation is not subject to the approval of the compensation committee.
- Managing and reviewing annually and approving any long-term incentive compensation or equity or stock option plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans. With respect to each plan the compensation committee shall have responsibility for:
 - setting performance targets under all annual bonus and long-term incentive compensation plans as appropriate;
 - certifying that any and all performance targets used for any performance-based equity compensation plans have been met before payment of any executive bonus or compensation;
 - approving all amendments to, and terminations of, all compensation plans and any awards under such plans or any inducement grant of options made to a person not previously an employee or director;
 - granting any awards under any performance-based annual bonus, long-term incentive compensation and equity compensation plans to executive officers or current employees with the potential to become the CEO or an executive officer, including stock options and other equity rights (e.g., restricted stock or stock purchase rights);
 - approving which executive officers are entitled to awards under our stock option plan(s);
 - repurchasing securities from terminated employees; and
 - conducting an annual review of all compensation plans, including reviewing each plan's administrative costs, reviewing current plan features relative to any proposed new features, and assessing the performance of each plan's internal and external administrators if any duties have been delegated.
- Reviewing and approving officer and director indemnification and insurance matters.
- Reviewing and approving any employee loan in an amount equal to or greater than US\$250,000 unless such transaction is subject to the approval of the audit committee as a related-party transaction.

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- Reviewing and considering on an annual basis whether the compensation policies and practices for all employees are reasonably likely to have a material adverse effect on us in accordance with SEC rules.
- Providing the compensation committee reports on executive compensation to our board of directors.
- Receiving, reviewing and conferring with the audit committee with respect to any concerns raised by any parties directly or indirectly to the compensation committee and take action in response to such concerns as may be deemed appropriate by the compensation committee.
- Reviewing and approving the annual report on executive compensation for inclusion in our annual report on Form 20-F filed with the SEC.
- Administering, interpreting and taking all other actions necessary or appropriate as granted to the compensation committee under our executive compensation and other plans.
- Directing any officer or employee or request any employee of our advisors, consultants or counsel or such other individual as it may deem appropriate to attend a compensation committee meeting or meet with any compensation committee members.
- Reviewing the compensation committee's charter on an annual basis and recommend changes, as appropriate, to our board of directors.
- Evaluating the performance of the compensation committee on an annual basis. In conducting such self-evaluation, the compensation committee shall evaluate whether its charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate to the board for consideration. The compensation committee shall address all matters that it considers relevant to its performance, including at least, the adequacy, appropriateness and quality of the information and recommendations presented by it to the board of directors, the manner in which they were discussed or debated, and whether the number and length of meetings of the compensation committee were adequate for it to complete its work in a thorough and thoughtful manner.

Our compensation committee is responsible for administering the 2010 Stock Incentive Plan and the 2015 Stock Incentive Plan with respect to option grants to our executive officers and directors.

No director or officer may be directly involved in decisions regarding his or her own compensation.

Pursuant to the subscription agreement by and among our company, Safari Group Holdings Limited, Safari Group CB Holdings Limited, and Safari Parent Limited, dated September 17, 2015, Safari Parent Limited, an affiliate of the Carlyle Group, is entitled to nominate one director to our board of directors so long as the Carlyle Group beneficially owns at least 1.0% of our total outstanding share capital calculated on a fully diluted basis.

Terms of Directors and Executive Officers

Each of our directors holds office until a successor has been duly elected or appointed. An appointment of a director may be on terms that a director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the director, if any; but no such term shall be implied in the absence of express provision. Officers are elected by and serve at the discretion of our board of directors.

D. Employees

We had 549 and 959 employees as of December 31, 2024 and 2023, respectively. The decline in 2024 was primarily due to restricting and operating strategy adjustment. The following table sets forth the number of our employees categorized by function as of December 31, 2024:

Function	Number
Editorial and production	71
Sales and marketing	254
Management and general administrative	98
Technical and research	126
Total	549

We began to downsize our workforce in the fourth quarter of 2016 to transform our online real estate brokerage business to a model of a mix of franchisees and self-owned agencies.

Our employees receive a base salary and are eligible for performance-based bonuses. We have granted share options to certain of our employees. For more information, see “Item 6.B. Directors, Senior Management and Employees—Compensation—Share Options.”

As required by PRC regulations, we participate in various employee benefit plans that are organized by municipal and provincial governments, including housing, pension, medical and unemployment benefit plans. We make monthly payments to these plans for each of our employees based on the employee’s compensation.

We believe we maintain a good working relationship with our employees and we have not experienced any significant labor disputes. We believe this is primarily attributable to our well-established reputation and brand name within the PRC real estate industry, our strong corporate culture, as well as the positive career development opportunities we provide to our employees. Our employees have not entered into any collective bargaining agreements, and no labor union has been established by our employees.

E. Share Ownership

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of the date of this annual report by:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5.0% of our ordinary shares.

The calculation and information provided in the table below is based on our records, information filed with the SEC and information provided to us, except where otherwise noted. The information is based upon in the table below is based upon the fact that there are 90,357,329 ordinary shares, consisting of 66,020,679 Class A ordinary shares and 24,336,650 Class B ordinary shares issued and outstanding as of the date of this annual report.

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Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary shares beneficially owned				Percentage of Aggregate Voting Power(1)
	Class A No.	Percent	Class B No.	Percent	
Principal Shareholders:					
Mr. Vincent Tianquan Mo and his affiliated entities(2)	30,051,898	45.5 %	21,586,290	88.7 %	79.5 %
Digital Link Investments Limited(3)	*	*	2,750,360	11.3 %	8.9 %
General Atlantic Singapore Fund Pte. Ltd.(4)	11,106,440	16.8 %	—	—	3.6 %
Evenstar Capital Management Limited and its affiliated entities(5)	12,970,340	19.6 %	—	—	4.2 %
Directors and Executive Officers:					
Mr. Vincent Tianquan Mo (2)	30,051,898	45.5 %	21,586,290	88.7 %	79.5 %
Jian Liu	*	*	—	—	*
Howard Huyue Zhang	—	—	—	—	—
Changming Yan	—	—	—	—	—
Shaohua Zhang	—	—	—	—	—
Zhihong Zhang	*	*	—	—	*
Frank Hua Lei	*	*	—	—	*
Shihang Dong	*	*	—	—	*
Lili Chen	—	—	—	—	—
All directors and executive officers as a group	30,209,035	45.8 %	21,586,290	88.7 %	79.5 %

* Less than 1.0% of total outstanding voting securities on an as converted basis.

** Except where otherwise disclosed in the footnotes below, the business address of our directors and executive officers is Tower A, No. 20 Guogongzhuang Middle Street, Fengtai District, Beijing 100070, People's Republic of China.

- (1) For each person and group included in this column, percentage of total voting power represents dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. In respect of all matters upon which the ordinary shares are entitled to vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes, voting together as one class. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary share unless approved by our board of directors.

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- (2) Represents ordinary shares held by ACE Smart Investments Limited (“ACE Smart”), Media Partner Technology Limited (“Media Partner”), Next Decade Investments Limited (“Next Decade”), Ateefa Limited, Deanhale Limited, Karistone Limited, and Open Land Holdings Limited, as reported in a Schedule 13D/A filed by Mr. Vincent Tianquan Mo and his affiliates on May 24, 2022, including (1) 5,841,844 Class A ordinary shares, 16,539,500 Class A ordinary shares evidenced by ADSs held by ACE Smart, a Hong Kong company wholly owned by Mr. Mo; (2) certain employee stock options and restricted shares (exercisable within 60 days of the date thereof), which entitle Media Partner, a British Virgin Islands company, to acquire 1,367,378 Class A ordinary shares and 11,355,645 Class B ordinary shares held by Media Partner; (3) 1,123,955 Class A ordinary shares, 14,170 Class A Ordinary Shares evidenced by ADSs, and certain employee stock options and restricted shares (exercisable within 60 days of the date thereof), which entitle Next Decade to acquire an additional 1,367,377 Class A ordinary shares, 10,230,645 Class B ordinary shares held by Next Decade, and certain employee stock options (exercisable within 60 days of the date thereof), which entitle Next Decade to acquire an additional 1,754,500 Class B ordinary shares; (4) 957,265 Class A ordinary shares owned by Ateefa Limited, a British Virgin Islands company; (5) 1,472,298 Class A ordinary shares held by Deanhale Limited, a British Virgin Islands company; (6) 926,461 Class A ordinary shares held by Karistone Limited, a British Virgin Islands company; and (7) 441,650 Class A ordinary shares represented by ADSs held by Open Land Holdings Limited, a Hong Kong company. All of the shares of Media Partner and Next Decade are held in irrevocable discretionary family trusts established by Mr. Mo. The address of Media Partner is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Mr. Mo acts as a protector of these family trusts, and Deutsche Bank International Trust Co. (Cayman) Limited and Credit Suisse Trust Limited act as the trustee of these trusts, respectively. The address of Mr. Mo and his affiliated entities is c/o Tower A, No. 20 Guogongzhuang Middle Street, Fengtai District, Beijing, People’s Republic of China, 100070.
- (3) Includes 387,561 Class A ordinary shares and 2,750,360 Class B ordinary shares. The address of Digital Link Investments Limited, a British Virgin Islands company, is Apt 3B, Taggart Tower, 109 Repulse Bay Road, Hong Kong. Shan Li (our director until May 2017 when he resigned) is the sole shareholder of Digital Link Investments Limited.
- (4) Represents Class A ordinary shares (as represented by 1,110,644 ADSs) beneficially owned by General Atlantic Singapore Fund Pte. Ltd. as reported in a Schedule 13D/A filed by it and its affiliates on September 25, 2023. General Atlantic Singapore Fund Pte. Ltd. is a Singapore company and its principal address is Asia Square Tower 1, 8 Marina View, #41-04, Singapore 018960.
- (5) Represents the number of Class A ordinary shares in the form of (i) 9,743,570 Class A ordinary shares held by Evenstar Master Fund SPC; (ii) 50 Class A ordinary shares held by ESSL; (iii) 1,688,290 Class A ordinary shares held by Evenstar Master Fund SPC as collateral to secure the obligations of Stoneleigh under the Stoneleigh Put Option Agreement, of which Stoneleigh has sole voting power and sole dispositive power prior to a default by Stoneleigh under the Stoneleigh Put Option Agreement; and (iv) 1,538,430 ADSs held by Geminis Funds SPC, as reported in a Schedule 13D/A filed by Evenstar Capital Management Limited and its affiliates on October 10, 2023. Ms. Koon H.A. Tse expressly disclaims beneficial ownership of such securities and the filing of this Schedule 13D shall not be construed as an admission that Ms. Koon H.A. Tse is, for the purposes of Section 13D or 13G of the Act, as amended, the beneficial owner of any securities covered by this Schedule 13D/A. The address of Evenstar Capital Management Limited and its affiliates is Uglan House, P.O. Box 309, Grand Cayman, KY1 – 1104, Cayman Islands.

JPMorgan Chase Bank, N.A., the depository of our ADSs, has advised us that as of September 22, 2025, of the 90,357,329 issued and outstanding ordinary shares, including both Class A ordinary shares and Class B ordinary shares, approximately 64.65% of our outstanding Class A ordinary shares, were in the form of ADSs. None of our outstanding Class B ordinary shares was held by any record holder with an address in the United States.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to 10 votes per share. We intend to maintain the dual-class ordinary share structure. Each Class B ordinary share is convertible into one Class A ordinary share at any time by its holder and Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer or disposition of any Class B ordinary share by its holder to any person or entity that is not a majority-owned and majority-controlled subsidiary of certain of our shareholders as set forth in our amended and restated articles of association, such Class B ordinary share will be automatically and immediately converted into a Class A ordinary share.

On March 18, 2014, we announced the change of the ratio of our American Depositary Receipts representing Class A ordinary shares from one ADS for one Class A ordinary share to five ADSs for one Class A ordinary share. The record date for the ratio change was March 28, 2014. For our ADS holders, this ratio change had the same effect as a five-for-one ADS split. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on April 7, 2014.

On June 25, 2019, we announced the change of the ratio of our American Depositary Receipts representing Class A ordinary shares from five ADSs for one Class A ordinary shares to one ADS for one Class A ordinary share. For our ADS holders, this ratio change had the same effect as a one-for-five reverse ADS split. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on July 8, 2019.

On June 5, 2020, we announced the change of the ratio of our American Depositary Receipts, representing Class A ordinary shares from one ADS for one Class A ordinary shares to one ADS for ten Class A ordinary shares. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on June 19, 2020.

Subject to any contractual restrictions and applicable law, we and our subsidiaries, affiliates or significant shareholders may from time to time, in their sole discretion, purchase, repay, redeem or retire any of our outstanding debt or equity securities (including any publicly issued debt or equity securities), in privately negotiated or open market transactions, by tender offer or otherwise.

F. Disclosure of Registrant’s Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See “*Item 6.E. Directors, Senior Management and Employees—Share Ownership.*”

B. Related Party Transactions

Structure Contracts

Due to legal restrictions on foreign ownership and investment in, among other areas, value-added telecommunication services, we, similar to all other entities with foreign-incorporated holding company structures operating in our industry in China, operate our websites and mobile apps and provide such services in China through contractual arrangements with our consolidated controlled entities. We may consider further optimizing our corporate structure in light of the evolving regulatory environment.

In anticipation of our originally proposed acquisition of a controlling stake in Wanli and the sale of a portion of our equity interest in our subsidiaries to Wanli (which was terminated in February 2017), in December 2015, we underwent an internal restructuring, whereby we terminated all of our previous structure contracts and caused Beijing Zhong Zhi Shi Zheng and Jia Tian Xia Network, our then wholly-owned PRC subsidiaries, to enter into the 2016 Structure Contracts with our consolidated controlled entities, with terms and conditions substantially similar to those of our previous structure contracts. Under the 2016 Structure Contracts, the equity interests of our consolidated controlled entities were held by our nominee shareholders, i.e., Mr. Vincent Tianquan Mo, executive chairman of our board of directors, Mr. Richard Jiangong Dai, and certain wholly-owned subsidiaries of theirs, and we exercised effective control over our consolidated controlled entities through Beijing Zhong Zhi Shi Zheng and Jia Tian Xia Network.

Among the 2016 Structure Contracts, Beijing Zhong Zhi Shi Zheng entered into a series of contractual arrangements with Shanghai China Index Investment Consulting Co., Ltd., Beijing Yi Ran Ju Ke Technology Development Co., Ltd., Beijing SouFun Technology Development Co., Ltd., Beijing Century Jitianxia Technology Development Co., Ltd., Shanghai Century Jitianxia Network Technology Development Co., Ltd. (which has been deregistered) and their nominee shareholders. In anticipation of the separation and distribution in relation to CIH, which is the parent company of Beijing Zhong Zhi Shi Zheng, we terminated the foregoing contractual arrangements between our group and these entities on May 15, 2018, and subsequently caused Beijing TuoShi, our wholly-owned PRC subsidiary, to enter into a new series of contractual arrangements with these consolidated controlled entities in 2018, with terms and conditions substantially similar to the 2016 Structure Contracts. In 2019, we entered into supplemental agreements, pursuant to which Mr. Jiangong Dai transferred all his rights, obligations and responsibilities under certain Structure Contracts to Mr. Jianning Dai. In 2018, we entered into new series of Exclusive Call Option Agreements with certain of our PRC subsidiaries, for the purpose of including Fang Holdings Limited as a party of the Exclusive Call Option Agreement. In 2020, we also entered into a supplemental agreement, pursuant to which Fang Holdings Limited transferred all the rights and responsibilities under certain Structure Contract to its subsidiary. For the purpose of business adjustments, Beijing JTX Technology and Beijing Internet underwent a split-off in December 2022 and January 2023 respectively. Following the split-off restructuring, the newly established subsidiaries entered into contractual agreements with Jia Tian Xia Network Technology, the terms of which are substantially similar to our previous structure contracts.

For a detailed description of the regulatory environment that necessitates the adoption of our corporate structure, see “*Item 4.B. Information on the Company—Business Overview—Regulation.*” For a detailed description of the risks associated with our corporate structure, see “*Item 3.D. Key Information—Risk Factors—Risks related to our corporate structure.*”

The Structure Contracts enable us to:

- receive substantially all of the economic benefits from our consolidated controlled entities in consideration of the services provided by our subsidiaries;
- exercise effective control over our consolidated controlled entities; and
- hold an exclusive option to purchase all or part of the equity interests in our consolidated controlled entities when and to the extent permitted by PRC laws.

We did not separately enter into any Structure Contracts with the subsidiaries of the consolidated controlled entities with which we entered into the Structure Contracts. The following is a summary of the material terms under our Structure Contracts among our wholly-owned PRC subsidiaries, our consolidated controlled entities and the nominee shareholders of these consolidated controlled entities.

Exclusive Technical Consultancy and Services Agreements

Under the exclusive technical consultancy and service agreements, our wholly-owned PRC subsidiary has the exclusive right to provide our consolidated controlled entities with relevant technical services relating to their business, such as information technology system operations and maintenance services, or technology supporting services for their advertising products. In exchange for these services, each of the consolidated controlled entities has agreed to make monthly payments to the service provider for such services. The original term of each agreement is 10 years, and our wholly-owned PRC subsidiary can unilaterally extend the term of the exclusive technical consultancy and services agreements and such request will be unconditionally agreed to by the consolidated controlled entities.

Equity Pledge Agreements

In order to secure the payment obligations of the consolidated controlled entities under the exclusive technical consultancy and services agreements, except as disclosed below, the nominee shareholders have pledged to our wholly-owned PRC subsidiary their entire equity interests in the consolidated controlled entities. Under these agreements, the nominee shareholders may not transfer the pledged equity interest without the prior written consent of our wholly-owned PRC subsidiary. Our wholly-owned PRC subsidiary also has the right to collect dividends of the consolidated controlled entities from their nominee shareholders. These agreements will remain valid for 10 years and can be extended at the sole discretion of our wholly-owned PRC subsidiary.

Operating Agreements

Under the operating agreements, our wholly-owned PRC subsidiary has undertaken to enter into guarantee contracts with third parties, as required by third parties, to guarantee the performance of the consolidated controlled entities under their business contracts with third parties. In return, the consolidated controlled entities are required to pledge their accounts receivable and mortgage all of their assets as counter-security to our wholly-owned PRC subsidiary. Each of the consolidated controlled entities and the nominee shareholders has agreed not to enter into any transaction that would substantially affect the assets, rights, obligations or operations of the consolidated controlled entities without the prior written consent of our wholly-owned PRC subsidiary. The original term of each agreement is 10 years. These agreements can be extended prior to expiration with written confirmation from our wholly-owned PRC subsidiary, or can be terminated by our wholly-owned PRC subsidiary, upon 30 days' advance notice.

Shareholders' Proxy Agreements

Under the shareholders' proxy agreements, the nominee shareholders agreed to irrevocably entrust our wholly-owned PRC subsidiary to exercise their rights as the registered shareholders of the consolidated controlled entities to attend shareholders' meetings and cast votes. Our wholly-owned PRC subsidiary may assign part or all of these proxy rights to its designated employees, and will be indemnified for any loss under these agreements. These agreements will also be binding upon successors of the parties or transferees of the parties' equity interests. These agreements will remain in effect until terminated upon written consent by all the parties to the agreements or by their successors.

Loan Agreements

Under the loan agreements and the related transfer agreements, the nominee shareholders received loans from us to make contributions to the registered capital of the consolidated controlled entities between 2004 and 2015, and agreed to repay the loans, upon request, by transferring their entire equity interests in the consolidated controlled entities to our wholly-owned PRC subsidiary or its respective designees, when permitted by applicable PRC laws, rules and regulations.

Exclusive Call Option Agreements

Under the exclusive call option agreements, our wholly-owned PRC subsidiary or any third party designated by it has the right to acquire from the nominee shareholders of the consolidated controlled entities their entire equity interests in such consolidated controlled entities when permitted by applicable PRC laws, rules and regulations. The proceeds from the exercise of the call option will be applied to repay the loans under the loan agreements described above. These agreements each has an original term of 10 years and may be extended for another 10 years at our sole discretion.

Telstra Private Placement

In connection with the private placement by Telstra International in September 2010, on August 13, 2010, we entered into an investor's rights agreement with General Atlantic, Apax, Next Decade, Media Partner and Digital Link and a registration rights agreement with General Atlantic and Apax. We terminated these agreements on September 23, 2015.

2015 Registration Rights Agreements

On September 24, 2015, we entered into a registration rights agreement with Safari and Safari CB, under which each of Safari and Safari CB has demand registration rights pursuant to which we will be required to effect the registration of all or a portion of its Class A ordinary shares (issuable pursuant to the 2022 Notes in the case of Safari CB), provided that the aggregate price of registrable securities to be sold to the public is expected to equal or exceed US\$20.0 million.

On November 4, 2015, we entered into a registration rights agreement with IDG Alternative and China Merchants Bank Co., Ltd. Tianjin Pilot Free Trade Zone Branch ("CMB"), under which we are required to file a registration statement on Form F-3 within 45 days after the closing of the private placement transactions in November 2015, in order to effect the registration of all or a portion of the Class A ordinary shares held by IDG Alternative or CMB in the case it enforces its security interest on the Class A ordinary shares held by IDG Alternative. In addition, promptly after the offering and sale of any of their Class A ordinary shares, we will be required to file a prospectus to be used for such offering and sale in accordance with the Securities Act.

On November 9, 2015, we and Karistone Limited entered into a registration rights agreement with each of IDG-Accel, IDG-Accel Investors, Winning Star Global Limited, Rainbow Zone Enterprise Inc., Chuang Xi Capital Holdings Limited and Wealth Harvest Global Limited, respectively, under which we are required to file a registration statement on Form F-3 within 45 days after the closing of the private placement transactions in November 2015, in order to effect the registration of all or a portion of Class A ordinary shares held by each of Karistone Limited, IDG-Accel, IDG-Accel Investors, Winning Star Global Limited, Rainbow Zone Enterprise Inc., Chuang Xi Capital Holdings Limited and Wealth Harvest Global Limited (collectively, the “Right Holders”). In addition, promptly after the offering and sale of any of their Class A ordinary shares, we will be required to file a prospectus to be used for such offering and sale in accordance with the Securities Act. Each of the Right Holders also has the right to request that its Class A ordinary shares be included in any registration of our Class A ordinary shares, other than registrations on Form F-4 or S-8 or in compensation or acquisition-related registrations. In addition, the underwriters may, for marketing reasons, cut back all or a part of the shares that any of the Right Holders has requested to be registered in any incidental registration and we will have the right to terminate any registration we initiated prior to its effectiveness regardless of any request for inclusion by any of the Right Holders.

Separation and Distribution Related Agreements in connection with the Separation of CIH

On May 24, 2019, we entered into with CIH a separation and distribution agreement and related ancillary agreements, including intellectual property right license agreement, business cooperation agreement, data service agreement, software license agreement and lease framework agreement in connection with the separation and distribution to provide a framework for our relationship with CIH after the separation and distribution. These agreements provide for the allocation between us and CIH of business, assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after our separation and distribution and govern certain relationships between us and CIH after the separation and distribution. The summaries of each of the aforementioned agreements are listed as below.

Separation and Distribution Agreement

We have entered into a separation and distribution agreement with CIH, which sets forth our agreements with CIH regarding the principal transactions necessary to separate CIH from us. It also sets forth other agreements that govern certain aspects of our relationship with CIH after the completion of the separation and distribution.

Delineation of business. According to the separation and distribution agreement, CIH has the exclusive right to operate the spun-off business comprising certain portions of our listing and value-added services, and we have the exclusive right to operate the retained business. In particular, the spun-off business comprises (1) certain information and analytics services, initially operated as part of our value-added services, and (2) certain marketplace services, initially operated as part of our listing services. Following the separation and distribution, CIH will strategically focus on serving the commercial property sector in China to capture the enormous market opportunity from its rapid development, while we retain our business operating a real estate Internet portal focusing primarily on serving the residential property sector.

Transfer of assets and assumption of liabilities. The separation and distribution agreement identifies assets to be transferred, liabilities to be assumed and contracts to be assigned to CIH as part of the separation of Fang into two independent companies, and describes when and how these transfers, assumptions and assignments will occur. In particular, the separation and distribution agreement provides that, subject to the terms and conditions contained in the agreement: (1) we assigned to CIH all of the assets and liabilities of us related to the spun-off business; and (2) all of the assets and liabilities (including whether accrued, contingent or otherwise) other than the foregoing are retained or assumed by us, including but not limited to the tax liability that may be borne by us in the event that the separation and distribution were considered as not tax-free by competent taxation authorities, and the potential liability associated with the assets retained in us after the separation and distribution.

Except as expressly set forth in the separation and distribution agreement or any ancillary agreement, neither we nor CIH will make any representation or warranty as to the assets, business or liabilities transferred or assumed as part of the separation, as to any approvals or notifications required in connection with the transfers, as to the value of or the freedom from any security interests of any of the assets transferred, as to the absence or presence of any defenses or right of setoff or freedom from counterclaim with respect to any claim or other asset of either us or CIH, or as to the legal sufficiency of any assignment, document or instrument delivered to convey title to any asset or thing of value to be transferred in connection with the separation. All assets will be transferred on an “as is,” “where is” basis and the respective transferees would bear the economic and legal risks that any conveyance would prove to be insufficient to vest in the transferee good and marketable title, free and clear of all security interests, that any necessary consents or governmental approval are not obtained or that any requirements of laws, agreements, security interests, or judgments are not complied with.

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To the extent that any transfers contemplated by the separation and distribution agreement have not been consummated on or prior to the date of the separation, the parties will agree to cooperate to affect such transfers as promptly as practicable following the date of the separation. In addition, each of the parties will agree to cooperate with each other and use reasonable best efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the separation and distribution agreement and the ancillary agreements.

The distribution. The separation and distribution agreement also governs the rights and obligations of the parties regarding the distribution. On the distribution date, we will cause CIH's share registrar and depository to distribute to our equity holders that hold our ordinary shares or ADSs as of the record date all of CIH's issued and outstanding ordinary shares (including those represented by ADSs) prior to the separation and distribution. No fractional ordinary shares will be distributed in the distribution. Our ADSs holders will receive cash in lieu of any fractional ADSs. The separation and distribution agreement provides that the distribution is subject to satisfaction (or waiver by us) of certain conditions. We will have the sole and absolute discretion to determine the terms of, and whether to proceed with, the distribution.

Settlement of accounts between us and CIH. The separation and distribution agreement provides that all inter-company receivables and payables as to which there were no third parties and that are between us or our subsidiaries or consolidated affiliated entities, on the one hand, and CIH or its subsidiaries and VIE, on the other hand, other than accounts related to the agreements to be entered into in connection with the separation and distribution and post-separation agreements between CIH and us and other than any accrued liabilities incurred in connection with providing the services that will be memorialized by certain ancillary agreements, in each case existing as of or immediately prior to the completion of the separation and distribution, would be settled, capitalized, cancelled, assigned or assumed by us or one or more of our subsidiaries.

Releases. Except as otherwise provided in the separation and distribution agreement or any ancillary agreement, each party will release and forever discharge the other party from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the separation and distribution. The releases will not extend to obligations or liabilities under any agreements between the parties that remain in effect following the separation, including the separation and distribution agreement or any ancillary agreement.

Claims and indemnification. In general, each party to the separation and distribution agreement will assume or retain liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

Intellectual property. Following the distribution, we will continue to own *Fang.com* and other intellectual property rights associated with such brands and will license to CIH certain intellectual property rights for the operation of its business.

Employee Matters. We and CIH have agreed to allocate liabilities and responsibilities relating to certain employee benefit matters, including the issuance of share options by CIH to reflect the share options granted under our equity compensation programs.

Tax Matters. We and CIH have agreed that after to separation, all tax liabilities (1) resulting or arising from the contribution of the spun-off business to CIH, the distribution of CIH's ordinary shares and the other separation transactions, (2) in the event that the separation and distribution is considered as not tax-free by competent taxation authorities or (3) otherwise attributable to us or relating to the retained business, will be borne by us. Neither we nor CIH will indemnify our equity holders against any tax liability if the distribution, together with certain related transactions, does not qualify as tax-free for U.S. federal income tax or PRC tax purposes. As a result, CIH is generally expected to be liable only for tax liabilities attributable to, or incurred with respect to, the spun-off business or otherwise attributable to CIH after the distribution date.

Legal matters. Except as otherwise set forth in the separation and distribution agreement, CIH will assume the liability for, and control of, all pending and threatened legal matters related to the spun-off business or assumed liabilities and CIH will indemnify us for any liability arising out of or resulting from such assumed legal matters. Each party to a claim will agree to cooperate in defending any claims against the other party for events that took place prior to, on or after the date of separation. We will retain liability for pending and threatened legal matters related to the retained business.

Further assurances. In addition to the actions specifically provided for in the separation and distribution agreement, except as otherwise set forth therein or in any ancillary agreement, both we and Fang will agree to use reasonable best efforts, prior to, on and after the distribution date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by the separation and distribution agreement and the ancillary agreements.

Business Cooperation Agreement

CIH and we have entered into a business cooperation agreement in respect of CIH's cooperation on certain commercial property-related business, particularly CIH's listing services, operated through our website, *Fang.com*, after the separation and distribution. The initial term of this agreement is 10 years commencing from the signing date and may be terminated by mutual written agreement between CIH and us.

Business Cooperation. CIH has the exclusive right to operate all the commercial property-related business, such as the online listing of commercial properties and lands as well as the advertising and marketing services provided through our commercial property-related web pages, for which we are responsible for operating and maintaining at CIH's expenses, which includes IT system upgrade, servers maintenance and software upgrade. We have the exclusive right to operate all the residential property-related business, except for those provided by CIH to clients relating to residential property-related business, including the information and analytics services as well as promotion services. CIH historically cooperated with us to operate CIH's commercial property-related business through our web pages and are in the process of migrating such business to CIH's own website, *3fang.com* and 3fang mobile application.

Intellectual Property Cooperation. We agree to authorize CIH to use for free certain of our trademarks, copyrights, patents and other intellectual properties in connection with the operation of CIH's commercial property-related business.

Revenue and Expenses Allocation. Originally under the business cooperation agreement, during the term of our cooperation, we have the right to receive (1) 100% of the revenue generated by residential property-related business on our residential property-related web pages, (2) 85% of the revenue generated by commercial property-related business on our residential property-related web pages, and (3) 15% of the revenue generated by residential property-related business on our commercial property-related web pages. CIH has the right to receive (1) 100% of the revenue generated by commercial property-related business on our commercial property-related web pages, for which CIH will bear the cost for operating and maintaining the related web pages and servers, (2) 85% of the revenue generated by residential property-related business on our commercial property-related web pages, and (3) 15% of the revenue generated by commercial property-related business on our residential property-related web pages. We and CIH have agreed to terminate, effective from January 1, 2020, such revenue allocation arrangement, and as a result, we will have the right to receive 100% of the revenue generated by business on our residential real estate channel, whereas CIH will have the right to receive 100% of the revenue generated by business on CIH's commercial real estate channel.

Data License Agreement

We have entered into a data license agreement with CIH, pursuant to which, we agree to license the right of using certain data to CIH for development of CIH's business, and CIH agrees to provide certain data to us, including property appraisal and transaction data. Each of CIH and us will not pay any royalty fees. The term of the data license agreement is 10 years commencing from the signing date and may be terminated by mutual agreement between CIH and us.

Software License Agreement

We have entered into a software license agreement with CIH in 2019, pursuant to which, we agree to license the right of using certain of our software, at annual royalty fee of RMB500,000 (US\$71,821), subject to adjustment. This agreement was terminated at the end of 2022.

Intellectual Property License Agreement

In connection with the separation, we have entered into an intellectual property license agreement with CIH, pursuant to which CIH was granted a non-exclusive and royalty-free right to use certain of our intellectual properties in connection with the operation of CIH's business. The intellectual property license agreement is valid for a term of 10 years commencing from the signing date and may be terminated by mutual written agreement between CIH and us.

Lease Framework Agreement

We and CIH have entered into a lease framework agreement, pursuant to which we agree to lease properties owned by us or our affiliates to CIH at market price. The lessors and lessees have entered into detailed lease agreements in accordance with this framework agreement based on CIH's actual demands. The initial term of this agreement is 10 years commencing from the signing date and may be terminated by mutual written agreement between CIH and us. The lease income received from CIH under this agreement was US\$1,261, US\$1,204 and US\$1,093 for the years ended December 31, 2022, 2023 and 2024, respectively.

Redemption of convertible notes

In 2019, pursuant to note repurchase agreements, we repurchased (1) from Safari Group CB Holdings Limited of the 2022 Notes in the principal amount of US\$28.0 million to redeem the portion held by Mr. Mo through Ateefa Limited's shareholding in Safari Group CB Holdings Limited, and (2) from IDG Alternative Global Limited of the 2022 Notes in the principal amount of US\$54.94 million to redeem the portion held by Mr. Mo through Deanhale Limited's shareholding in IDG Alternative Global Limited. Each of Ateefa Limited and Deanhale Limited is a British Virgin Islands company wholly-owned by Mr. Mo.

Settlement Agreement

On September 27, 2023, the Company and Mr. Mo entered into a settlement agreement (the "Settlement Agreement") with Evenstar Master Fund SPC, Evenstar Special Situations Limited (together with Evenstar Master Fund SPC, the "Evenstar"), pursuant to which Evenstar discontinued proceedings brought against the Company and Mr. Mo in the Grand Court of Cayman Islands entitled and reported as FSD 278 of 2020 upon the terms and subject to the conditions set out therein, and the Company shall transfer US\$4.0 million to Evenstar.

CIH "going private" transaction documents

Pursuant to an agreement and plan of merger, dated as of December 22, 2022 (the "Merger Agreement"), by and among, China Index Holdings Limited ("CIH"), CIH Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands ("Parent"), and CIH Merger Sub Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of Parent ("Merger Sub"), Merger Sub will be merged with and into China Index Holdings Limited ("CIH") through a short-form merger in accordance with Section 233(7) of the Companies Act (As Revised) of the Cayman Islands (the "Companies Act"), with China Index Holdings Limited ("CIH") being the surviving company and becoming a wholly owned subsidiary of Parent (the "Merger"). Pursuant to the Equity Commitment Letter (as defined below), the Merger will be financed with cash contribution in Parent from our company (the "Sponsor").

Equity Commitment Letter

The transactions as contemplated by the Merger Agreement will be funded through cash contribution contemplated by the equity commitment letter, dated as of December 22, 2022 (the "Equity Commitment Letter"), by and between the Sponsor and Parent. Under the terms and subject to the conditions of the Equity Commitment Letter, the Sponsor will provide equity financing of approximately US\$14.8 million to Parent to consummate the Transactions.

Limited Guarantee

Concurrently with the execution of the Merger Agreement, the Sponsor entered into a limited guarantee (the "Limited Guarantee") in favor of CIH with respect to certain obligations of Parent under the Merger Agreement, including without limitation, due and punctual payment of certain termination fee payable by Parent pursuant to the Merger Agreement.

Interim Investors Agreement

In connection with the Merger Agreement, the Consortium members, Parent and Merger Sub entered into an interim investors agreement (the “Interim Investors Agreement”), to govern the actions of Parent and Merger Sub and the relationship among the Consortium members with respect to, among other things, the Merger Agreement, the Limited Guarantee, the Equity Commitment Letter, the Support Agreement, and the Transactions. The Consortium Agreement has been terminated pursuant to the Interim Investors Agreement.

Other Related Party Transactions

We had relationships with the following related parties in 2024:

Name of Related Party	Relationship with Fang
Vincent Tianquan Mo	Executive chairman of the board of directors and controlling shareholder of our company
Beihai Silver Beach 1 Hotel and Property Management Company, Ltd.(“Beihai Silver Beach”)	A company under the control of Vincent Tianquan Mo
CIH and its subsidiaries	A company under the control of Vincent Tianquan Mo and our company can exercise significant influence over
Shanghai Yuyue Electronic Technology Development Co., Ltd (“Shanghai Yuyue”)	A company under the control of Vincent Tianquan Mo

In February 2012, we entered into an agreement with Mr. Mo, our executive chairman, to lease a building owned by him for a 10-year period from March 1, 2012. The agreement was renewed in 2022, extending the maturity date to 2032. The deemed rental expense of US\$0.2 million, US\$0.2 million and US\$0.2 million for 2022, 2023 and 2024, respectively, and the corresponding shareholder contribution were included in our consolidated financial statements.

In April 2013, we entered into an agreement with Beihai Silver Beach, pursuant to which Beihai Silver Beach was engaged to manage the hotel and office leasing operations owned by the BaoAn Entities for 10 years. Upon expiration of the initial term, the contract is automatically renewed for an additional ten-year period unless either party objects. The management fees incurred for the years ended December 31, 2022, 2023 and 2024 were US\$0.3 million, US\$0.6 million and US\$0.5 million, respectively.

We entered into certain agreements with CIH regarding listing services for commercial properties, office building leases, IT services and software licenses. During period from the completion of the separation of CIH from us to December 31, 2023, the service fees above incurred by CIH for the years ended December 2022, 2023 and 2024 were US\$2.4 million, US\$7.1 million and US\$2.1 million, respectively.

We advanced loans to Shanghai Yuyue for US\$4.1 million, nil and US\$0.4 million for the years ended December 2022, 2023 and 2024 to meet its working capital needs. These loans are unsecured, repayable on demand and bear interest at rates determined with reference to prevailing market rates.

As of December 2022, 2023 and 2024, we had US\$4.3 million, US\$1.0 million and US\$0.3 million, respectively, due from our related parties, and had US\$90.5 million, US\$34.7 million and US\$4.5 million, respectively, due to our related parties.

For more details of our related party transactions, see Note 16 to our consolidated financial statements included elsewhere in this annual report.

Stock Incentive Plans

See “Item 6.B. Directors, Senior Management and Employees—Compensation—Share Options.”

C. Interests of Experts and Counsels

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. *Consolidated Statements and Other Financial Information*

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

See “*Item 4.B. Information on the Company—Business Overview—Legal Proceedings.*”

Dividend Policy

Our board of directors has the discretion over whether to pay dividends on our ordinary shares. In addition, our shareholders may declare dividends but no dividends shall be declared in excess of the amount recommended by our board of directors. If our board of directors decides to pay dividends on our ordinary shares, the form, frequency and amount will be based upon our future operations and earnings, capital requirements and surplus, general financial condition, shareholders’ interests, contractual restrictions and such other factors as our board of directors may deem relevant. For a description of our corporate structure and its potential impact upon our ability to pay dividends, see “*Item 3.D. Key Information—Risk Factors—Risks related to doing business in China—We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity.*”

Holders of ADSs are entitled to receiving dividends, subject to the terms of the deposit agreement, to the same extent as the holders of our ordinary shares. Cash dividends, if any, will be paid to the depositary in U.S. dollars and paid to holders of ADSs according to the terms of the deposit agreement. Other distributions, if any, will be paid by the depositary to holders of ADSs in any means it deems legal, fair and practical. Under the deposit agreement, the depositary is required to distribute dividends to holders of ADSs unless such distribution is prohibited by law. The amounts distributed to holders will be net of fees, expenses, taxes and other governmental charges payable by holders under the deposit agreement.

In August 2014, we declared a cash dividend of US\$1.00 per share on our ordinary shares (US\$0.20 per ADS), or an aggregate of US\$82.4 million to holders of our ordinary shares and ADSs, payable to shareholders of record on August 18, 2014. As of the date of this annual report, all the declared dividends had been paid.

In March 2015, we declared a cash dividend of US\$1.00 per share on our ordinary shares (US\$0.20 per ADS), or an aggregate of US\$82.8 million to holders of our ordinary shares and ADSs, payable to shareholders of record on March 13, 2015. As of the date of this annual report, all the declared dividends had been paid.

B. *Significant Changes*

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. *Offer and Listing Details*

Our ADSs were listed for trading on the New York Stock Exchange under the symbol “SFUN” from September 17, 2010 to May 17, 2022. On June 2, 2022, the NYSE filed a Form 25 with the SEC to remove our ADSs from listing, which became effective 10 days after the filing. Our ADSs have been quoted on the OTC market under the symbol “SFUNY” after the NYSE suspended the trading of our ADSs on May 18, 2022. Our ADSs are currently quoted on the OTC Expert Market.

B. *Plan of Distribution*

Not applicable.

C. *Markets*

Our ADSs, each representing ten of our Class A ordinary shares, have been quoted on the OTC market under the symbol “SFUNY” after the NYSE suspended the trading of our ADSs on May 18, 2022. Our ADSs are currently quoted on the OTC Expert Market.

D. *Selling Shareholders*

Not applicable.

E. *Dilution*

Not applicable.

F. *Expenses of the Issue*

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. *Share Capital*

Not applicable.

B. *Memorandum and Articles of Association*

We incorporated by reference into this annual report the description of our sixth amended and restated memorandum and articles of association contained in our current report on [Form 6-K originally filed with the SEC on November 23, 2022](#). Our shareholders adopted our sixth amended and restated memorandum and articles of association by a special resolution on December 27, 2022.

C. *Material Contracts*

Material contracts other than in the ordinary course of business are described in “*Item 4. Information on the Company*” and in “*Item 7. Major Shareholders and Related Party Transactions*” and elsewhere in this annual report.

D. *Exchange Controls*

Regulations relating to Foreign Exchange, Taxation and Dividend Distribution

Foreign Exchange

The principal regulation governing foreign exchange in China is the Foreign Currency Administration Regulations issued by the State Council in January 1996 and as amended in August 2008 and the Regulations of Settlement, Sale and Payment of Foreign Exchange, which were promulgated by the PBOC on June 20, 1996, and became effective on July 1, 1996. The Renminbi is freely convertible for current account transactions, such as trade and service-related foreign exchange transactions, but not for capital account transactions, such as direct investments, loans or investments in securities outside China, without the prior approval of the relevant government authorities. Pursuant to the Foreign Currency Administration Regulations, foreign-invested enterprises in China may purchase foreign exchange at authorized commercial banks without the approval of SAFE for trade and service-related foreign exchange transactions by providing commercial documents evidencing these transactions. They may also retain foreign exchange, subject to a cap approved by SAFE, to satisfy foreign exchange liabilities or to pay dividends.

According to the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors promulgated by the SAFE on May 11, 2013, implemented on May 13, 2013 and amended on October 10, 2018 and December 30, 2019, direct investment from foreign investors within the PRC territory shall be subject to registration management. Enterprises involved in domestic direct investment shall register with the SAFE and its branch offices. Banks shall provide the relevant domestic direct investment service in accordance with the registration information filed with the foreign exchange authorities.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment promulgated by the SAFE on February 13, 2015 and amended on November 10, 2018 and December 30, 2019, policies for the Foreign Exchange Administration of Direct Investment has been improved and simplified as follows: (1) canceling two administrative approval items, including confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment; instead, banks shall directly examine and handle foreign exchange registration under direct investment pursuant to the Operating Guidelines for Foreign Exchange Business in Direct Investment and the SAFE and its branch offices shall indirectly supervise the foreign exchange registration under direct investment through banks; (2) canceling the registration for confirmation of the non-cash capital contribution of foreign investors under domestic direct investment and the registration for confirmation of the capital contribution made by foreign investors for acquisition of the equity interests from China; (3) canceling the filing of foreign exchange under overseas reinvestment; and (4) canceling the annual foreign exchange inspection of direct investment and changing to the registration of inventory interests.

On October 23, 2019, the SAFE promulgated Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation, which amended by the SAFE Circular on Further Promoting and reforming Cross-border Trade and Investment Facilitation promulgated on 4 December 2023, canceling restrictions on domestic equity investments by capital of non-investment foreign-invested Enterprises, foreign exchange settlement by using capital under domestic asset realization accounts, the quantity of opened foreign exchange capital accounts and the security deposit use and foreign exchange settlement of foreign investors. At the same day, the SAFE issued Circular of the State Administration of Foreign Exchange on Streamlining Foreign Exchange Accounts, which became effective on March 2, 2020 to further simplify the foreign exchange accounts.

Taxation and Dividend Distribution

We are incorporated in the Cayman Islands. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

In March 2007, the National People's Congress of China enacted the New EIT Law, which took effect on January 1, 2008, as amended in February 2017 and December 2018. Under the New EIT Law, foreign-invested enterprises, such as our subsidiaries and consolidated controlled entities, are subject to enterprise income tax at a uniform rate of 25.0% if no tax preferential policy is applicable. In addition, under the New EIT Law, enterprises organized under the laws of jurisdictions outside China may be classified as either "non-resident enterprises" or "resident enterprises." Non-resident enterprises without an establishment or place of business in China are subject to withholding tax at the rate of 10.0% with respect to their PRC-sourced dividend income, which rate can be reduced under applicable double tax treaties or arrangements. As we are incorporated in the Caymans Islands, we may be regarded as a "non-resident enterprise." We hold equity interests in several of our major PRC subsidiaries indirectly through subsidiaries incorporated in Hong Kong. According to the Avoidance of Double Taxation Arrangement between Mainland China and Hong Kong, dividends declared by a resident enterprise in mainland China to a Hong Kong resident enterprise should be subject to withholding tax at a rate of 5.0%, provided, however, that such Hong Kong resident enterprise directly owns at least 25.0% of the equity interest in the PRC resident enterprise. In September 2013, SouFun Media and SouFun Network were granted a reduced withholding tax rate of 5% on earnings to be distributed to their Hong Kong parent entities between 2013 and 2015.

In August 2009, SAT issued Circular 124. Pursuant to Circular 124, non-tax residents of China who wish to enjoy a treaty benefit on their China-sourced income under a Sino-foreign double tax agreement have to go through either an “approval application” procedure (for passive income—dividends, interest, royalties and capital gains) or “record filing” procedure (for active income—business profits of a permanent establishment, service fees and personal employment income) in which specific forms attached to Circular 124 have to be submitted to the relevant Chinese tax authorities together with the relevant supporting documentation. On November 1, 2015, Circular 124 was repealed by the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers issued by SAT (“Circular 60”). Circular 60 abolishes the “approval application” procedure and provides that any non-resident taxpayer filing a tax return shall determine whether such taxpayer is entitled to the treaty benefit, and shall submit the relevant statements and materials to the competent tax authority for the tax return filing. In the case of withholding at source and designated withholding, where a non-resident taxpayer who considers it meets the conditions for enjoying the convention treatment needs to be entitled to the convention treatment, the taxpayer shall take the initiative to propose the same to the withholding agent, and provide the withholding agent with the relevant statements and materials for the withholding declaration. The withholding agent shall withhold tax in accordance with the conventions, and forward the relevant statements and materials to the competent tax authority when making the withholding declaration. Circular 60 was repealed by the Measures for Administration of Non-Resident Taxpayers’ Enjoyment of Treaty Benefits (“Circular 35”), which was promulgated by the SAT on October 14, 2019, and came into effect on January 1, 2020. According to the Circular 35, if non-resident taxpayers consider they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities’ post-filing administration.

In addition, SAT released Circular 9 in February 2018. Circular 9 provides guidance for the determination of “beneficial ownership” for the purpose of claiming benefits under double taxation arrangements by treaty residents in respect of articles of dividends, royalties and interest under double taxation arrangements. Under Circular 9, a “beneficial owner” shall generally engage in “substantive business activities” which is further referred to as manufacturing, trading and management activities under Article 2 of Circular 9. Circular 9 also sets forth several factors, the existence of which generally does not provide support that the treaty resident is a “beneficial owner.” According to Circular 9, non-resident enterprises which could not provide valid supporting documents as “beneficiary owners” could not be approved to enjoy treaty benefits. Therefore, dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries may be subject to a withholding tax rate of 10.0% if our Hong Kong subsidiaries cannot be considered as a “beneficial owner” under Circular 9.

On October 14, 2019, SAT issued the Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers, effective on January 1, 2020, which stipulates entitlement to treaty benefits for non-resident taxpayers, who shall be tax residents of the other contracting party in accordance with the provisions of the clauses on residents of the tax treaties, shall be handled by means of “self-judgment of eligibility, declaration of entitlement, and retention of relevant materials for future reference”. Where non-resident taxpayers judge by themselves that they meet the conditions for entitlement to treaty benefits, they may obtain such entitlement themselves at the time of making tax declarations, or at the time of making withholding declarations via withholding agents. At the same time, they shall collect, gather and retain relevant materials for future reference in accordance with the provisions of these measures, and shall accept the follow-up administration of tax authorities.

Despite the above, the New EIT Law also provides that an enterprise incorporated outside China with its “de facto management bodies” located within mainland China should be considered a PRC resident enterprise and therefore be subject to enterprise income tax on its worldwide income at the rate of 25.0%.

The implementing rules for the New EIT Law, last amended on December 6, 2024 and became effective on January 20, 2025, defines “de facto management organization” as the body that exercises substantial and comprehensive control over the production, operation, personnel, accounting, property and other factors of an enterprise. SAT issued Circular 82 in April 2009. Circular 82 provides certain specific criteria for determining whether the “de facto management bodies” of a Chinese-controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by PRC individuals or foreigners in China, like us, the determining criteria set forth in Circular 82 may reflect SAT’s general position on how the “de facto management bodies” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners. On January 29, 2014, SAT issued the Notice concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions, amended some provisions of Circular 82.

Substantially all members of our management are currently located in China and we expect them to continue to be located in China for the foreseeable future. Therefore, if we are deemed to be a PRC tax resident enterprise, we will be subject to an enterprise income tax rate of 25.0% on our worldwide income if no preferential tax treatment is applicable. According to the New EIT Law and its implementing rules, dividends are exempted from income tax if such dividends are received by a resident enterprise on an equity interest it directly owns in another resident enterprise. Therefore, it is possible that dividends we derive through our Hong Kong subsidiaries from our PRC subsidiaries would be tax exempt income under the New EIT Law if our Hong Kong subsidiaries are also deemed to be “resident enterprises.”

If we are deemed to be a PRC tax resident enterprise, we would then be obliged to withhold PRC withholding income tax on the gross amount of dividends declared to shareholders who are non-PRC tax residents. The withholding income tax rate is 10.0% for non-resident enterprises and 20.0% for non-resident individuals, unless otherwise provided under the applicable double tax treaties between China and governments of other jurisdictions.

Significant uncertainties still exist with respect to the interpretation of the New EIT Law and its implementing rules. Any increase in the enterprise income tax rate applicable to us, the imposition of PRC income tax on our global income or the imposition of withholding tax on dividends declared by our subsidiaries to us could have a material adverse effect on our business, financial condition and results of operations.

Regulations relating to Foreign Exchange in Certain Onshore and Offshore Transactions

Pursuant to SAFE Circular 37, a PRC resident must register with the local SAFE branch before such PRC resident contributes assets or equity interests in an Overseas SPV that is established or controlled by the PRC resident for the purpose of conducting investment or financing, and following the initial registration, the PRC resident is required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change in the PRC resident shareholder of the Overseas SPV, the name of the Overseas SPV, its term of operation, or any increase or reduction in the registered capital of the Overseas SPV, any share transfer or swap, and any merger or division.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by SAFE, amended on December 30, 2019, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015. Any failure to comply with these registration procedures may result in penalties, including the imposition of fines, criminal liability, and restrictions on the ability of the PRC subsidiary of the Overseas SPV to distribute dividends to its overseas shareholders.

E. Taxation

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our shares, nor will gains derived from the disposal of our shares or the ADSs be subject to Cayman Islands income or corporate tax.

People's Republic of China Taxation

The PRC enterprise income tax is calculated based on the taxable income determined under the PRC laws and accounting standards. Under the New EIT Law, all domestic and foreign-invested companies in China are subject to a uniform enterprise income tax at the rate of 25% and dividends from a PRC subsidiary to its foreign parent company are subject to a withholding tax at the rate of 10%, unless such foreign parent company's jurisdiction of incorporation has a tax treaty with China that provides for a reduced rate of withholding tax, or the tax is otherwise exempted or reduced pursuant to the PRC tax laws. Our subsidiaries in China are considered foreign investment entities ("FIEs"), and certain of these subsidiaries are directly held by our subsidiaries in Hong Kong. According to the effective tax treaty between China and Hong Kong, dividends payable by an FIE in China to a company in Hong Kong which directly holds at least 25% of the equity interests in the FIE will be subject to a withholding tax of 5%.

In February 2009, SAT issued Circular No. 81. According to Circular No. 81, in order to enjoy the preferential treatment on dividend withholding tax rates, an enterprise must be the "beneficial owner" of the relevant dividend income, and no enterprise is entitled to enjoy preferential treatment pursuant to any tax treaties if such enterprise qualifies for such preferential tax rates through any transaction or arrangement, the major purpose of which is to obtain such preferential tax treatment. The tax authority in charge has the right to make adjustments to the applicable tax rates, if it determines that any taxpayer has enjoyed preferential treatment under tax treaties as a result of such transaction or arrangement.

In February 2018, SAT issued Circular No. 9 to provide guidance on the criteria to determine whether an enterprise qualifies as the "beneficial owner" of the PRC sourced income for the purpose of obtaining preferential treatment under tax treaties. Pursuant to Circular No. 9, the PRC tax authorities will review and grant tax preferential treatment on a case-by-case basis and adopt the "substance over form" principle in the review. Circular 9 specifies that a beneficial owner should generally carry out substantial business activities and own and have control over the income, the assets or other rights generating the income. Therefore, an agent or a conduit company will not be regarded as a beneficial owner of such income. Circular 9 provides that the tax authorities shall make the decision based on a comprehensive consideration of all determining factors provided in Circular 9 rather than the status of a single determining factor. Since the two circulars were issued, it has remained unclear how the PRC tax authorities will implement them in practice and to what extent they will affect the dividend withholding tax rates for dividends distributed by our subsidiaries in China to our Hong Kong subsidiary. If the relevant tax authority determines that any of our Hong Kong subsidiaries is a conduit company and does not qualify as the "beneficial owner" of the dividend income it receives from our PRC subsidiaries, the higher 10% withholding tax rate may apply to such dividends.

On October 14, 2019, SAT issued the Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers, effective on January 1, 2020, which stipulates entitlement to treaty benefits for non-resident taxpayers, who shall be tax residents of the other contracting party in accordance with the provisions of the clauses on residents of the tax treaties, shall be handled by means of "self-judgment of eligibility, declaration of entitlement, and retention of relevant materials for future reference". Where non-resident taxpayers judge by themselves that they meet the conditions for entitlement to treaty benefits, they may obtain such entitlement themselves at the time of making tax declarations, or at the time of making withholding declarations via withholding agents. At the same time, they shall collect, gather and retain relevant materials for future reference in accordance with the provisions of these measures, and shall accept the follow-up administration of tax authorities.

Under the New EIT Law, an enterprise established outside of China with its "de facto management body" within China is considered a resident enterprise and will be subject to enterprise income tax at the rate of 25% on its worldwide income. The "de facto management body" is defined as the organizational body that effectively exercises overall management and control over production and business operations, personnel, finance and accounting, and properties of the enterprise. It remains unclear how the PRC tax authorities will interpret such a broad definition. If the PRC tax authorities determine that we should be classified as a resident enterprise, our global income will be subject to income tax at a uniform rate of 25%, which may have a material adverse effect on our financial condition and results of operations. Notwithstanding the foregoing provision, the New EIT Law also provides that, if a resident enterprise directly invests in another resident enterprise, the dividends received by the investing resident enterprise from the invested enterprise are exempted from income tax, subject to certain conditions. However, it remains unclear how the PRC tax authorities will interpret the PRC tax resident treatment of an offshore company, like us, having indirect ownership interests in PRC enterprises through intermediary holding vehicles.

The implementing rules for the New EIT Law defines “de facto management organization” as the body that exercises substantial and comprehensive control over the production, operation, personnel, accounting, property and other factors of an enterprise. SAT issued Circular 82 in April 2009, which provides certain specific criteria for determining whether the “de facto management bodies” of a Chinese-controlled offshore-incorporated enterprise is located in China. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises, not those controlled by PRC individuals or foreigners in China, like us, the determining criteria set forth in Circular 82 may reflect SAT’s general position on how the “de facto management bodies” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners. On January 29, 2014, SAT issued the Notice concerning the Determination of Resident Enterprises Based on the Standards of Actual Management Institutions, which amended some provisions of Circular 82.

If we were treated as a PRC resident enterprise, any interest payable to non-resident enterprise holders of the notes and dividends payable to non-resident enterprise holders of our ordinary shares or ADSs may be treated as income derived from sources within PRC and therefore subject to a 10% withholding tax (or 20% in the case of non-resident individual holders) unless an applicable income tax treaty provides otherwise. In addition, capital gains realized by non-resident enterprise holders upon the disposition of the notes, our ordinary shares or ADSs may be treated as income derived from sources within China and therefore subject to 10% income tax (or 20% in the case of non-resident individual holders) unless an applicable income tax treaty provides otherwise.

A description of the PRC tax considerations applicable to CIH’s separation from us is contained in the registration statement of CIH on Form F-1 (File No. 333-231376) filed with the SEC on May 24, 2019, as amended.

U.S. Federal Income Taxation

The following discussion describes the material U.S. federal income tax consequences of the ownership and disposition of our ADSs or ordinary shares under currently applicable law. This discussion does not address any U.S. federal consequences other than U.S. federal income tax consequences (such as the gift or estate tax). This discussion also does not address any state, local or non-U.S. tax consequences of an investment in our ordinary shares or ADSs. This discussion applies to you only if you are a U.S. holder (as defined below) and beneficially own our ordinary shares or ADSs as capital assets for U.S. federal income tax purposes. This discussion does not apply to you if you are a member of a class of holders subject to special rules, such as:

- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for securities holdings;
- banks or other financial institutions;
- underwriters;
- insurance companies;
- tax-exempt organizations;
- partnerships and other entities treated as partnerships for U.S. federal income tax purposes or persons holding ordinary shares or ADSs through any such entities;
- real estate investment trusts;
- grantor trusts;
- governments or agencies or instrumentalities thereof;
- regulated investment companies;
- controlled foreign corporations;

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- persons that hold ordinary shares or ADSs as part of a hedge, straddle, constructive sale, conversion transaction or other integrated investment;
- U.S. holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar;
- certain former citizens or long-term residents of the United States;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our ordinary shares or ADSs being taken into account in an “applicable financial statement” as defined in Section 451(b) of the Code (as defined below);
- our officers or directors;
- persons liable for alternative minimum tax; or
- persons who actually or constructively own 5.0% or more of the total combined voting power of all classes of our shares (including ADSs) entitled to vote or 5.0% or more of the total value of our shares (including ADSs).

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. In addition, this discussion relies in part on our assumptions regarding the projected value of our shares and the nature of our business. Finally, this discussion is based in part upon the representations of the depositary and the assumption that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

You should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of our ordinary shares or ADSs, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

For purposes of the U.S. federal income tax discussion below, you are a “U.S. holder” if you beneficially own our ordinary shares or ADSs and are:

- a corporation, or other entity taxable as a corporation, that was created or organized in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if (1) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has a valid election in effect to be treated as a U.S. person.

We do not intend to calculate our earnings and profits according to U.S. tax accounting principles. Accordingly, notwithstanding the discussion in the preceding paragraph, distributions on our ordinary shares or ADSs, if any, will generally be taxed to you as dividend distributions for U.S. tax purposes. If you are a corporation, you will not be entitled to claim a dividends-received deduction with respect to distributions you receive from us. In the event we are treated as a PRC “resident enterprise” under PRC law, we may be required to withhold PRC income tax on dividends paid to you under the New EIT Law. See “*Item 3.D. Key Information—Risk Factors—Risks related to our ADSs, ordinary shares and notes*—We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax.” Subject to generally applicable limitations, you may be eligible to claim a deduction or a foreign tax credit for PRC tax withheld at the appropriate rate. Dividends generally will be categorized as “passive category income” or, in the case of some U.S. holders, as “general category income” for foreign tax credit limitation purposes. The rules governing the use of foreign tax credits are very complex, and you are urged to consult your own tax advisor as to your ability, and the various limitations on your ability, to claim foreign tax credits in connection with the receipt of dividends.

Sales and Other Dispositions of Ordinary Shares or ADSs. Subject to the PFIC discussion below, when you sell or otherwise dispose of ordinary shares or ADSs in a taxable transaction, you will generally recognize capital gain or loss in an amount equal to the difference between the amount realized on the sale or other taxable disposition and your adjusted tax basis in the ordinary shares or ADSs, both as determined in U.S. dollars. Any gain or loss you recognize will be long-term capital gain or loss if you have held the ordinary shares or ADSs for more than one year at the time of disposition. If you are an individual, long-term capital gain will be taxed at preferential rates. Your ability to deduct capital losses will be subject to various limitations.

The gain or loss you recognize on a sale or disposition of our ordinary shares or ADSs generally will be treated as arising from sources within the United States for foreign tax credit limitation purposes. However, if gains from the disposition of ordinary shares or ADSs are taxed under the New EIT Law, see “Item 3.D. Key Information—Risk Factors—Risks related to our ADSs, ordinary shares and notes—We may be required to withhold PRC income tax on any dividend we pay you, and any gain you realize on the transfer of our ordinary shares and/or ADSs may also be subject to PRC withholding tax,” the income tax treaty between the United States and the PRC may apply, in which case you may elect to treat such gains as arising from sources within China for foreign tax credit limitation purposes. You are urged to consult your own tax advisors regarding the tax consequences to you under your particular circumstances if any PRC withholding tax is imposed on the disposition of ordinary shares or ADSs, including the availability of the foreign tax credit.

Status as a PFIC. If we are a PFIC in any taxable year in which you hold ordinary shares or ADSs, you will generally be subject to additional taxes and interest charges on certain “excess distributions” we make and on any gain realized on the disposition or deemed disposition of your ordinary shares or ADSs, regardless of whether we continue to be a PFIC in the year in which you receive an “excess distribution” or dispose of or are deemed to dispose of your ordinary shares or ADSs. Distributions in respect of your ordinary shares or ADSs during a taxable year will generally constitute “excess distributions” if, in the aggregate, they exceed 125% of the average amount of distributions in respect of your ordinary shares or ADSs over the three preceding taxable years or, if shorter, the portion of your holding period before such taxable year.

To compute the tax on excess distributions or any gain, (1) the excess distribution or the gain will be allocated ratably to each day in your holding period, (2) the amount allocated to the current year and any tax year before we first became a PFIC will be taxed as ordinary income in the current year, (3) the amount allocated to other taxable years will be taxable at the highest applicable marginal rate in effect for that year, and (4) an interest charge at the rate for underpayment of taxes for any period described under (3) above will be imposed with respect to any portion of the excess distribution or gain that is allocated to such period. In addition, if we are a PFIC or were in the year prior to a distribution, no distribution that you receive from us will qualify for taxation at the preferential rate discussed in the “—U.S. Federal Income Taxation—Dividends on Ordinary Shares or ADSs” section above.

We will be classified as a PFIC in any taxable year if, after the application of certain look-through rules, either: (1) 75.0% or more of our gross income for the taxable year is passive income (such as certain dividends, interest, rents or royalties), or (2) the average percentage value (determined on a quarterly basis) of our gross assets during the taxable year that produce passive income or are held for the production of passive income is at least 50.0% of the value of our total assets. For purposes of the asset test, any cash, cash equivalents, cash invested in short-term, interest bearing, debt instruments, or bank deposits, and any other current asset that is readily convertible into cash, will generally count as a passive asset.

We may have been a PFIC for our 2023 taxable year and may be a PFIC in the current or future taxable years. Our expectations are based on assumptions as to our projections of the value of our outstanding shares and of the other cash that we will hold and generate in the ordinary course of our business. We have not conducted a separate appraisal of the values of our assets for this purpose. Although the law in this regard is not entirely clear, we treat our consolidated controlled entities as being owned by us for U.S. federal income tax purposes. There can be no assurance that we will not be a PFIC in the current or any future taxable years, as PFIC status is re-tested each year and depends on the actual facts in such year. We could become or remain a PFIC, for example, if our market capitalization (i.e., our share price multiplied by the total number of our outstanding ordinary shares) at any time in the future is sufficiently low, if it is determined that we are not the owner of our consolidated controlled entities for U.S. federal income tax purposes, or if our business and assets evolve. Because items of working capital are generally treated as passive assets for PFIC purposes, accumulating cash, cash equivalents and other assets such as short-term and long-term investments that are readily convertible into cash increases the risk that we will be classified as a PFIC. In addition, there is no assurance that the Internal Revenue Service, or IRS, will agree with our determination as to whether the assets and the income derived from our assets constitute passive assets and income under the PFIC rules. Our U.S. counsel expresses no opinion with respect to our PFIC status for any taxable year.

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If we are a PFIC in any year, as a U.S. holder, you will generally be required to file a return on IRS Form 8621 regarding your ordinary shares or ADSs on an annual basis. You should consult your own tax adviser regarding reporting requirements with regard to your ordinary shares or ADSs.

If we are a PFIC in any year, so long as the ADSs are and remain “marketable,” you will be able to avoid the excess distribution rules described above by making a timely so-called “mark-to-market” election with respect to such U.S. holder’s ADSs. The ADSs will be “marketable” as long as they remain regularly traded on a national securities exchange, such as The New York Stock Exchange. If you make this election in a timely fashion, you will generally recognize as ordinary income or ordinary loss (limited to the amount of prior ordinary gain) the difference between the adjusted tax basis of your ADSs on the first day of any taxable year and their value on the last day of that taxable year. Your basis in the ADSs will be adjusted to reflect any such income or loss. A mark-to-market election will be effective for the taxable year for which the election is made and for all subsequent taxable years, unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. However, because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, you may continue to be subject to the PFIC rules with respect to any indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes, including our subsidiaries. In addition, because our ordinary shares are not regularly traded on a national securities exchange, you will not be able to make a mark-to-market election with respect to any ordinary shares held by such U.S. holder. You should consult your own tax advisors with respect to making a mark-to-market election.

In addition, if we are a PFIC in any year, you might be able to avoid the excess distribution rules described above by making a timely so-called “qualified electing fund,” or QEF, election to be taxed currently on your pro rata portion of our income and gain. However, we do not intend to provide the information that would be necessary for you to make a QEF election. Accordingly, you generally will not be able to make or maintain a QEF election with respect to your ADSs or ordinary shares.

You should consult with your tax advisors regarding the U.S. federal income tax consequences of holding ADSs or ordinary shares if we are considered to be a PFIC in any taxable year as well as your eligibility for a “mark-to-market” election and whether making such an election would be advisable to you in your particular circumstances.

Additional Tax on Net Investment Income

If you are an individual, estate or trust whose income exceeds certain thresholds, you will be subject to a 3.8% Medicare contribution tax on net investment income, including, among other things, dividends on, and capital gains from, the sale or other taxable disposition of, your ordinary shares or ADSs, subject to certain limitations and exceptions.

U.S. Information Reporting and Backup Withholding Rules

In general, dividend payments with respect to the ordinary shares or ADSs and the proceeds received on the sale or other disposition of those ordinary shares or ADSs may be subject to information reporting to the IRS, and to backup withholding (currently imposed at a rate of 24.0%). Backup withholding will not apply, however, if you (1) are a corporation or come within certain other exempt categories and, when required, can demonstrate that fact or (2) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding and otherwise comply with the applicable backup withholding rules. To establish your status as an exempt person, you will generally be required to provide certification on IRS Form W-9. Any amounts withheld from payments to you under the backup withholding rules will generally be allowed as a refund or a credit against your U.S. federal income tax liability, provided that you timely furnish the required information to the IRS.

You may be required to report information with respect to your ordinary shares or ADSs not held through a custodial account with a U.S. financial institution to the IRS. In general, if you hold specified “foreign financial assets” (which generally would include ordinary shares or ADSs) with an aggregate value exceeding US\$50,000, you will be required to report information about those assets on IRS Form 8938, which must be attached to your annual income tax return. Higher asset thresholds apply if you file a joint tax return or reside abroad. If you fail to report required information, you could become subject to substantial penalties. You should consult your own tax advisor regarding your obligation to file IRS Form 8938.

You should consult your own tax advisor regarding the application of the U.S. federal income tax laws to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of ordinary shares or ADSs, including the applicability and effect of the tax laws of any state, local or foreign jurisdiction and any estate, gift, and inheritance laws.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on display

We previously filed with the SEC our registration statement on Form F - 1 (Registration No. 333 - 169170), as amended, including the prospectus contained therein, to register the issuance and sale of our ordinary shares represented by ADSs in relation to our initial public offering. We have also filed with the SEC our registration statement on Form F - 6 (Registration No. 333 - 194651) to register our ADSs.

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20 - F no later than four months after the close of each fiscal year, which is December 31. All information filed with the SEC can be obtained over the Internet at the SEC's website at www.sec.gov.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short - swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish JPMorgan Chase Bank, N.A., the depositary, with our annual reports, which include a review of operations and annual audited consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP" or "GAAP"), and all notices of shareholders' meeting and other reports and communications that are made generally available to our shareholders. The depositary makes such notices, reports and communications available to holders of ADSs and, upon our request, mails to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

Our website is www.fang.com. We make our annual reports on Form 20 - F and any amendments to such reports available free of charge on our website as soon as reasonably practicable following the electronic filing of each report with the SEC. In addition, we provide electronic or paper copies of our annual reports free of charge to our shareholders and ADS holders upon request. The information contained on our website is not part of this or any other report filed with or furnished to the SEC.

I. Subsidiary Information

For a listing of our subsidiaries, see "*Item 4. Information on the Company - C. Organizational Structure.*"

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposure is interest rate risk associated with short and long-term borrowings bearing variable interest rates. We are also exposed to foreign currency risk, which can adversely affect our operating profits.

The following discussion should be read in conjunction with the notes to our audited consolidated financial statements contained in this annual report, which provide further information on our debt and derivative instruments contained in this annual report.

Liquidity Risk

The principal method we use to manage liquidity risk arising from liabilities is maintaining an adequate level of cash and cash equivalents with different banks. In 2022, 2023 and 2024, we monitored our liquidity risks by considering the maturity of our financial assets and projected cash flows from operations. Our objective is to maintain a balance between a continuity of funding and flexibility through settlement from customers and subsequent payment to vendors to meet our working capital requirements.

Interest Rate Risk

Our earnings are affected by changes in interest rates due to the impact of such changes on interest income and expense from interest-bearing financial assets and liabilities. Our interest-bearing financial assets and liabilities are predominately denominated in Renminbi and U.S. dollars. Our interest-bearing financial assets consist primarily of structured notes, cash deposits with fixed interest rates and loan receivables.

Foreign Currency Risk

Substantially all of our revenues, cash and cash equivalent assets, costs and expenses, are denominated in Renminbi, and the functional currency of our principal operating subsidiaries and consolidated controlled entities is the Renminbi. On the other hand, a portion of our expenditures are denominated in foreign currencies, primarily the U.S. dollar, and we use the U.S. dollar as our functional and reporting currency. The ADSs are also traded in U.S. dollars. As a result, the value of your investment in our ADSs will be affected by fluctuations in exchange rates, particularly appreciation or depreciation in the value of the Renminbi relative to the U.S. dollar and other foreign currencies, without giving effect to any underlying change in our business or results of operations. For example, if the Renminbi had weakened 5.0% against the U.S. dollar with all other variables held constant, our loss for 2022 would have been US\$3.6 million lower, our loss for 2023 would have been US\$8.60 million lower and our loss for 2024 would have been US\$1.4 million lower. See “*Item 3.D. Key Information-Risk Factors-Risks related to doing business in China-Fluctuations in the exchange rates of the Renminbi could materially and adversely affect the value of our shares, ADSs or notes and result in foreign currency exchange losses.*”

From time to time we manage to convert Renminbi into foreign currencies for purchases of equipment from overseas suppliers and for certain expenses. The Renminbi is not freely convertible into foreign currencies. In July 2005, the PRC government discontinued pegging the Renminbi to the U.S. dollar. However, the PBOC, regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate. Nevertheless, under China’s current exchange rate regime, the Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term.

Very limited hedging transactions are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited and we may not be able to successfully hedge our exposure at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into other currencies.

Credit Risk

Assets that potentially subject us to significant concentration of credit risk primarily consist of cash and cash equivalents, restricted cash, fixed-rate time deposits and structured notes classified as short-term investments, accounts receivable, funds receivable, loans receivable and commitment deposits. As of December 31, 2024, we had US\$94.8 million in cash and cash equivalents, restricted cash, long-term deposits, fixed-rate time deposits and securities classified as short-term investments, 82.8% and 17.2% of which were held by financial institutions in the PRC and financial institutions outside of the PRC, respectively. Under PRC law, it is generally required that a commercial bank in the PRC that holds third-party cash deposits protect the depositors' rights and interests over their deposited money; PRC banks are subject to a series of risk control regulatory standards; and PRC bank regulatory authorities are empowered to take over the operation and management of any PRC bank that faces a material credit crisis. In the event of bankruptcy of one of the financial institutions in which we have deposits or investments, it may be unlikely to claim our deposits or investments back in full. We selected reputable financial institutions with high credit ratings to deposit its assets. We regularly monitor the ratings of the financial institutions in case of any defaults. There has been no recent history of default in relation to these financial institutions.

As of December 31, 2024, we had US\$51.0 million of short-term investment in the Structured Note. Pursuant to the trust agreement entered into with Guotai Junan Financial Products Limited ("GTJA") on September 21, 2023, the structured note continued to be secured by the cash collections from the underlying RMB-denominated bonds issued by Fang Holdings Limited. Under the terms of the renewed arrangement, the maturity of the structured note was extended October, 2025, and GTJA is required to apply all principal and interest payments received on the bonds to settle the outstanding principal and accrued interest on the structured note. No significant changes occurred to the structure or balance of the investment during 2024, and the Company continues to actively monitor the credit risk associated with the underlying bonds.

Accounts receivable are typically unsecured and are derived from revenue earned from customers in the PRC. The risk with respect to accounts receivable is mitigated by credit evaluations we perform on our customers and our ongoing monitoring of outstanding balances. We regularly review the creditworthiness of our customers and require collateral from our customers in certain circumstances when accounts receivables become long overdue.

Funds receivable represent amounts due from third-party payment service providers. We carefully consider and monitor the credit worthiness of the third-party payment service providers to mitigate any risks associated with funds receivable.

We are also exposed to default risk on our loans receivables. We assess the allowance for credit loss related to loans receivable on a quarterly basis, either on an individual or collective basis. As of December 31, 2024, no single borrower comprised a significant portion of our loan portfolio.

We regularly review the creditworthiness of real estate developers and require collateral from real estate developers in certain circumstances when commitment deposits become overdue.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

On March 18, 2014, we announced the change of the ratio of our American Depositary Receipts representing Class A ordinary shares from one ADS for one Class A ordinary share to five ADSs for one Class A ordinary share. The record date for the ratio change was March 28, 2014. For our ADS holders, this ratio change had the same effect as a five-for-one ADS split. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on April 7, 2014.

On June 25, 2019, we announced the change of the ratio of our American Depositary Receipts representing Class A ordinary shares from five ADSs for one Class A ordinary share to one ADS for one Class A ordinary share. For our ADS holders, this ratio change had the same effect as a one-for-five reverse ADS split. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on July 8, 2019.

On June 5, 2020, we announced the change of the ratio of our American Depositary Receipts, representing Class A ordinary shares from one ADS for one Class A ordinary shares to one ADS for ten Class A ordinary shares. There was no change to our Class A ordinary shares or Class B ordinary shares. The effect of the ratio change on the ADS trading price on New York Stock Exchange occurred on June 19, 2020.

JPMorgan Chase Bank, N.A., our depositary, may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities in any manner permitted by the deposit agreement or whose ADRs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing ordinary shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADRs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US\$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of the depositary's agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the ordinary shares or other deposited securities, the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which charge shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were ordinary shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of ordinary shares;

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- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- expenses of the depositary in connection with the conversion of foreign currency into U.S. dollars.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

Our depositary has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses and exchange application and listing fees. Neither the depositary nor we can determine the exact amount to be made available to us because (1) the number of ADSs that will be issued and outstanding, (2) the level of fees to be charged to holders of ADSs, and (3) our reimbursable expenses related to the ADR program are not known at this time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing ordinary shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide services to any holder until the fees and expenses owing by such holder for those services or otherwise are paid.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A. *Material Modifications to the Rights of Security Holders*

None.

B. *Use of Proceeds*

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and acting chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of December 31, 2024, our disclosure controls and procedures were not effective in certain respects, primarily due to the material weakness in our internal controls, as discussed below, to ensure that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and acting chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our management evaluated the effectiveness of our internal control over financial reporting, as required by Rule 13a-15(c) of the Exchange Act, based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this evaluation, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2024 due to the existence of a material weakness, as described below.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected on a timely basis. Our material weakness is that we did not have sufficient financial reporting and accounting personnel to formalize, design, implement and operate key controls over financial reporting process in order to report financial information in accordance with U.S. GAAP and SEC reporting requirements.

Notwithstanding the identified material weakness, management, including our chief executive officer and deputy chief financial officer, believes the consolidated financial statements included in this annual report on Form 20-F present fairly, in all material respects, our financial condition, results of operations and cash flows in conformity with U.S. GAAP.

This annual report does not include an attestation report on internal control over financial reporting from our company's registered public accounting firm, because we, as a "non-accelerated filer" as defined under Rule 12b-2 of the Exchange Act, are not required to have an attestation report on internal control over financial reporting from our external auditors.

Changes in Internal Control over Financial Reporting

We are currently in the process of remediating the material weakness described above. We will continue to implement additional measures to remediate the existing material weakness as discussed above. However, we cannot assure you that we will remediate our material weakness in a timely manner. See "Item 3. D. Key Information-Risk Factors-Risks related to our business-If we fail to achieve and maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, which could result in harm to our business, loss of investor confidence in our financial reporting and a lower trading price of our ADSs."

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Howard Huyue Zhang is an "audit committee financial expert" as defined by SEC rules, and that he satisfies the independence requirements of Section 303A of the New York Stock Exchange Listed Company Manual and Rule 10A-3 promulgated under the Exchange Act.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted our code of conduct and ethics, a code that applies to our directors, officers and employees. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (No. 333-169170). This code is publicly available on our website at ir.fang.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by our independent registered public accounting firms, for the years ended December 31, 2024 and 2023, respectively. Save as disclosed below, we did not pay any other fees to GGF during the periods indicated below.

	For the Year Ended December 31,	
	2024	2023
	(U.S. dollars in thousands)	
Audit fees (1) - GGF	813	325

(1) Audit fees are defined as the audit that needs to be performed each year in order to issue opinions on our consolidated financial statements. We accrued expenses of US\$0.8 million and US\$0.3 million for the years ended December 31, 2024 and 2023 related to independent registered public accounting firms.

Policy on Pre-Approval of Audit and Non-Audit Services of Independent Auditors

Our audit committee is responsible for pre-approving all audit and non-audit services provided by our auditor. These services may include audit services, audit related services, tax services and other services, as described above. Pre-approval is detailed as to the particular service or categories of services, and is subject to a specific budget. Our management and our auditor report to the audit committee regarding the extent of services provided in accordance with this pre-approval and the fees for the services performed to date on an annual basis. The audit committee may also pre-approve additional services on a case-by-case basis.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

We changed our independent registered public accounting firm in July 2022, and the disclosure called for by this item has been previously reported in our current report on Form 6-K filed with the SEC on July 15, 2022.

We changed our independent registered public accounting firm in May 2024, and the disclosure called for by this item has been previously reported in our current report on Form 6-K filed with the SEC on May 28, 2024.

ITEM 16G. CORPORATE GOVERNANCE

Fang is an exempted company incorporated under the laws of the Cayman Islands and not currently listed on any stock exchange. As a Cayman Islands company, Fang's corporate affairs are governed by its memorandum and articles of association, as amended from time to time, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, but does not follow recent English statutory enactments.

Furthermore, as Fang is not currently listed on any stock exchange, Fang is not subject to any listing rules or listing standards. To the extent that Fang continues to follow the NYSE corporate governance listing standards that were previously applicable to it, Fang may stop following any or all of those listing standards at any time at the discretion of its board of directors or management, as the case may be. Fang has followed the corporate governance practice in our home country, the Cayman Islands, which does not require a majority of our board to consist of independent directors or that we have annual meetings to elect directors. We currently have an audit committee comprised of independent directors, a compensation committee with one non-independent director and a nominating and corporate governance committee with one non-independent director. As a result, Fang's corporate governance practices may afford shareholders less protection than they would otherwise enjoy as shareholders of companies incorporated in Delaware or other states in the United States or under the corporate governance listing standards of the NYSE, the Nasdaq Stock Market or other stock exchanges.

We are committed to a high standard of corporate governance. However, the following are ways in which our current corporate governance practices differ from New York Stock Exchange corporate governance requirements since the laws of Cayman Islands do not require such compliance:

- We are not required to schedule an executive session at least once a year to be attended by only independent directors and all directors are currently entitled to attend all of our board meetings.
- We have not yet adopted or disclosed a method for interested parties to communicate directly with the presiding director or with non-management directors as a group.
- We are not required to obtain shareholder approval for the adoption of, or material revisions to, our equity compensation plans and our directors may amend, materially revise, or terminate our equity compensation plans, but no such action will affect any outstanding award in any manner materially adverse to a participant without the consent of the participant.
- Our compensation committee and our nominating and corporate governance committee are comprised with a majority of independent directors and not only independent directors. Our executive chairman, Mr. Mo, who serves on both our compensation committee and nominating and corporate governance committee, is not independent under the relevant New York Stock Exchange rules.

None of the above practices conflicts with the laws of the Cayman Islands or our sixth amended and restated memorandum and articles of association.

We may in the future determine to voluntarily comply with one or more of the foregoing provisions.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

The Company has adopted insider trading policies and procedures that are included in our Code of Ethics, governing the purchase, sale, and other dispositions of the Company's securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and any listing standards applicable to the Company.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We have implemented robust processes for assessing, identifying and managing material risks from cybersecurity threats and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have established a dynamic and multi-layered cybersecurity defense system to effectively mitigate both internal and external cyber threats. This comprehensive system spans multiple security domains, including network, host, and application layers. It integrates a range of security capabilities such as threat defense, continuous monitoring, in-depth analysis, rapid response, as well as strategic deception and countermeasures. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, ongoing internal and external evaluations of our security measures, a solid incident response framework, and regular cybersecurity training sessions for our employees. Our IT department is actively engaged in continuous monitoring of our applications, platforms and infrastructure to ensure prompt identification and response to potential issues, including emerging cybersecurity threats.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our board of directors is responsible for overseeing our cybersecurity risk management. Our board of directors shall (i) maintain oversight of the disclosure related to cybersecurity matters in current reports or periodic reports of our company, (ii) review updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the relevant disclosure issues, if any, presented by our chief executive officer, chief financial officer and cybersecurity officer, or Cybersecurity Risk Management Officers, on a quarterly basis, and (iii) review disclosure concerning cybersecurity matters in our annual report on Form 20-F presented by our Cybersecurity Risk Management Officers.

At management level, our Cybersecurity Risk Management Officers are responsible for assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. Our Cybersecurity Risk Management Officers report to our board of directors (i) on a quarterly basis on updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the relevant disclosure issues, if any, and (ii) on disclosure concerning cybersecurity matters in our annual report on Form 20-F.

If a cybersecurity incident occurs, our Cybersecurity Risk Management Officers will promptly organize relevant personnel for internal assessment and if it is determined that the incident could potentially be a material cybersecurity event, our Cybersecurity Risk Management Officers will promptly report the incident and assessment results to our disclosure committee, our board of directors, and other members of senior management and external legal counsel, to the extent appropriate. Our Cybersecurity Risk Management Officers shall prepare disclosure material on the cybersecurity incident for review and approval by the disclosure committee and board of directors, and other members of senior management (if necessary), before it is disseminated to the public.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

Our consolidated financial statements are included at the end of this annual report.

ITEM 19. EXHIBITS

We have filed the following documents as exhibits to this annual report:

<u>Exhibit No.</u>	
1.1	Sixth Amended and Restated Memorandum and Articles of Association (incorporated by reference to Exhibit 99.2 of our Current Report on Form 6-K filed with the SEC on November 23, 2022).
2.1	Specimen ordinary share certificate (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).
2.2	Specimen American depositary receipt (incorporated by reference to our Registration Statement on Form F-6 filed with the SEC on March 18, 2014).
2.3	Form of Deposit Agreement (incorporated by reference to our Registration Statement on Form F-6 filed with the SEC on September 2, 2010).
2.4	Form of Amendment No. 1 to Deposit Agreement (incorporated by reference to Exhibit (a)(2) of our Registration Statement on Form F-6 filed with the SEC on January 31, 2011).
2.5	Form of Amendment No. 2 to Deposit Agreement (incorporated by reference to Exhibit (a)(3) of our Registration Statement on Form F-6 filed with the SEC on May 15, 2012).
2.6	Form of Amendment No. 3 to Deposit Agreement (incorporated by reference to Exhibit (a) of our Registration Statement on Form F-6 filed with the SEC on March 18, 2014).
2.7	Form of Restricted Deposit Agreement by and among SouFun Holdings Limited, JPMorgan Chase Bank, N.A. and the holders of American depositary receipts issued thereunder (incorporated by reference to Exhibit 99.3 of our Registration Statement on Form 6-K filed with the SEC on December 4, 2013).
2.8	Form of Indenture by and among SouFun Holdings Limited, JPMorgan Chase Bank, N.A. and the holders of American depositary receipts issued thereunder (incorporated by reference to Exhibit 99.2 of our Current Report on Form 6-K filed with the SEC on December 18, 2013).
2.9	Amendment No. 1 to the Amended and Restated Deposit Agreement (incorporated by reference to Exhibit (a)(2) of our Registration Statement on Form F-6 filed with the SEC on June 25, 2019).
2.10	Amendment No. 2 to the Amended and Restated Deposit Agreement (incorporated by reference to Exhibit 99 (a)(3) of our Registration Statement on Form F-6 filed with the SEC on June 5, 2020).
2.11	Description of securities (incorporated by reference to Exhibit 2.10 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
4.1	Registration Rights Agreement among SouFun Holdings Limited, Vincent Tianquan Mo, Next Decade, Media Partner, Digital Link, Shan Li, IDG-Accel China Capital L.P., and IDG-Accel China Capital Investors L.P., dated April 11, 2014 (incorporated by reference to Exhibit 4.2 of our Annual Report on Form 20-F filed with the SEC on April 30, 2014).

Exhibit No.

- 4.2 [Termination and Release Agreement among SouFun Holdings Limited, General Atlantic and Apax, dated September 23, 2015 \(incorporated by reference to Exhibit 4.3 of our Annual Report 20-F filed with the SEC on May 17, 2016\).](#)
- 4.3 [Termination and Release Agreement among SouFun Holdings Limited, General Atlantic, Apax, Next Decade, Media Partner and Digital Link, dated September 23, 2015 \(incorporated by reference to Exhibit 4.4 of our Annual Report 20-F filed with the SEC on May 17, 2016\).](#)
- 4.4 [Registration Rights Agreement among SouFun Holdings Limited, Safari Group Holdings Limited and Safari Group CB Holdings Limited, dated September 24, 2015 \(incorporated by reference to Exhibit 99.15 to the Schedule 13D filed with the SEC by Vincent Tianquan Mo on October 9, 2015\).](#)
- 4.5 [Supplemental Agreement among SouFun Holdings Limited, IDG Alternative Global Limited and China Merchants Bank Co., Ltd., Tianjin Pilot Free Trade Zone Branch, dated November 4, 2015 \(incorporated by reference to Exhibit 99.19 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.6 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and IDG-Accel China Capital L.P., dated November 10, 2015 \(incorporated by reference to Exhibit 99.45 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.7 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and IDG-Accel China Capital Investors L.P., dated November 10, 2015 \(incorporated by reference to Exhibit 99.46 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.8 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and Winning Star Global Limited, dated November 10, 2015 \(incorporated by reference to Exhibit 99.47 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.9 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and Rainbow Zone Enterprise Inc., dated November 10, 2015 \(incorporated by reference to Exhibit 99.48 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.10 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and Chuang Xi Capital Holdings Limited, dated November 10, 2015 \(incorporated by reference to Exhibit 99.49 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.11 [Registration Rights Agreement among SouFun Holdings Limited, Karistone Limited and Wealth Harvest Global Limited, dated November 10, 2015 \(incorporated by reference to Exhibit 99.50 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.12 [Stock Related Award Incentive Plan of 1999 \(incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010\).](#)
- 4.13 [2010 Stock Incentive Plan \(incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010\).](#)
- 4.14 [2015 Stock Incentive Plan \(incorporated by reference to Exhibit 99.2 to our Current Report on Form 6-K filed with the SEC on July 6, 2015\).](#)
- 4.15 [Form of Employment Agreement \(incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010\).](#)
- 4.16 [Form of Indemnification Agreement \(incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010\).](#)
- 4.17 [Form of Loan Agreement between and among Beijing Tuo Shi Huan Yu, SouFun Media or SouFun Network, Mr. Mo and/or Mr. Dai as shareholders of a consolidated controlled entity \(incorporated by reference to Exhibit 4.19 of our Annual Report 20-F filed with the SEC on May 17, 2016\).](#)

Exhibit No.

- 4.17.1 [Schedule of Loan Agreements between and among certain PRC subsidiary of Fang Holdings Limited and shareholders of a consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.17.1 of our Annual Report on Form 20-F filed with the SEC on May 12, 2017).
- 4.18 [Form of Creditor’s Rights Transfer Agreement among Beijing Zhong Zhi Shi Zheng or Jia Tian Xia Network, Beijing Tuo Shi Huan Yu, SouFun Media or SouFun Network, and Mr. Mo and/or Mr. Dai as shareholders of a consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.20 of our Annual Report 20-F filed with the SEC on May 17, 2016).
- 4.18.1 [Schedule of Creditor’s Rights Transfer Agreements among certain PRC subsidiaries of Fang Holdings Limited and shareholders of certain consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.18.1 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
- 4.19 [Form of Equity Pledge Agreement among Beijing Zhong Zhi Shi Zheng or Jia Tian Xia Network, Mr. Mo and/or Mr. Dai and/or other shareholders of a consolidated controlled entity pledging the shares of the consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.21 of our Annual Report 20-F filed with the SEC on May 17, 2016).
- 4.19.1 [Schedule of Equity Pledge Agreements among certain PRC subsidiary of Fang Holdings Limited and shareholders of a consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.19.1 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
- 4.20 [Form of Shareholders’ Proxy Agreement among Beijing Zhong Zhi Shi Zheng or Jia Tian Xia Network, a consolidated controlled entity, Mr. Mo and/or Mr. Dai and/or other shareholders of the consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.22 of our Annual Report 20-F filed with the SEC on May 17, 2016).
- 4.20.1 [Schedule of Shareholders’ Proxy Agreements among certain PRC subsidiary of Fang Holdings Limited, a consolidated controlled entity and shareholders of the consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.20.1 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
- 4.21 [Form of Operating Agreement among Beijing Zhong Zhi Shi Zheng or Jia Tian Xia Network, a consolidated controlled entity, Mr. Mo and/or Mr. Dai and/or other shareholders of the consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.23 of our Annual Report 20-F filed with the SEC on May 17, 2016).
- 4.21.1 [Schedule of Operating Agreements among certain PRC subsidiary of Fang Holdings Limited, a consolidated controlled entity and shareholders of the consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.21.1 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
- 4.22 [Form of Exclusive Technical Consultancy and Services Agreement between Beijing Zhong Zhi Shi Zheng or Jia Tian Xia Network and a consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.24 of our Annual Report 20-F filed with the SEC on May 17, 2016).
- 4.22.1 [Schedule of Exclusive Technical Consultancy and Services Agreements between certain PRC subsidiary of Fang Holdings Limited and a consolidated controlled entity.](#) (incorporated by reference to Exhibit 4.22.1 of our Annual Report on Form 20-F filed with the SEC on May 27, 2020).
- 4.23 [Form of Exclusive Call Option Agreement among Fang Holdings Limited, Mr. Mo and/or Mr. Dai and/or other shareholders of a consolidated controlled entity, the consolidated controlled entity and certain PRC subsidiaries of Fang Holdings Limited.](#) (incorporated by reference to Exhibit 4.23 of our Annual Report on Form 20-F filed with the SEC on May 14, 2019).
- 4.23.1 [Schedule of Exclusive Call Option Agreements among Fang Holdings Limited, shareholders of a consolidated controlled entity, the consolidated controlled entity and certain PRC subsidiaries of Fang Holdings Limited.](#) (incorporated by reference to Exhibit 4.23.1 of our Annual Report on Form 20-F filed with the SEC on May 14, 2019).
- 4.24 [Form of Intra-group Memorandum of Understanding between SouFun Network or SouFun Media and a consolidated controlled entity.](#) (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).

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Exhibit No.

- 4.24.1 [Schedule of Intra-group Memorandums of Understanding between certain PRC subsidiary of SouFun Holdings Limited and a consolidated controlled entity \(incorporated by reference to Exhibit 4.16.1 of our Annual Report 20-F filed with the SEC on April 26, 2012\).](#)
- 4.25 [Summary Translation of Strategic Cooperation Agreement between Beijing SouFun Network Technology Co., Ltd. and Shenzhen World Union Properties Consultancy Co., Ltd. \(incorporated by reference to Exhibit 99.4 of our Current Report on Form 6-K filed with the SEC on July 11, 2014\).](#)
- 4.26 [Summary Translation of Investment and Cooperation Framework Agreement between SouFun Holdings Limited and Hopefluent Group Holdings Limited \(incorporated by reference to Exhibit 99.5 of our Current Report on Form 6-K filed with the SEC on July 11, 2014\).](#)
- 4.27 [Summary Translation of Joint Venture Agreement between SouFun Holdings Limited and Tospur Real Estate Consulting Co., Ltd. \(incorporated by reference to Exhibit 99.3 of our Current Report on Form 6-K filed with the SEC on November 13, 2014\).](#)
- 4.28 [Summary Translation of Shareholders Agreement among Beijing China Index Information Co., Ltd., Shanghai SouFun Advertising Co., Ltd., Beijing Tian Xia Dai Information Service Co., Ltd., Beijing RunZe Microfinance Co., Ltd. and certain other parties thereto \(incorporated by reference to Exhibit 4.36 of our Annual Report on Form 20-F filed with the SEC on April 28, 2015\).](#)
- 4.29 [Summary Translation of Investment and Cooperation Agreement between SouFun Holdings Limited and Colour Life Services Group Co., Limited \(incorporated by reference to Exhibit 4.37 of our Annual Report on Form 20-F filed with the SEC on April 28, 2015\).](#)
- 4.30 [Subscription Agreement between SouFun Holdings Limited and IDG Alternative Global Limited, dated September 17, 2015 \(incorporated by reference to Exhibit 99.2 of our Current Report on Form 6-K filed with the SEC on September 21, 2015\).](#)
- 4.31 [Subscription Agreement among SouFun Holdings Limited, Safari Group Holdings Limited, Safari Group CB Holdings Limited and Safari Parent Limited, dated September 17, 2015 \(incorporated by reference to Exhibit 99.3 of our Current Report on Form 6-K filed with the SEC on September 21, 2015\).](#)
- 4.32 [Subscription Agreement Supplement among SouFun Holdings Limited, Safari Group Holdings Limited and Safari Group CB Holdings Limited, dated November 23, 2015 \(incorporated by reference to Exhibit 99.2 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.33 [Convertible Note \(US\\$28.00 million\) by SouFun Holdings Limited, dated September 24, 2015 \(incorporated by reference to Exhibit 99.3 to the Schedule 13D filed with the SEC by Vincent Tianquan Mo on October 9, 2015\).](#)
- 4.34 [Convertible Note \(US\\$72.00 million\) by SouFun Holdings Limited, dated September 24, 2015 \(incorporated by reference to Exhibit 99.4 to the Schedule 13D filed with the SEC by Vincent Tianquan Mo on October 9, 2015\).](#)
- 4.35 [Subscription Agreement Supplement between IDG Alternative Global Limited and SouFun Holdings Limited, dated October 29, 2015 \(incorporated by reference to Exhibit 99.17 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.36 [Letter Agreement between IDG Alternative Global Limited and SouFun Holdings Limited, dated November 4, 2015 \(incorporated by reference to Exhibit 99.18 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.37 [Supplemental Agreement among the IDG Alternative Global Limited, China Merchants Bank Co., Ltd., Tianjin Pilot Free Trade Zone Branch and SouFun Holdings Limited, dated November 4, 2015 \(incorporated by reference to Exhibit 99.19 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.38 [Convertible Note \(US\\$200.00 million\) by SouFun Holdings Limited, dated November 4, 2015 \(incorporated by reference to Exhibit 99.20 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)

Exhibit No.

- 4.39 [Subscription Agreement between SouFun Holdings Limited and Karistone Limited, dated November 9, 2015 \(incorporated by reference to Exhibit 99.26 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 4.40 [Subscription Agreement between SouFun Holdings Limited and IDG-Accel China Capital L.P., dated November 9, 2015 \(incorporated by reference to Exhibit 99.11 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.41 [Subscription Agreement between SouFun Holdings Limited and IDG-Accel China Capital Investors L.P., dated November 9, 2015 \(incorporated by reference to Exhibit 99.12 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.42 [Subscription Agreement between SouFun Holdings Limited and Winning Star Global Limited, dated November 9, 2015 \(incorporated by reference to Exhibit 99.13 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.43 [Subscription Agreement between SouFun Holdings Limited and Rainbow Zone Enterprise Inc., dated November 9, 2015 \(incorporated by reference to Exhibit 99.14 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.44 [Subscription Agreement between SouFun Holdings Limited and Chuang Xi Capital Holdings Limited, dated November 9, 2015 \(incorporated by reference to Exhibit 99.15 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.45 [Subscription Agreement between SouFun Holdings Limited and Wealth Harvest Global Limited, dated November 9, 2015 \(incorporated by reference to Exhibit 99.16 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.46 [Summary Translation of Cooperation Framework Agreement among SouFun Holdings Limited, Chongqing Wanli New Energy Co., Ltd. and other relevant parties, dated November 13, 2015 \(incorporated by reference to Exhibit 99.3 of our Current Report on Form 6-K filed with the SEC on November 13, 2015\).](#)
- 4.47 [Summary Translation of Share Subscription Agreement among Beijing SouFun Fang Tian Xia Network Technology Co., Ltd., Beijing Fang Tian Xia Network Technology Co., Ltd., Beijing SouFun Decorative Engineering Co., Ltd., Beijing SouFun Science and Technology Development Co., Ltd., Chongqing Wanli New Energy Co., Ltd. and other relevant parties, dated January 19, 2016 \(incorporated by reference to Exhibit 99.2 of our Current Report on Form 6-K filed with the SEC on January 22, 2016\).](#)
- 4.48 [Summary Translation of Compensation Agreement among Beijing SouFun Fang Tian Xia Network Technology Co., Ltd., Beijing Fang Tian Xia Network Technology Co., Ltd., Beijing SouFun Decorative Engineering Co., Ltd. and Chongqing Wanli New Energy Co., Ltd., dated January 19, 2016 \(incorporated by reference to Exhibit 99.3 of our Current Report on Form 6-K filed with the SEC on January 22, 2016\).](#)
- 4.49 [Summary Translation of the Non-compete Agreement among Vincent Tianquan Mo, SouFun Holdings Limited and Chongqing Wanli New Energy Co., Ltd., dated May 2, 2016 \(incorporated by reference to Exhibit 4.58 of our Annual Report 20-F filed with the SEC on May 17, 2016\).](#)
- 4.50 [Summary Translation of Commercial Properties Purchase Agreement between Beijing SouFun Network Technology Co., Ltd. and Beijing Jinyu Dacheng Co., Ltd., dated November 10, 2015 \(incorporated by reference to Exhibit 99.24 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)
- 4.51 [Summary Translation of Share Subscription and Asset Purchase Termination Agreement among Beijing SouFun Fang Tian Xia Network Technology Co., Ltd., Beijing Fang Tian Xia Network Technology Co., Ltd., Beijing SouFun Decorative Engineering Co., Ltd., Beijing SouFun Science and Technology Development Co., Ltd., Chongqing Wanli New Energy Co., Ltd. and other relevant parties, dated February 22, 2017 \(incorporated by reference to Exhibit 4.51 of our Annual Report on Form 20-F filed with the SEC on May 12, 2017\).](#)
- 4.52 [Summary Translation of Share Transfer Agreement among Shenzhen Nanfang Tongzheng Investment Co., Ltd., Jia Tian Xia Asset Management Co., Ltd. and Mr. Xicheng Liu in relation to Chongqing Wanli New Energy Co.,](#)

Exhibit No.

- [Ltd. dated July 19, 2018 \(incorporated by reference to Exhibit 4.52 of our Annual Report on Form 20-F filed with the SEC on May 14, 2019\).](#)
- 4.53 [Form of separation and distribution agreement between Fang Holdings Limited and China Index Holdings Limited, dated May 24, 2019 \(incorporated by reference to Exhibit 10.3 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.54 [English translation of form of business cooperation agreement between Fang Holdings Limited and Beijing Zhong Zhi Shi Zheng Data Information Technology Co., Ltd., dated May 24, 2019 \(incorporated by reference to Exhibit 10.4 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.55 [English translation of form of data license agreement between Fang Holdings Limited and Beijing Zhong Zhi Shi Zheng Data Information Technology Co., Ltd., dated May 24, 2019 \(incorporated by reference to Exhibit 10.5 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.56 [English translation of form of intellectual property right license agreement between Fang Holdings Limited and Beijing Zhong Zhi Shi Zheng Data Information Technology Co., Ltd., dated May 24, 2019 \(incorporated by reference to Exhibit 10.6 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.57 [English translation of form of lease framework agreement between Fang Holdings Limited and Beijing Zhong Zhi Shi Zheng Data Information Technology Co., Ltd., dated September 30, 2018 \(incorporated by reference to Exhibit 10.7 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.58 [English translation of form of software license agreement between Fang Holdings Limited and Beijing Zhong Zhi Shi Zheng Data Information Technology Co., Ltd., dated May 24, 2019 \(incorporated by reference to Exhibit 10.8 of the registration statement of China Index Holdings Limited on Form F-1 \(file No. 333-231376\) filed with the SEC on May 24, 2019\).](#)
- 4.59 [Sale and purchase agreement among Fang Holdings Limited, Media Partner Technology Limited and Next Decade Investments Limited, dated December 24, 2019 \(incorporated by reference to Exhibit 99.1 to our Schedule 13D filed with the SEC on January 6, 2020\).](#)
- 4.60 [Form of Supplemental Agreement to the Structure Contracts among Fang Holdings Limited, Mr. Mo and/or Mr. Jiangong Dai and/or Mr. Jianning Dai and/or other shareholders of a consolidated controlled entity, the consolidated controlled entity and certain PRC subsidiaries of Fang Holdings Limited. \(incorporated by reference to Exhibit 4.60 to our annual report on Form 20-F for the period ended December 31, 2019 filed with the SEC on May 27, 2020\).](#)
- 4.60.1 [Schedule of Supplemental Agreement to the Structure Contracts among Fang Holdings Limited, Mr. Mo and/or Mr. Jiangong Dai and/or Mr. Jianning Dai and/or other shareholders of a consolidated controlled entity, the consolidated controlled entity and certain PRC subsidiaries of Fang Holdings Limited. \(incorporated by reference to Exhibit 4.60.1 to our annual report on Form 20-F for the period ended December 31, 2019 filed with the SEC on May 27, 2020\).](#)
- 4.61 [Settlement Agreement among Evenstar Master Fund SPC for and on behalf of Evenstar Master Sub-Fund I Segregated Portfolio, Evenstar Special Situations Limited, Fang Holdings Limited and Mr. Mo. \(incorporated by reference to Exhibit 99.4 to the Schedule 13D/A filed with the SEC by Evenstar Capital Management Limited\)](#)
- 4.62 [Limited Guarantee between Fang Holdings Limited and China Index Holdings Limited. \(incorporated by reference to Exhibit 99.10 to the Schedule 13D/A filed with the SEC by China Index Holding Ltd.\)](#)
- 4.63 [Interim Investor Agreement among Fang Holdings Limited, Mr. Mo, CIH Holdings Limited, and certain other shareholders of China Index Holdings Limited. \(incorporated by reference to Exhibit 99.11 to the Schedule 13D/A filed with the SEC by China Index Holding Ltd.\)](#)

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Exhibit No.	
4.64	Equity Commitment Letter between Fang Holdings Limited and CIH Holdings Limited. (incorporated by reference to Exhibit 99.8 to the Schedule 13D/A filed with the SEC by China Index Holding Ltd.)
4.65	Equity Contribution Agreement among CIH Holdings Limited, Fang Holdings Limited, and certain other shareholders of China Index Holdings Limited. (incorporated by reference to Exhibit 99.9 to the Schedule 13D/A filed with the SEC by China Index Holding Ltd.)
4.66	Placing Agreement between Fang Holdings Limited and CNCB (Hong Kong) Capital Limited dated October 10, 2023 (incorporated by reference to Exhibit 4.66 to our annual report on Form 20-F for the period ended December 31, 2023 filed with the SEC on May 7, 2025.)
4.67	Stipulation of Settlement (incorporated by reference to Exhibit 99.1 of our Current Report on Form 6-K filed with the SEC on October 30, 2025).
8.1*	List of Principal Subsidiaries and Consolidated Controlled Entities.
11.1	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 99.1 of our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).
12.1*	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2*	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1**	CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2**	CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1*	Consent of Jingtian & Gongcheng.
15.2*	Consent of GGF CPA Limited.
16.1	Letter dated May 14, 2019 from Ernst & Young Hua Ming LLP to the Securities and Exchange Commission (incorporated by reference to Exhibit 16.1 of our Annual Report on Form 20-F filed with the SEC on May 14, 2019).
97.1	Insider Trading Policy (incorporated by reference to Exhibit 99.1 of our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).
97.2	Clawback Policy (incorporated by reference to Exhibit 97.2 to our annual report on Form 20-F for the period ended December 31, 2023 filed with the SEC on May 7, 2025.)
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

FANG HOLDINGS LIMITED

By: /s/ Vincent Tianquan Mo

Name: Vincent Tianquan Mo

Title: Executive Chairman

Date: November 21, 2025

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Fang Holdings Limited:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Fang Holdings Limited, and its subsidiaries (the “Company”) as of December 31, 2023 and 2024, and the related consolidated statements of comprehensive income (loss), changes in shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively, the “consolidated financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which they relate.

Impairment assessment of long-lived assets with impairment indicators

As disclosed in Notes 2, 8 and 9 to the consolidated financial statements, the carrying value before impairment of property and equipment and operating lease right-of-use assets cumulatively amounted to US\$699.2 million, as of December 31, 2024. The Company evaluates the recoverability of its long-lived assets, including property and equipment, construction in progress and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing recoverability, the Company groups the long-lived assets at the lowest level for which identifiable cash flows being independent of the cash flows of other assets and liabilities. A long-lived asset group is not recoverable if the carrying value is higher than the undiscounted future cash flows expected to result from their use. Impairment losses are measured based on the excess of the asset group's carrying amount over its fair value. In determining the fair value of its long-lived asset groups, the Company considers the highest and best use from a market participants' perspective, which is determined to be the higher of the discounted future cash flows from operating the long-lived asset group and the price market participants would pay for the long-lived asset group. During the year ended December 31, 2024, the Company recorded an impairment charge of US\$55.1 million related to the long-lived assets.

We identified the impairment assessment of long-lived assets as a critical audit matter due to the material balance on the balance sheet and significant judgement and assumptions were used by the Management in determining the future cash flows, particularly revenues expected to be generated from the usage of the long-lived asset groups and estimates of the price market participants would pay for the long-lived asset group. These significant assumptions are forward-looking and include assumptions about economic and market conditions with uncertain future outcomes, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to Management's assessment.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. The primary procedures we performed to address this critical audit matter included the following:

- We obtained an understanding over the Company's long-lived asset impairment assessment process and walked through how management made the significant assumptions described above.
- To test the Company's impairment assessment of its long-lived assets, we performed audit procedures that included, among others, evaluating the significant assumptions described above and testing the completeness and accuracy of the underlying data used. We compared the revenues expected to be generated from the intended usage of the asset group to the actual revenues generated in recent historical periods and current industry, market and economic trends. We evaluated the valuation methodologies used by the Company and compared their estimates against a range of estimates that were independently developed by us using external data.
- We also evaluated the financial statements disclosures included in Notes 2, 8 and 9 to the consolidated financial statements.

/s/ GGF CPA LTD

We have served as the Company's auditor since 2024.

Guang Zhou, People's Republic of China
November 21, 2025

FANG HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

	Note	As of December 31,	
		2023	2024
		US\$	US\$
ASSETS			
Current assets:			
Cash and cash equivalents		86,123	65,087
Restricted cash, current		4,314	21,824
Short-term investments	4	106,520	58,853
Accounts receivable, net	5	22,252	14,146
Prepayments and other current assets	6	67,724	98,183
Loans receivable, net	7	32,373	37,529
Amounts due from related parties	16	1,045	292
Total current assets		320,351	295,914
Non-current assets:			
Property and equipment, net	8	469,360	414,142
Deferred tax assets	14	17,208	11,356
Long-term investments	4	104,526	99,317
Long-term time deposits	4	1,412	—
Right-of-use assets	9	16,161	14,924
Other non-current assets		17,993	3,187
Total non-current assets		626,660	542,926
Total assets		947,011	838,840

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS (continued)
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

	<u>Note</u>	<u>As of December 31,</u>	
		<u>2023</u>	<u>2024</u>
		US\$	US\$
LIABILITIES AND SHAREHOLDERS’ EQUITY			
Current liabilities:			
Short-term loans and current portion of long-term loans	10	17,515	41,872
Bond payable	11	50,590	49,849
Deferred revenue		56,343	58,438
Accrued expenses and other liabilities	12	54,216	54,670
Income tax payable		1,468	1,874
Amounts due to related parties	16	34,676	4,532
Total current liabilities		214,808	211,235
Non-current liabilities:			
Long-term loans, less current portion	10	167,570	125,308
Deferred tax liabilities	14	62,742	61,674
Other non-current liabilities		117,994	93,711
Total non-current liabilities		348,306	280,693
Total liabilities		563,114	491,928
Commitments and contingencies	18	—	—

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS (continued)
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

	Note	As of December 31,	
		2023	2024
		US\$	US\$
Shareholders' equity:			
Class A ordinary shares, par value Hong Kong Dollar (“HK\$”) 1 per share, 600,000,000 shares authorized for Class A and Class B in aggregate; 71,775,686 shares issued as of December 31, 2023 and 2024, respectively; 66,020,679 shares outstanding as of December 31, 2023 and 2024, respectively.	13	9,244	9,244
Class B ordinary shares, par value Hong Kong Dollar (“HK\$”) 1 per share, 600,000,000 shares authorized for Class A and Class B in aggregate; 24,336,650 shares issued and outstanding as of December 31, 2023 and 2024, respectively; each Class B ordinary share is convertible into one Class A ordinary share.	13	3,124	3,124
Treasury shares (5,755,007 shares as of December 31, 2023 and 2024, respectively.)	13	(111,283)	(111,283)
Additional paid-in capital		545,364	545,514
Accumulated other comprehensive loss		(37,408)	(45,787)
Accumulated deficit		(25,144)	(53,900)
Total shareholders' equity		383,897	346,912
Total liabilities and shareholders' equity		947,011	838,840

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

	Note	Year Ended December 31,		
		2022 US\$	2023 US\$	2024 US\$
Revenues				
Marketing services		37,187	16,722	11,032
Listing services		13,105	7,749	4,693
Leads generation services		15,760	13,499	7,996
Financial services		9,716	4,572	4,964
Other services		4,713	7,473	1,991
Total revenues		80,481	50,015	30,676
Cost of services		(12,267)	(7,909)	(5,708)
Gross profit		68,214	42,106	24,968
Operating income (expenses)				
Selling expenses		(30,783)	(19,603)	(15,086)
General and administrative expenses		(27,174)	(51,569)	(35,840)
Impairment of long-lived assets		—	(151,097)	(55,068)
Reverse of (provision for) credit loss and recovery of previously written-off receivables		(50,335)	(30,389)	41,280
Other income, net		103	4,633	5,320
Operating loss		(39,975)	(205,919)	(34,426)
Foreign exchange gain		1,222	126	488
Interest income		6,854	5,958	4,201
Interest expense		(10,765)	(8,081)	(9,658)
Change in fair value of securities	4	828	(1,523)	(2,853)
Government grants		1,523	254	193
Investment income (loss), net	4	523	2,100	(1,435)
Loss before income taxes		(39,790)	(207,085)	(43,490)
Income tax (expense) benefit	14	(35,772)	27,364	14,734
Net loss		(75,562)	(179,721)	(28,756)

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (continued)
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

	Note	Year Ended December 31,		
		2022	2023	2024
		US\$	US\$	US\$
Comprehensive loss				
Net loss		(75,562)	(179,721)	(28,756)
Foreign currency translation adjustments		(47,413)	(27,872)	(7,942)
Loss on intra-entity foreign transactions of long-term investment nature		(2,794)	(505)	(437)
Total comprehensive loss		(125,769)	(208,098)	(37,135)
Net loss per share for Class A and Class B ordinary shares				
Basic and diluted	20	(0.84)	(1.99)	(0.32)
Weighted average number of Class A and Class B ordinary shares outstanding:				
Basic and diluted	20	<u>90,357,275</u>	<u>90,357,329</u>	<u>90,357,329</u>

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands of United States Dollars (“US\$”))

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	(75,562)	(179,721)	(28,756)
<i>Adjustments to reconcile net loss to net cash used in (provided by) operating activities:</i>			
Share-based compensation	586	39	—
Depreciation of property and equipment	23,441	21,708	16,010
Amortization of right-of-use assets	1,956	2,131	970
Deferred tax benefits	(11,060)	(32,054)	(16,640)
Provision for (reversal of) credit loss for accounts receivable, loans receivable and other current assets	50,335	30,389	(19,937)
Impairment of property and equipment and land use right	—	151,097	55,068
Impairment of investment	270	—	—
Investment (income) loss	(523)	(2,100)	1,435
Change in fair value of securities	(828)	1,523	2,853
Amortization of transaction costs for structured note	136	—	—
Gain on disposal of property and equipment	(26)	(58)	(57)
Deemed rental expense (Note 16)	159	152	150
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable	(30,837)	8,383	1,759
Prepayments and other current assets	(10,898)	(3,183)	(21,648)
Loans receivable	48,440	14,932	(6,355)
Amounts due from related parties	(2,794)	3,242	745
Other non-current assets	(1,494)	5,045	14,685
Deferred revenue	(2,220)	5,750	2,952
Accrued expenses and other liabilities	8,571	(13,546)	847
Income tax payable	(678)	555	432
Amounts due to related parties	(323)	—	—
Other non-current liabilities	(12,712)	(24,275)	(928)
Net cash (used in) provided by operating activities	(16,061)	(9,991)	3,585

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(Amounts in thousands of United States Dollars (“US\$”))

	Years Ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of short-term investment	62,739	56,107	54,557
Proceeds from disposal of equity investments	32,204	23,014	—
Proceeds from disposal of property and equipment	33	65	103
Acquisition of property and equipment	(10,795)	(979)	(4,802)
Acquisition of short-term investments	(5,474)	(54,529)	(6,579)
Acquisition of long-term investments and time deposits	(17,770)	(15,891)	(974)
Cash collected from refund of prepayment for purchase properties	9,634	6,247	—
Proceeds from dividend distribution from equity investments	284	543	671
Repayment of loan receivables from a related party, Shanghai Yuyue	—	—	4,487
Payment of loan to a related party, Shanghai Yuyue (Note 16)	—	—	(421)
Repayments to a related party, CIH	—	(56,428)	(33,992)
Net cash provided by (used in) investing activities	70,855	(41,851)	13,050
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options	7	—	—
Proceeds from loans	—	127,997	1,405
Repayment of loans	(340,843)	(43,527)	(16,738)
Repayment of bonds	—	(51,114)	—
Net cash provided by (used in) financing activities	(340,836)	33,356	(15,333)
Exchange rate effect on cash, cash equivalents and restricted cash	(1,464)	(1,436)	(4,828)
Net decrease in cash, cash equivalents and restricted cash	(287,506)	(19,922)	(3,526)
Cash, cash equivalents and restricted cash at beginning of year	397,865	110,359	90,437
Cash, cash equivalents and restricted cash at end of year	110,359	90,437	86,911
Supplemental schedule of cash flow information:			
Income tax paid	38,162	4,877	1,503
Interest paid	7,656	13,470	9,788
Recognition of operating right-of-use assets	1,387	479	514
Investments acquired but not yet paid	—	—	417

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	2022 US\$	2023 US\$	2024 US\$
Cash and cash equivalents	106,015	86,123	65,087
Restricted cash, current	1,185	4,314	21,824
Restricted cash, non-current portion	3,159	—	—
Total cash, cash equivalents and restricted cash	110,359	90,437	86,911

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Amounts in thousands of United States Dollars ("US\$"), except for number of shares and per share data)

	Number of Ordinary Shares		Ordinary Shares	Additional Paid-in Capital	Treasury stock	Accumulated Other Comprehensive Income (Loss)			Retained Earnings	Total Equity
						Foreign Currency translation adjustments	Intra-entity foreign currency transaction loss	Subtotal		
	Class A	Class B	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Balance as of December 31, 2021	66,020,439	24,336,650	12,368	544,425	(111,287)	45,992	(4,816)	41,176	230,139	716,821
Net loss for the year	—	—	—	—	—	—	—	—	(75,562)	(75,562)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	—
- Foreign currency translation adjustments	—	—	—	—	—	(47,413)	—	(47,413)	—	(47,413)
- Loss on intra-entity foreign transactions of long-term investment nature	—	—	—	—	—	—	(2,794)	(2,794)	—	(2,794)
Contribution from shareholder	—	—	—	159	—	—	—	—	—	159
Share-based compensation	—	—	—	586	—	—	—	—	—	586
Exercise of share options and vesting of unvested shares	240	—	—	3	4	—	—	—	—	7
Balance as of December 31, 2022	66,020,679	24,336,650	12,368	545,173	(111,283)	(1,421)	(7,610)	(9,031)	154,577	591,804

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
(Amounts in thousands of United States Dollars ("US\$"), except for number of shares and per share data)

	Number of Ordinary Shares		Ordinary Shares	Additional Paid-in Capital	Treasury stock	Accumulated Other Comprehensive Loss			Retained earnings (accumulated deficits)	Total Equity
						Foreign Currency translation adjustments	Intra-entity foreign currency transaction loss	Subtotal		
	Class A	Class B	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Balance as of December 31, 2022	66,020,679	24,336,650	12,368	545,173	(111,283)	(1,421)	(7,610)	(9,031)	154,577	591,804
Net loss for the year	—	—	—	—	—	—	—	—	(179,721)	(179,721)
Other comprehensive loss										
- Foreign currency translation adjustments	—	—	—	—	—	(27,872)	—	(27,872)	—	(27,872)
- Loss on intra-entity foreign transactions of long-term investment nature	—	—	—	—	—	—	(505)	(505)	—	(505)
contribution from shareholder	—	—	—	152	—	—	—	—	—	152
Share-based compensation	—	—	—	39	—	—	—	—	—	39
Balance as of December 31, 2023	66,020,679	24,336,650	12,368	545,364	(111,283)	(29,293)	(8,115)	(37,408)	(25,144)	383,897

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)
(Amounts in thousands of United States Dollars ("US\$"), except for number of shares and per share data)

	Number of Ordinary Shares		Ordinary Shares	Additional Paid-in Capital	Treasury stock	Accumulated Other Comprehensive Loss			Accumulated deficits	Total Equity
						Class A	Class B	Foreign Currency translation adjustments		
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
Balance as of December 31, 2023	66,020,679	24,336,650	12,368	545,364	(111,283)	(29,293)	(8,115)	(37,408)	(25,144)	383,897
Net loss for the year	—	—	—	—	—	—	—	—	(28,756)	(28,756)
Other comprehensive loss										
Foreign currency translation adjustments	—	—	—	—	—	(7,942)	—	(7,942)	—	(7,942)
Loss on intra-entity foreign transactions of long-term investment nature	—	—	—	—	—	—	(437)	(437)	—	(437)
Contribution from shareholder	—	—	—	150	—	—	—	—	—	150
Balance as of December 31, 2024	66,020,679	24,336,650	12,368	545,514	(111,283)	(37,235)	(8,552)	(45,787)	(53,900)	346,912

The accompanying notes are an integral part of the consolidated financial statements

FANG HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION

The Company was incorporated on June 18, 1999 as Fly High Holdings Limited under the laws of the British Virgin Islands (“BVI”). In June 2004, the Company changed its name to SouFun Holdings Limited and its corporate domicile to the Cayman Islands and became a Cayman Islands company with limited liability under the Companies Law of the Cayman Islands. In 2016, the Company changed its name to Fang Holdings Limited (formerly known as SouFun Holdings Limited). The accompanying consolidated financial statements include the financial statements of (i) Fang Holdings Limited (the “Company”), (ii) its subsidiaries located outside of the People’s Republic of China (the “PRC”) (the “non-PRC subsidiaries”), (iii) wholly foreign owned entities in the PRC (the “WFOEs”) and their subsidiaries, (iv) entities controlled through contractual arrangements (the “PRC Domestic Entities”) and (v) the PRC Domestic Entities’ subsidiaries. The Company, and where appropriate, the term “Company” also refers to its non-PRC subsidiaries, WFOEs, PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries as a whole.

The Company is principally engaged in the provision of marketing services, listing services, leads generation, financial services, and other services to the real estate and home furnishing industries in the PRC. Details of the Company’s major subsidiaries, PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries as of December 31, 2024 were as follows:

Company name	Date of Establishment	Place of Establishment	Principal Activities
Beijing SouFun Network Technology Co., Ltd. (“SouFun Network”)	March 16, 2006	PRC	Provision of technology, leads generation and information consultancy services
Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”)	March 14, 2006	PRC	Provision of marketing services, leads generation services and listing services
Beijing Fangtianxia Technology Development Co., Ltd.	August 19, 2019	PRC	Provision of technology, leads generation and listing services
Xinjiang Tuo Shi Huan Yu Network Technology Co., Ltd.	November 29, 2017	PRC	Provision of technology, leads generation and listing services
Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (“Beijing TuoShi”)	November 19, 2010	PRC	Provision of technology, leads generation and information consultancy services
Beijing Yi Ran Ju Ke Technology Development Co., Ltd. (“Beijing Yi Ran Ju Ke”)	July 8, 2011	PRC	Provision of marketing services, rental services, leads generation services and real estate agency services
Beijing Hua Ju Tian Xia Network Technology Co., Ltd. (“Beijing Hua Ju Tian Xia”)	July 25, 2012	PRC	Provision of technology and information consultancy services
Beijing FTX Digital Technology Service Co., Ltd (previously known as Beijing Tianxia Dai Information service Co., Ltd.)	April 9, 2014	PRC	Provision of finance information services

FANG HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (continued)

Company	Date of Establishment	Place of Establishment	Principal Activities
Shanghai SouFun Microfinance Co., Ltd. (“Shanghai SouFun Microfinance”)	January 19, 2015	PRC	Provision of Microfinance services
Nanning Tian Xia Dai Microfinance Co., Ltd (“Beihai Tian Xia Dai Microfinance”)	September 12, 2014	PRC	Provision of microfinance services
Shanghai BaoAn Enterprise Co., Ltd.(“Shanghai BaoAn Enterprise”)	July 27, 1992	PRC	Lease, resale and management of property
Shanghai BaoAn Hotel Co., Ltd. (“ShanghaiBaoAn Hotel”)	May 9, 2003	PRC	Operation and management of hotel, restaurant and other catering business
Chongqing Tian Xia Dai Microfinance Co., Ltd (“Chongqing Tian Xia Dai Microfinance”)	December 11, 2014	PRC	Provision of microfinance services
Best Fang Holdings LLC	August 30, 2017	United States of America	Investment holding
Best Work Holdings (New York) LLC (“Best Work”)	March 14, 2011	United States of America	Investment holding

In order to comply with PRC laws and regulations which restrict foreign control of companies involved in internet content provision (“ICP”) and advertising businesses, the Company operates its websites and provides online marketing, listing and leads generation services in the PRC through its PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries.

The equity interests of the PRC Domestic Entities are legally held directly by Vincent Tianquan Mo, executive chairman of the board of directors, Richard Jiangong Dai, a director of the board who resigned from the board effective February 25, 2016, or Jianning Dai, general manager of the Company’s subsidiary. The effective control of the PRC Domestic Entities is held by the Company through two of its WFOEs, namely, SouFun Network and Jia Tian Xia Network Technology as a result of a series of contractual arrangements and their supplementary agreements signed with each of the PRC Domestic Entities which arrangements and agreements contain similar provisions regarding obligations and rights of the Company and the PRC Domestic Entities (hereinafter, together the “Contractual Agreements”). As a result of the Contractual Agreements, the Company maintains the ability to approve decisions made by the PRC Domestic Entities, is entitled to substantially all of the economic benefits from the PRC Domestic Entities and is obligated to absorb all of the PRC Domestic Entities’ expected losses.

FANG HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (continued)

Therefore, the Company consolidates the PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries in accordance with the United States of America Securities and Exchange Commission (“SEC”) Regulation S-X Article 3A-02 and Accounting Standards Codification (“ASC”) 810, Consolidation (“ASC 810”).

The following is a summary of the Contractual Agreements:

Exclusive Technical Consultancy and Service Agreements

The WFOEs provide the following exclusive technical services to the PRC Domestic Entities: (i) access to information assembled by the WFOEs concerning the real estate industry and companies in this sector to enable the PRC Domestic Entities to target potential customers and provide research services; and (ii) technical information technology system support to enable the PRC Domestic Entities to service the needs of its customers. The agreements can be extended indefinitely at the sole discretion of the WFOEs.

Operating Agreements

Pursuant to the operating agreements, each PRC Domestic Entity and its legal shareholders have agreed not to enter into any transaction that would substantially affect the assets, rights, obligations or operations of the PRC Domestic Entity without prior written consent from the WFOEs. In addition, the PRC Domestic Entities will appoint or remove their directors and executive officers based on instruction from the WFOEs. The agreements can be extended indefinitely at the sole discretion of the WFOEs.

Equity Pledge Agreements, Shareholders Proxy Agreements and Exclusive Call Option Agreements

In order to secure the payment obligations of each PRC Domestic Entity under the exclusive technical consultancy and service agreements, the legal shareholders have pledged their entire respective ownership interests in each Domestic PRC Entity to the WFOEs. The legal shareholders shall not transfer the pledged ownership interests without the prior written consent from the WFOEs. The WFOEs are entitled to dividends and funds obtained through conversion, auction or sale of the ownership interests that the legal shareholders pledged to the WFOEs. The agreements can be extended at the sole discretion of the WFOEs.

The legal shareholders irrevocably appoint the WFOEs to act as proxy for the legal shareholders to exercise their respective rights as shareholders of the PRC Domestic Entities to attend shareholders’ meetings and cast votes. The agreements will remain valid until terminated upon written consent by the WFOEs, the PRC Domestic Entities and their legal shareholders or by their successors.

The legal shareholders granted the Company or any third party designated by the Company the exclusive right to acquire from the legal shareholders the whole or part of the respective equity interests in each PRC Domestic Entity at a price equivalent to the historical cost when permitted by applicable PRC laws and regulations. The legal shareholders shall not sell, transfer or dispose of the equity interests in the PRC Domestic Entities without the prior written consent of the Company or any third party designated by the Company. The proceeds from the exercise of the call option will be applied to repay the loans under the loan agreements. The Company does not have to make any additional payment to the legal shareholders. The PRC Domestic Entities will not distribute any dividend without the prior written consent from the WFOEs. The agreements can be extended indefinitely at the sole discretion of the Company.

FANG HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (continued)

Loan Agreements

The WFOEs provided loans to the legal shareholders to enable them to contribute the registered capital of the PRC Domestic Entities. Under the terms of the loan agreements, the legal shareholders will repay the loans by transferring their legal ownership in the PRC Domestic Entities to the WFOEs when permitted by applicable PRC laws and regulations. Any gains from the transfer shall be paid back to the WFOEs or any third party designated by the WFOEs. The legal shareholders shall repay the loan by means of transferring their respective equity interests in the PRC Domestic Entities to the WFOEs or any other person designated by the WFOEs.

Supplementary Agreements

In addition to the above contractual agreements, the Company, the WFOEs, the PRC Domestic Entities and their legal shareholders entered into supplementary agreements in March 2010 to memorialize certain terms previously agreed amongst the Company, the WFOEs, the PRC Domestic Entities and their legal shareholders. While these supplementary agreements were signed in 2010, the terms, intent and substance of all the agreements above remained unchanged. Pursuant to the supplementary agreements:

- the WFOEs have unilateral discretion in setting the technical service fees charged to the PRC Domestic Entities;
- the WFOEs are obligated to provide financial support to the PRC Domestic Entities in the event the PRC Domestic Entities incur losses;
- the annual budget of the PRC Domestic Entities should be assessed and approved by the WFOEs;
- the legal shareholders agree to remit any profits distributed from the PRC Domestic Entities to the Company upon request by the Company; and
- the PRC Domestic Entities are obligated to transfer their entire retained earnings, after deduction of PRC income tax, to the WFOEs in the form of a donation upon the WFOEs' request.

All of these provisions have been incorporated into the Contractual Agreements signed subsequent to March 2010.

Furthermore, the WFOEs and the PRC Domestic Entities entered into supplementary agreements in March 2013 to memorialize the following terms previously agreed between the WFOEs and the PRC Domestic Entities when the Exclusive Call Option Agreements were entered into:

- the legal shareholders agreed to remit the purchase consideration received from the exercise of the exclusive right to acquire the equity interests in the PRC Domestic Entities to the WFOEs or any entity designated by the WFOEs.

This provision has been incorporated into the Contractual Agreements signed subsequent to March 2013.

FANG HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands of United States Dollars (“US\$”), except for number of shares and per share data)

1. ORGANIZATION AND BASIS OF PRESENTATION (continued)

Through the design of the aforementioned agreements, the legal shareholders of the PRC Domestic Entities effectively assigned their full voting rights to the WFOEs, which give the WFOEs the power to direct the activities that most significantly impact the PRC Domestic Entities’ economic performance. The WFOEs obtained the ability to approve decisions made by the PRC Domestic Entities and the ability to acquire the equity interests in the PRC Domestic Entities when permitted by PRC law. The WFOEs are obligated to absorb a majority of the expected losses from the PRC Domestic Entities’ activities through providing unlimited financial support to the PRC Domestic Entities and are entitled to receive a majority of profits from the PRC Domestic Entities through the exclusive technical consultancy and service fees. As a result, the Company, through the WFOEs, is the primary beneficiary of the PRC Domestic Entities. Accordingly, in accordance with SEC Regulation S-X Article 3A- 02 and ASC 810, the Company, through the WFOEs, has consolidated the operating results of the PRC Domestic Entities in the Company’s financial statements.

The carrying amounts of the assets, liabilities, the results of operations and cash flows of the PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries included in the Company’s consolidated balance sheets, consolidated statements of comprehensive income (loss) and consolidated statements of cash flows were as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Total current assets	87,828	65,616
Total non-current assets	345,673	318,299
Total assets	433,501	383,915
Total current liabilities	179,698	230,839
Total non-current liabilities	205,391	177,122
Total liabilities	385,089	407,961

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1. ORGANIZATION AND BASIS OF PRESENTATION (continued)

Intercompany payable to the non-PRC Domestic Entities represents the amounts due to the WFOE and its wholly-owned subsidiaries, which are eliminated upon consolidation.

	Year Ended December 31.		
	2022	2023	2024
	US\$	US\$	US\$
Total revenues	53,211	33,401	15,213
Net loss	(28,504)	(119,022)	(37,921)

	Year Ended December 31.		
	2022	2023	2024
	US\$	US\$	US\$
Net cash used in operating activities	(154,091)	(74,524)	(1,567)
Net cash provided by (used in) investing activities	11,340	2,979	(1,655)
Net cash provided by (used in) financing activities	(55,084)	85,970	(12,217)

As of December 31, 2024, except for the restricted cash of US\$6,459 and property and equipment of US\$220,957, as well as the rental income receivables arising from the properties, which are pledged to secure bank borrowings (Note 10), there was no other pledge or collateralization of the assets of the PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries.

Creditors of the PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries have no recourse to the general credit of their respective primary beneficiary. The PRC Domestic Entities held certain registered copyrights, trademarks and registered domain names, which are used for the Company’s business operations. All of these revenue-producing assets were internally developed, for which the Company did not incur significant development costs.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and the applicable rules and regulations of the Securities and Exchange Commission (“SEC”), regarding financial reporting.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Company’s financial statements include, but are not limited to, estimated stand-alone selling prices of performance obligations, allowance for credit losses, useful lives of property and equipment, realization of deferred tax assets, impairment of long-lived assets, share-based compensation expense, uncertain income tax positions and fair value of short term and long term investments. Changes in facts and circumstances may result in revised estimates. Actual results could materially differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company, its non-PRC subsidiaries, WFOEs, the PRC Domestic Entities in which the Company, through its WFOEs, has a controlling financial interest, and the PRC Domestic Entities’ subsidiaries. The Company has determined that it has a controlling financial interest, even though it does not hold a majority of the voting equity interest in an entity, because the Company has the ability to control the PRC Domestic Entities through the WFOEs’ rights to all the residual benefits of the PRC Domestic Entities and the WFOEs’ obligation to fund losses of the PRC Domestic Entities. As a result, the PRC Domestic Entities are included in the consolidated financial statements. All significant intercompany balances and transactions between the Company, its subsidiaries, the PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries have been eliminated in consolidation, except for the intercompany transactions between continuing operations and discontinued operations before the disposal of the discontinued operations, which are considered to continue after the disposal of the discontinued operations are presented separately in continuing operations and discontinued operations in a way that reflects the continuance of those transactions.

Foreign Currency Translation and Transactions

The functional currency of the Company and its non-PRC subsidiaries is the United States dollars (“US\$”, “U.S. dollars”). The WFOEs, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries determine their functional currency to be the Chinese Renminbi (“RMB”) based on the criteria of ASC 830, Foreign Currency Matters. The Company uses US\$ as its reporting currency.

Transactions denominated in foreign currencies are remeasured into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are remeasured at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are included in the consolidated statements of comprehensive income (loss).

The assets and liabilities of the Company’s PRC subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries are translated into US\$ at the exchange rates prevailing at the balance sheet date. The consolidated statements of comprehensive income (loss) of these entities are translated into US\$ at the weighted average exchange rates for the year. The resulting translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of shareholders’ equity.

For the purpose of the consolidated statements of cash flows, cash flows of the Company’s PRC subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries are translated into US\$ at the exchange rates prevailing on the dates of the cash flows. Frequently recurring cash flows of these entities which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.

Transaction gains and losses are recognized in the consolidated statements of operations. Gains and losses on intra-entity foreign currency transactions that are of a long-term-investment nature (that is, settlement is not planned or anticipated in the foreseeable future) between consolidated entities are not recognized in earnings, but are included as a component of other comprehensive income (loss).

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table outlines the currency exchange rates that were used in preparing consolidated financial statements, The exchange rates presented below are based on the central parity rates published by the People’s Bank of China.

	As of December 31,		Years ended December, 31		
	2023	2024	2022	2023	2024
RMB: 1USD	7.0827	7.1884	6.7210	7.0431	7.1182

Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand and demand deposits placed with banks or other financial institutions with original maturity of 90 days or less at the date of purchase which are unrestricted as to withdrawal and use. In addition, all highly liquid investments with original stated maturity of 90 days or less are classified as cash equivalents.

Restricted Cash

Restricted cash represents cash balances that are temporarily subject to short lock-up periods in connection with the purchase of short-term investment, cash pledged to financial institutions as collateral for the Company’s bank loans, and cash deposits in banks that are restricted as to withdrawal or usage according to certain contracts with customers. The restricted cash is not available for withdrawal or the Company’s general use until after the corresponding bank loans are repaid, or the performance obligation is satisfied. Upon expiration of the lock-up periods, the related amounts are generally transferred out of restricted cash and recorded as short-term investments.

The Accounting Standards Update (“ASU”) 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash, required that restricted cash should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statements of cash flows.

Investments

The Company adopted ASU 2016-01, Financial Instruments—Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Liabilities, which requires all equity securities with readily determinable fair values, other than those accounted for under equity method of accounting or those that result in consolidation of the investee, to be measured at fair value with changes in the fair value recognized through net income. Change in fair value of available-for-sale equity securities are reported in earnings.

(1) Debt Securities

The Company holds debt classified securities, and accounts for such investments in accordance with ASC Topic 320, Investments—Debt Securities (“ASC 320”). The Company classifies the short-term investments in debt as held-to-maturity, trading or available-for-sale, whose classification determines the respective accounting methods stipulated by ASC 320. Dividend and interest income, including amortization of the premium and discount arising at acquisition, for all categories of investments in securities are included in earnings. Any realized gains or losses on the sale of the short-term investments are determined on a specific identification method, and such gains and losses are reflected in earnings during the period in which gains or losses are realized.

Held-to-maturity debt investments include debt instruments issued by commercial bank for which the Company has the positive intent and ability to hold those securities to maturity, and time deposits represent time deposits placed with banks with maturities more than three months. The Company account for the held-to-maturity debt investments at amortized cost less allowance for credit losses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The allowance for credit losses of the held-to-maturity debt investments reflects the Company’s estimated expected losses over the contractual lives of the held-to-maturity debt investments and is charged to “Other income, net” in the consolidated statements of comprehensive income (loss). Estimated allowances for credit losses are determined by considering reasonable and supportable forecasts of future economic conditions in addition to information about past events and current conditions.

Debt securities that are bought and held principally for the purpose of selling them in the near term are classified as trading securities, in accordance with ASC 320. Unrealized holding gains and losses for trading securities are included in earnings.

Debt investments not classified as trading or as held-to-maturity are classified as available-for-sale debt investments, which are reported at fair value, with unrealized gains and losses recorded in “Accumulated other comprehensive income (loss)” on the consolidated balance sheets.

Investments with expected maturity of over a year are classified as long-term investments. Investments with maturity date within one year will be reclassified to short-term investments.

(2) Trading Securities

Trading securities consist primarily of investments in publicly traded mutual funds and exchange-traded funds (ETFs), which are acquired for short-term cash management purposes. These investments are measured at fair value, with unrealized and realized gains or losses recognized in earnings, in accordance with ASC 321, Investments - Equity Securities. Changes in the fair value of these securities are presented in “Change in fair value of securities” in the consolidated statements of comprehensive income (loss). Dividend and interest income from these investments are recognized in earnings when received. If the Company has the intent and ability to hold such securities for more than one year, they are classified as long-term investments.

(3) Equity Securities

All equity investments with readily determinable fair values, other than those accounted for under equity method of accounting or those that result in consolidation of the investee, are measured at fair value with changes in the fair value recognized through net income.

Equity investments without readily determinable fair values which do not qualify for net asset value per share (or its equivalent) practical expedient and over which the Company does not have the ability to exercise significant influence through the investments in common stock, are accounted for under the measurement alternative. The carrying values of equity investments without readily determinable fair values are measured at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. All gains and losses on these investments, realized and unrealized, are recognized in the consolidated statements of comprehensive income (loss). The Company makes assessment of whether an investment is impaired at each reporting date, and recognizes an impairment loss equal to the difference between the carrying value and fair value in earnings. As a result of adoption of ASU 2016-01, the Company is not required to disclose the fair value for equity investments without readily determinable fair value.

(4) Equity method investments

In accordance with ASC 323, Investments-Equity Method and Joint Ventures, the Company applies the equity method of accounting to equity investments in common stock and private fund, over which it has significant influence but does not own a majority equity interests or otherwise control. Under the equity method, the Company initially records its investment in the common stock of an investee at cost. The excess of the carrying amount of the investment over the underlying equity in net assets of the equity investee represents goodwill and intangible assets acquired. The Company adjusts the carrying amount of an investment for its share of the earnings or losses of the investee after the date of investment and reports the recognized earnings or losses in the consolidated statements of comprehensive income (loss). When the Company’s share of losses in the equity investee equals or exceeds its interest in the equity investee, the Company does not recognize further losses, unless the Company has incurred obligations or made payments or guarantees on behalf of the equity investee, or the Company holds other investments in the equity investee.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The equity method investments are subject to periodic testing for other-than-temporary impairment, by considering factors including, but not limited to, stock prices of public companies in which the Company has an equity investment, current economic and market conditions, operating performance of the investees such as current earnings trends and undiscounted cash flows, and other company-specific information, such as recent financing rounds. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments and the determination of whether any identified impairment is other-than-temporary. If any impairment is considered other-than-temporary, the Company will write down the asset to its fair value and take the corresponding charge to the consolidated statements of comprehensive income (loss). No impairment was recorded for equity method investments for the years ended December 31, 2022, 2023 and 2024, respectively.

The Company elects fair value measurement for certain investment that would otherwise be accounted for under the equity-method of accounting, in accordance with ASC Topic 825-10, Financial instruments. The fair value option is applied to all of the Company’s financial interests in the same entity that are eligible items. Such election is irrevocable. Under fair value method, investments are recorded at fair value and any changes in fair value are reported in the consolidated statements of comprehensive income (loss).

Loans Receivable

Loans receivable consists primarily of secured loans in the form of mortgage loans and unsecured loans to borrowers that have passed the Company’s credit assessment. Such amounts are recorded at the principal amount less impairment as of the balance sheet date. The loan periods extended by the Company to the borrowers generally range from 0.5 to 36 months.

Starting from January 1, 2020, the Company adopted ASU No. 2016-13 and began estimating the allowance for credit losses to reflect expected credit losses over the contractual life of the loans. The Company assesses the allowance for credit losses primarily based on historical collection experience, borrower credit quality, and current and future economic conditions, including forward-looking information and changes in macroeconomic factors. For secured loans, the Company also considers the estimated fair value of the underlying collateral, less estimated costs to sell, when evaluating expected credit losses. The provision for credit losses represents management’s best estimate of expected losses inherent in the loans receivable portfolio. The Company utilizes projected risk parameters (e.g., probability of default and loss given default) developed based on historical loss experience and adjusted by qualitative factors to reflect current and forecasted economic conditions. These risk parameters incorporate observable data such as borrower repayment trends, recovery rates, collateral valuation trends, and credit quality indicators. The allowance is evaluated collectively for loans sharing similar risk characteristics.

Loan principal and interest receivables are charged-off when the loan principal and interest receivables are deemed to be uncollectible.

Property and Equipment, Net

Property and equipment are stated at cost and are depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Category</u>	<u>Estimated Useful Life</u>
Office equipment	3 - 5 years
Motor vehicles	5 - 10 years
Leasehold improvement and decoration	shorter of lease term or economic lives
Buildings	12 -50 years

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Land is stated at cost and is not depreciated.

Construction in progress represents buildings and related premises under construction, which is stated at actual construction cost less any impairment loss. Construction in progress is transferred to the respective category of property and equipment when completed and ready for its intended use.

Repair and maintenance costs are charged to expense as incurred, whereas the cost of renewals and betterments that extend the useful lives of property and equipment are capitalized as additions to the related assets. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation from the asset and accumulated depreciation accounts, respectively, with any resulting gain or loss reflected in the consolidated statements of comprehensive income (loss).

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets or asset group with finite lives for impairment whenever events or changes in circumstances, such as a significant adverse change to market conditions that will impact the future use of the assets, indicate that the carrying amount of an asset group may not be fully recoverable. When these events occur, the Company evaluates the impairment by comparing the carrying amount of the assets to future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Company recognizes an impairment loss based on the excess of the carrying amount of the asset group over its fair value, but not below the fair values of the individual long-lived assets within the asset group. Asset groups to be disposed of would be reported at the lower of the carrying amount or fair value less costs to sell, and no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated balance sheets.

Fair Value of Financial Instruments

Financial instruments of the Company primarily include cash and cash equivalents, restricted cash, accounts receivable, short-term and long-term investments, loans receivable, short-term and long-term loans, bond payable and related derivative liabilities. As of December 31, 2023 and 2024, the carrying values of these financial instruments, and other than trading securities, restricted cash non-current portion, long-term investments, long-term loans, less current portion and related derivative liabilities, approximate their fair values due to the short-term maturity of these instruments. The investments accounted for at fair value and trading securities were recorded at fair value based on the quoted price in active markets as of December 31, 2023 and 2024. This category includes all investments measured at fair value, including certain equity method investments for which the Company has elected to apply the fair value option as permitted under ASC 825. The carrying values of long-term loans, less current portion and restricted cash, non-current portion approximate their fair values, as the loans and restricted cash bear interest at rates determined based on the prevailing interest rates in the market.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company applies ASC 820 in measuring fair value. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace.

Level 3 – Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Assets measured at fair value on a recurring basis as of December 31, 2023 and 2024 are summarized below:

	Fair Value Measurement as of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1) US\$	Significant Other Observable Inputs (Level 2) US\$	Unobservable Inputs (Level 3) US\$	Fair Value US\$
Short-term investments	—	106,520	—	106,520
Investments accounted for at fair value	3,260	—	31,211	34,471

	Fair Value Measurement as of December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1) US\$	Significant Other Observable Inputs (Level 2) US\$	Unobservable Inputs (Level 3) US\$	Fair Value US\$
Short-term investments	560	58,293	—	58,853
Investments accounted for at fair value	1,083	—	30,585	31,668

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Non-current Assets

Other non-current assets primarily consist of rental deposits, and other long-term assets.

Revenue Recognition

The Company applied ASC 606 - “Revenue from Contracts with Customers” for all periods presented. According to ASC 606, revenues from contracts with customers are recognized when control of the promised goods or services is transferred to the Company’s customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services, after considering reductions by estimates for refund allowances, price concession, discount and Value Added Tax (“VAT”). Revenues are derived from marketing services, listing services, leads generation, financial services, and other services. Interest income from loans provided under the Company’s financial services business is not within the scope of ASC 606 and is recognized as described under “Financial Services” below.

The following table presents revenue disaggregated by nature of services:

	Years Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Marketing services	37,187	16,722	11,032
Listing services	13,105	7,749	4,693
Leads generation services	15,760	13,499	7,996
Financial services	9,716	4,572	4,964
Other services	4,713	7,473	1,991
Total revenues	80,481	50,015	30,676

Marketing Services

The Company offers marketing services on the Company’s websites and mobile apps, primarily through banner advertisements, floating links, logos and other media insertions. These marketing services are mainly offered to real estate developers, allow customers to place advertisements on particular areas of the Company’s websites and mobile apps, in particular formats and over particular periods of time. The marketing services typically last from several days to one year. The Company determines that the customer simultaneously receives and consumes benefits provided by the Company’s performance as the Company performs during the term of the contract. Revenues from marketing services are recognized ratably over the service period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Listing Services

The Company’s listing services entitle customers to post and make changes to information for properties, home furnishings and other related products and services in a particular area on the website and mobile apps for a specified period of time, which typically range from one to 12 months, in exchange for a fixed fee. Revenues are recognized on a straight line basis over the service period. The Company determines that its performance pattern to be straight line since the customer simultaneously receives and consumes the benefits provided by the Company as the Company performs during the term of the contract and the earning process is straight line.

Leads Generation Services

The Company provides leads generation services to real estate developers, real estate agents and to a lesser extent, providers of products and services for home decoration and improvement. The Company’s platform generates a list of sales leads regarding potential real estate consumers based on each customer’s specific needs. The service fee is charged based on the number of sales leads delivered during a certain period of time. Revenue is recognized at a point in time upon the transfer of control of sales leads to customers.

Financial Services

The Company provides secured loans in the form of mortgage loans and unsecured loans, primarily to borrowers that meet the Company’s credit assessment requirements. Revenues derived from loan interest income and annual service fees are recognized using the effective interest rate method. The Company does not accrue interest on loans receivable that are considered impaired or more than 90 days past due unless either the receivable has not been collected due to administrative reasons or the receivable is well secured and in the process of collection. Unsecured loans stop accruing interest when 60 days past due and are classified as impaired loan.

Other services

Other service revenues primarily consist of licensing the Company’s brand and backend systems to local agencies for use in real estate marketing. These arrangements generate additional income for the Company. Revenues from these other services are recognized on a straight-line basis over the term of the service period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract Balances

The timing of revenue recognition, billings and cash collections result in accounts receivable and contract liabilities (i.e. deferred revenue). Accounts receivable are recognized in the period when the Company has provided services to its customers and when its right to consideration is unconditional. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances.

The Company maintains a general and specific allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. Accounts receivable balances with large creditworthy customers and balances which the Company has registered the pledge of the titles of real estate properties as collateral from customers are reviewed by management individually for collectability. All other balances are reviewed on a pooled basis. A percentage of general allowance is applied to the balances of accounts receivable in each aging category, excluding those which are assessed individually for collectability. Management considers various factors, including historical loss experience, current market conditions, the financial condition of its debtors, any receivables in dispute, the fair value of real estate properties whose titles have been pledged as collateral, the aging of receivables and current payment patterns of its debtors, in establishing the required allowance. Accounts receivable balances are written off after all collection efforts have been exhausted.

Amounts collected on accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows.

Deferred revenue (a contract liability) is recognized when the Company has an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer, or for which an amount of consideration is due from the customer. The Company recognized revenue of US\$52,643, US\$12,669 and US\$10,098 from deferred revenue during the years ended December 31, 2022, 2023 and 2024, respectively.

Cost of Revenues

Cost of revenues consists of employee costs, tax surcharges, rental costs incurred in relation to server and bandwidth leasing fees and other direct costs incurred in providing the related services.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advertising Expenses

Advertising expenses are expensed when incurred and are included in selling expenses in the consolidated statements of comprehensive income (loss). Advertising expenses for the years ended December 31, 2022, 2023 and 2024 were US\$4,533, US\$3,973 and US\$3,516, respectively.

Non-monetary Transactions

The Company accounts for non-cash consideration received in place of cash payments for outstanding receivables from prior business activities according to ASC 845, Nonmonetary transactions. Certain receivables from marketing service agreements with real estate developers were, in some cases, settled with designated real estate properties instead of cash payments.

For such transactions, the Company measures the non-cash consideration at its fair value at the inception of the arrangement, which generally aligns with the original service fee stated in the agreement. If the Company subsequently sells the received real estate property to a third party, any proceeds exceeding the initially recorded fair value are recognized as additional income, provided all relevant revenue recognition conditions are satisfied. This accounting approach ensures an accurate and fair presentation of non-monetary transaction outcomes within the financial statements.

Leases

Leases are classified at the inception date as either a finance lease or an operating lease. A lease is a finance lease if any of the following conditions exists: (a) ownership is transferred to the lessee by the end of the lease term, (b) there is a bargain purchase option, (c) the lease term is at least 75% of the property’s estimated remaining economic life or (d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. The Company does not have finance leases for any of the years presented.

The Company adopted ASC Topic 842, Leases (“ASC 842”) on January 1, 2019. The adoption of ASC 842 requires the recognition of right-of-use assets and lease liabilities on the balance sheet for both operating and finance leases. The Company elected the package of practical expedients that not to reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases, and (3) initial direct costs for any expired or existing leases. The Company also elected the hindsight practical expedient to determine the reasonably certain lease term for existing leases. The Company used its estimated incremental borrowing rate based on information available at the date of adoption in calculating the present value of its existing lease payments.

Upon adoption of ASC 842, the lease liabilities are recognized upon lease commencement for operating leases based on the present value of lease payments over the lease term. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. As the rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the lease commencement date is used in determining the imputed interest and present value of lease payments. The incremental borrowing rate was determined using a portfolio approach based on the rate of interest that the Company would have to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The Company recognizes the single lease cost on a straight-line basis over the remaining lease term for operating leases.

The Company has elected not to recognize right-of-use assets or lease liabilities for leases with an initial term of 12 months or less; expenses for these leases are recognized on a straight-line basis over the lease term. In addition, the Company has elected not to separate non-lease components (e.g., property management fees) from the lease components.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company follows the liability method of accounting for income taxes, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards, if any. The Company reduces the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence, it is “more-likely-than-not” that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a “more-likely-than-not” realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of futures profitability, the duration of statutory carryforward periods, the Company’s experience with operating loss and tax credit carryforwards, if any, not expiring.

The Company applies ASC 740, “Income Taxes,” to address uncertainties in income taxes. In accordance with ASC 740, we recognize the impact of a tax position in our financial statements if it is considered likely to prevail based on the relevant facts and technical merits. Tax positions that meet the recognition threshold are typically measured at an amount reflecting a likelihood of realization.

The Company’s estimated liability for unrecognized tax benefits, which is included in “other non-current liabilities”, is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, changes and/or developments with respect to tax audits, and expiration of the statutes of limitation. The outcome for a particular audit cannot be determined with certainty prior to the conclusion of the audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from the Company’s estimates. As each audit is concluded, adjustments, if any, are recorded in the Company’s financial statements. Additionally, in future periods, changes in facts, circumstances, and new information may require the Company to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

Interest and penalties, if any, arising from underpayment of income taxes are calculated in accordance with the relevant PRC tax law and are included in income tax expense in the consolidated statements of comprehensive income (loss). The Company monitors its tax positions and ensures that any potential interest and penalties are recognized and measured in accordance with ASC 740 as required.

Government Grants

Government grants primarily consist of financial subsidies received from provincial and local governments for operating a business in their jurisdictions and compliance with specific policies promoted by the local governments. For certain government grants, there are no defined rules and regulations to govern the criteria necessary for companies to receive such benefits, and the amount of financial subsidy is determined at the discretion of the relevant government authorities. The government grants of non-operating nature with no further conditions to be met are recorded as non-operating income in “Other income, net” when received. The government grants with certain operating conditions are recorded as liabilities when received and will be recorded as operating income when the conditions are met. Government grants related to the acquisition of property and equipment and land use rights are recorded as other non-current liabilities on the consolidated balance sheets when the grants become receivable, and recognized as other income in the consolidated statements of comprehensive income (loss) on a straight-line basis over the estimated useful lives of those assets.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Compensation

The Company’s employees and directors participate in the Company’s share-based award incentive plan which is more fully discussed in Note 15. The Company applies ASC 718, Compensation-Stock Compensation (“ASC 718”), to account for its employee share-based payments. There were no share-based payments made to non-employees for any of the years presented.

In accordance with ASC 718, the Company determines whether a share option should be classified and accounted for as a liability award or an equity award. All grants of share-based awards to employees classified as equity awards are recognized in the financial statements based on their grant date fair values which are calculated using an option pricing model. All grants of share-based awards to employees and directors classified as liabilities are remeasured at the end of each reporting period with an adjustment for fair value recorded to the current period expense in order to properly reflect the cumulative expense based on the current fair value of the vested rewards over the vesting periods. The Company has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions, which were not subject to performance vesting conditions.

Meanwhile, the Company uses the accelerated attribution method for equity awards with performance conditions on a tranche-by-tranche basis based on the probable outcome of the performance conditions. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards is reversed.

Cancellation of an award accompanied by the concurrent grant of a replacement award is accounted for as a modification of the terms of the cancelled award (“modified awards”). The compensation costs associated with the modified awards are recognized if the new vesting condition is achieved. Total recognized compensation cost for the awards is at least equal to the fair value of the awards at the grant date unless at the date of the modification the performance or service conditions of the original awards are not expected to be satisfied. The incremental compensation cost is measured as the excess of the fair value of the replacement award over the fair value of the cancelled award at the cancellation date. Therefore, in relation to the modified awards, the Company recognizes share-based compensation over the vesting periods of the replacement award, which comprises, (i) the amortization of the incremental portion of share-based compensation over the remaining vesting term and (ii) any unrecognized compensation cost of the original award over the original term.

A modification to the terms of an award occurs in connection with the event of an equity restructuring (e.g. spin-off) result in the recognition of incremental compensation cost if there are changes in fair value, vesting conditions, or the classification of the award immediately before and after the restructuring. The incremental compensation, if any, is measured as the excess of the fair value of the post-modified award over the fair value of the award before the modification. In connection with spin-off transaction, when employees of the Company receive unvested equity instruments of the former subsidiary, or employees of the former subsidiary retain unvested equity instruments of the Company, compensation cost is recognized by the entity that receives the employee services regardless of which entity’s equity instruments the employee holds.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per Share

Loss per share is calculated in accordance with ASC 260, Earnings per Share. Basic loss per ordinary share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the share options, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted loss per share if their effects would be anti-dilutive. Basic and diluted loss per ordinary share is presented in the Group’s consolidated statements of comprehensive loss.

The rights, including the liquidation and dividend rights, of the holders of our Class A and Class B ordinary shares are identical, except with respect to voting. Each Class A ordinary share is entitled to one vote; and each Class B ordinary share is entitled to ten votes and is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis. For the years ended December 31, 2022, 2023 and 2024, the net loss per share amounts are the same for Class A and Class B common ordinary shares because the holders of each class are entitled to equal per share dividends or distributions in liquidation.

The Group did not include share options in the computation of diluted earnings per share for the years ended December 31, 2022, 2023 and 2024, because those share options were anti-dilutive for loss per share.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of the Company during a period from transactions and other events and circumstances excluding transactions resulting from investments from owners and distributions to owners. Accumulated other comprehensive income (loss), as presented on the consolidated balance sheets, includes (i) the cumulative foreign currency translation adjustments, (ii) gains and losses on intra-entity foreign currency transactions that are of a long-term-investment nature (that is, settlement is not planned or anticipated in the foreseeable future) between consolidated entities.

Contingencies

The Company records accruals for certain of its outstanding legal proceedings or claims when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. The Company evaluates, on a quarterly basis, developments in legal proceedings or claims that could affect the amount of any accrual, as well as any developments that would make a loss contingency both probable and reasonably estimable. The Company discloses the amount of the accrual if it is material.

When a loss contingency is not both probable and estimable, the Company does not record an accrued liability but discloses the nature and the amount of the claim, if material. However, if the loss (or an additional loss in excess of the accrual) is at least reasonably possible, then the Company discloses an estimate of the loss or range of loss, if such estimate can be made and material, or states that such estimate is immaterial if it can be estimated but immaterial, or discloses that an estimate cannot be made. The assessments of whether a loss is probable or reasonably possible, and whether the loss or a range of loss is estimable, often involve complex judgments about future events. Management is often unable to estimate the loss or a range of loss, particularly where (i) the damages sought are indeterminate, (ii) the proceedings are in the early stages, or (iii) there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including eventual loss, fine, penalty or business impact, if any.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

The Company consistently reviews and evaluates the applicability and impact of newly issued accounting standards updates (“ASUs”) as part of its ongoing commitment to ensuring the accurate and timely reflection of changes in accounting guidance within its consolidated financial statements. As part of this process, management periodically monitors and assesses the potential effects of recently issued accounting standards on the Company’s financial reporting framework.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which modifies the rules on income tax disclosures to require entities to disclose (1) specific categories in the rate reconciliation, (2) the income or loss from continuing operations before income tax expense or benefit (separated between domestic and foreign) and (3) income tax expense or benefit from continuing operations (separated by federal, state and foreign). ASU 2023-09 also requires entities to disclose their income tax payments to international, federal, state and local jurisdictions, among other changes. The guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retroactive application is permitted. The Company is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements.

In November 2023, the FASB issued a new ASU to improve disclosures related to reportable segments. The amendments in ASU 2023-07 “Segment Reporting — Improvements to Reportable Segment Disclosures” are effective for fiscal years beginning after December 15, 2023, and for interim periods in fiscal years beginning after December 15, 2024. The new guidance applies to all public entities that are following Topic 280 Segment Reporting requirements already, and these entities must apply the new requirements retrospectively to all periods presented in their financial statements. The Company adopted ASU 2023-07 in fiscal year 2024. The adoption resulted in enhanced reportable segment disclosures, including the presentation of significant expense categories regularly provided to the CODM, and did not affect recognition or measurement.

On November 4, 2024, the FASB issued ASU 2024-03, Presentation of Financial Statements (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires additional disaggregation of specified income statement expense captions. The Update is effective for fiscal years beginning after December 15, 2024, and for interim periods within fiscal years beginning after December 15, 2025. The Company is assessing the impact on its footnote disclosures and does not expect any impact on recognition or measurement.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company’s consolidated financial statements.

3. CONCENTRATION AND RISKS

Concentration of Credit Risk

Assets that potentially subject the Company to significant concentration of credit risk primarily consist of cash and cash equivalents, restricted cash, fixed-rate time deposits and structured note classified as short-term investments, accounts receivable, funds receivable, loans receivable and commitment deposits.

As of December 31, 2024, the Company had US\$94,775 in cash and cash equivalents, restricted cash, and short term held-to-maturity and trading investments, 82.8% and 17.2% of which were held by financial institutions in the PRC and financial institutions outside of the PRC, respectively. Under PRC law, it is generally required that a commercial bank in the PRC that holds third-party cash deposits protect the depositors’ rights and interests over their deposited money; PRC banks are subject to a series of risk control regulatory standards; and PRC bank regulatory authorities are empowered to take over the operation and management of any PRC bank that faces a material credit crisis. In the event of bankruptcy of one of the financial institutions in which the Company has deposits or investments, it may be unlikely to claim its deposits or investments back in full. The Company selected reputable financial institutions with high credit ratings to deposit its assets. Additionally, for cash deposits held overseas, these are maintained in an overseas branch of some reputable and well-established Chinese banks, further ensuring the security of the Company’s assets. The Company regularly monitors the ratings of the financial institutions in case of any defaults. There has been no recent history of default in relation to these financial institutions.

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3. CONCENTRATION AND RISKS (continued)

As of December 31, 2024, the Company’s investments included a structured note classified as a short-term investment, with a balance of US\$50,989. This note was issued by Guotai Junan Financial Products Limited (“GTJA”), a financial institution based in the Hong Kong SAR. The settlement and performance of this structured note are directly linked to, and reliant upon, the principal and interest payments received by GTJA from specific underlying offshore bonds issued by Fang Holdings Limited (see Note 11). Therefore, the primary credit risk associated with this structured note investment stems from the creditworthiness of Fang Holdings Limited concerning these underlying bonds. The Company actively monitors the performance and credit risk of the underlying Fang Holdings Limited bonds to manage the credit exposure related to this structured note investment.

Accounts receivable are typically unsecured and are derived from revenue earned from customers in the PRC. The risk with respect to accounts receivable is mitigated by credit evaluations the Company performs on its customers and its ongoing monitoring of outstanding balances. The Company regularly reviews the creditworthiness of its customers.

The Company is exposed to default risk on its loans receivable. The Company assesses the allowance for credit losses related to loans receivable on a quarterly basis, either on an individual or collective basis. As of December 31, 2023 and 2024, no single borrower held more than 10% of the Company’s loan portfolio.

The Company regularly reviews the creditworthiness of real estate developers, and requires collateral from real estate developers in certain circumstances when commitment deposits become overdue.

Concentration of Customers and Suppliers

There were no revenues from customers which individually represented greater than 10% of the total revenues for any of the years ended December 31, 2022, 2023 and 2024. There were no accounts receivable of customers which individually accounted for greater than 10% of the total accounts receivable as of December 31, 2022, 2023 and 2024. In addition, there were no suppliers from whom purchases individually accounted for greater than 10% of the total purchases during any of the years ended December 31, 2022, 2023 and 2024.

Current Vulnerability Due to Certain Other Concentrations

The Company’s operations may be adversely affected by significant political, economic and social uncertainties in the PRC. Although the PRC government has been pursuing economic reform policies for more than 30 years, no assurance can be given that the PRC government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption or unforeseen circumstances affecting the PRC’s political, economic and social conditions. There is also no guarantee that the PRC government’s pursuit of economic reforms will be consistent or effective.

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3. CONCENTRATION AND RISKS (continued)

The Company almost transacts all of its business in RMB, which is not freely convertible into foreign currencies. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People’s Bank of China (the “PBOC”). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into United States dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC.

Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers’ invoices, shipping documents and signed contracts. Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Internet and advertising related businesses are subject to significant restrictions under current PRC laws and regulations. Specifically, foreign investors are not allowed to own more than a 50% equity interest in any ICP business. In 2016, a foreign invested entity mainly owned and ultimately controlled by the WFOEs obtained the ICP to operate www.fang.com.

The Company conducts its operations in the PRC through contractual arrangements entered into between the WFOEs and the PRC Domestic Entities. The relevant regulatory authorities may find the current contractual arrangements and businesses to be in violation of any existing or future PRC laws or regulations. If the Company or any of its current or future PRC Domestic Entities or subsidiaries are found in violation of any existing or future laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant regulatory authorities would have broad discretion in dealing with such violations, including levying fines, confiscating the income of WFOEs, PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries, revoking the business licenses or operating licenses of WFOEs, PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries, shutting down the Company’s servers or blocking the Company’s websites, discontinuing or placing restrictions or onerous conditions on the Company’s operations, requiring the Company to undergo a costly and disruptive restructuring, or enforcement actions that could be harmful to the Company’s business. Any of these actions could cause significant disruption to the Company’s business operations and severely damage the Company’s reputation, which would in turn materially and adversely affect the Company’s business and results of operations. In addition, if the imposition of any of these penalties causes the Company to lose the rights to direct the actives of PRC Domestic Entities or the Company’s right to receive their economic benefits, the Company would no longer be able to consolidate the PRC Domestic Entities.

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3. CONCENTRATION AND RISKS (continued)

In addition, if the WFOEs, PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries or their shareholders fail to perform their obligations under the Contractual Agreements, the Company may have to incur substantial costs and expend resources to enforce the Company’s rights under the contracts. The Company may have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief and claiming damages, which may not be effective. All of these Contractual Agreements are governed by PRC law and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with the PRC legal procedures. The legal system in the PRC is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit the Company’s ability to enforce these Contractual Agreements. Under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would incur additional expenses and delay. In the event the Company is unable to enforce these Contractual Agreements, the Company may not be able to exert effective control over its PRC Domestic Entities, and the Company’s ability to conduct its business may be negatively affected.

The Company believes that its corporate structure and Contractual Agreements of the Company’s PRC Domestic Entities and WFOEs in China are in compliance with all existing PRC laws and regulations. Therefore, in the opinion of management, (i) the ownership structure of the Company and the PRC Domestic Entities are in compliance with existing PRC laws and regulations; (ii) the Contractual Agreements with PRC Domestic Entities and their nominee shareholder are valid and binding, and will not result in any violation of PRC laws or regulations currently in effect; and (iii) the Company’s business operations are in compliance with existing PRC law and regulations in all material respects.

Foreign currency exchange rate risk

The functional currency of the Company and its non-PRC subsidiaries is the U.S. dollars, while those WFOEs, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries is the RMB. The reporting currency of the Company is U.S. dollars. The Company’s exposure to foreign currency exchange rate risk primarily relates to cash and cash equivalents, short-term investments, accounts receivable, other receivables, loans receivable, accounts and bonds payable denominated in the RMB. The appreciation of the U.S. dollars against the RMB was approximately 8.2%, 1.7% and 1.5% in 2022, 2023 and 2024, respectively. Most of the revenues and costs of the Group are denominated in RMB, while a portion of cash and cash equivalents, restricted cash, short-term investments, long-term investments, long-term time deposits and held-to-maturity investments and bonds payable are denominated in the U.S. dollars. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. Any significant fluctuation of the valuation of RMB may materially affect the Company’s cash flows, revenues, earnings and financial position.

Interest Rate Risk

Fluctuations in market interest rates may negatively affect our financial condition and results of operations. The Company is exposed to floating interest rate risk on cash deposit and floating rate borrowings, and the risks due to changes in interest rates is not material. The Company has not used any derivative financial instruments to manage our interest risk exposure.

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4. INVESTMENTS

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2024</u>
	US\$	US\$
Short-term investments		
Short-term held-to-maturity debt investments	54,224	7,304
Structured note - maturity within 1 year	52,296	50,989
Short-term trading securities	—	560
Total short-term investments	106,520	58,853

As of December 31, 2023 and 2024, the Company held short-term held-to-maturity debt investments, which included debt instruments issued by financial institutions, such as time deposits and structured deposits with maturities of less than one year for which the Company has the positive intent and ability to hold those securities to maturity.

Interest income on the short-term debt investment and cash and cash equivalents and restricted cash of US\$6,854, US\$5,958 and US\$4,201 were recognized for the years ended December 31, 2022, 2023 and 2024, respectively.

Structured note

On October 29, 2019, Beijing Soufang Network Technology Co., Ltd. (“Beijing Soufang”), a PRC subsidiary of the Company, purchased a 364-day RMB-denominated structured note issued by GTJA through a consolidated trust for RMB720,000,000 (approximately US\$102,009). GTJA, in turn, acquired a 364-day RMB-denominated bond issued by Fang Holdings Limited (the “Bond”) for the same amount, and principal and interest payments from the Bond are applied to settle amounts due under the structured note. Transfers of the note require GTJA’s prior written consent.

The 1-year Bond was redeemed in 2020 and replaced by a 3-year Bond. The trust term was subsequently extended several times: first to October 21, 2023, then under a new trust agreement to October 21, 2024, with a 50% principal redemption (RMB360,000,000) at that time. As of December 31, 2024, the structured note’s maturity was extended to October 31, 2025, and further to October 31, 2026, with all other key terms unchanged. The outstanding principal remained RMB360,000,000 (US\$50,989) and, due to its original maturity of less than one year, was classified as a current asset.

These extensions did not result in any substantial modification of the contractual terms or the economic substance of the original arrangement.

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4. INVESTMENTS (continued)

	As of December 31,	
	2023	2024
	US\$	US\$
Investments accounted for at fair values	3,260	1,083
Equity method investments carried at fair value	31,211	30,585
Equity investments without readily determinable fair values:	44,180	43,530
Equity method investments	25,875	24,119
Total long-term investments	104,526	99,317

Equity investments with readily determinable fair values

Equity investments with readily determinable fair values consist of equity securities, including publicly traded stocks measured at quoted market prices. In 2023, the Company disposed of certain equity investments with readily determinable fair values through open market transactions and received total proceeds of US\$3,267. The disposal resulted in a realized gain of US\$667, which was recognized in consolidated statements of comprehensive loss in the year ended December 31, 2023. In 2024, there were no additions or disposals in this category, and the decrease was primarily due to fair value changes recognized in the consolidated statements of comprehensive income (loss).

Equity method investments carried at fair value

The Company apply fair value measurement for the investee using Level 3 inputs based on an independent valuation.

The following table summarizes the changes in equity investments measured at fair value, including those with readily determinable fair values and equity method investments for which the fair value option has been elected:

	As of December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Fair value at the beginning of the year	23,127	24,117	34,471
Purchase of securities	—	14,479	—
Disposal of securities	—	(2,597)	—
Change in fair value of securities	828	(1,523)	(2,803)
Foreign currency translation adjustments	162	(5)	—
Fair value at the end of the year	24,117	34,471	31,668

For the years ended December 31, 2022, 2023 and 2024, the Company recorded net gain of nil, US\$667, and nil, respectively, from the disposal of marketable securities, which is reflected in the Company’s consolidated statements of comprehensive income (loss).

Equity investments without Readily Determinable Fair Value

Equity investments in private companies without readily determinable fair value and do not qualify for the NAV practical expedient is accounted for under measurement alternative at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, if any in accordance with ASC 321. In 2023, the Company disposed of certain equity investments without readily determinable fair values. The disposal generated cash proceeds of US\$3,245 and resulted in a realized gain of US\$1,484, which was recognized in consolidated financial statements for the year ended December 31, 2023. In 2024, there were no additions to or disposals of equity investments without readily determinable fair values. The total carrying value of investment accounted for under measurement alternative held as of December 31, 2023 and 2024 were as follows:

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4. INVESTMENTS (continued)

During the year ended December 31, 2024, the Company collected previously written-off accounts receivable totaling US\$21,343, which were recorded in the consolidated statements of comprehensive income (loss).

	As of December 31,	
	2023	2024
	US\$	US\$
Initial cost basis	44,886	44,226
Accumulated impairment	(706)	(696)
Total carrying value	44,180	43,530

For the years ended December 31, 2022, 2023 and 2024, US\$270, nil and nil impairment were recorded for investments in equity investments without readily determinable fair value in the Company’s consolidated statements of comprehensive income (loss).

For the years ended December 31, 2022, 2023 and 2024, the Company recorded nil, a net gain of US\$1,484 and nil in 2022, 2023 and 2024, respectively from disposal of investment without readily determinable fair values, as reflected in the Company’s consolidated statements of comprehensive income (loss).

Equity Method Investments

The Company applies the equity method of accounting to account for its equity investments in common stock and private fund, over which it has significant influence but does not own a majority equity interest or otherwise control. As of December 31, 2023 and 2024, the carrying amounts of these equity investments were US\$25,875 and US\$24,119, respectively. The Company recognized investment loss of US\$236, US\$709 and US\$2,794 for the years ended December 31, 2022, 2023 and 2024, respectively.

Long-term Time Deposits

Company purchased a three-year period fixed-rate time deposits in a commercial bank in 2022, of which the outstanding balance was classified in short term investment as of December 31, 2024. The outstanding balance was fully collected subsequently in June 2025.

5. ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for credit losses were summarized as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Accounts receivable	38,243	24,398
Allowance for credit losses	(15,991)	(10,252)
Accounts receivable, net	22,252	14,146

The movements in the allowance for credit losses of accounts receivable were as follows:

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5. ACCOUNTS RECEIVABLE (continued)

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Movement in allowance for credit losses			
Balance at beginning of year	52,831	33,864	15,991
Additional provision	43,285	1,183	6,097
Write-offs	(56,276)	(18,393)	(11,655)
Foreign currency translation adjustments	(5,976)	(663)	(181)
Balance at end of year	33,864	15,991	10,252

During the year ended December 31, 2024, the Company collected previously written-off accounts receivable totaling US\$21,343, which were recorded in the consolidated statements of comprehensive income (loss).

Ageing analysis of accounts receivable based on the date of delivery of service to customers was as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
- Within 3 months	18,501	11,672
- 3 months to 6 months	4,233	1,639
- 6 months to 12 months	5,399	3,943
- Over 1 year	10,110	7,144
Accounts receivable	38,243	24,398
Less: allowance for credit losses	(15,991)	(10,252)
Accounts receivable, net	22,252	14,146

6. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	As of December 31,	
	2023	2024
	US\$	US\$
Prepaid expenses	1,306	1,419
Advance to employees	712	766
Receivables related to disposal of long-term investments	29,975	26,446
Interest receivable	468	502
Funds receivable	1,761	450
Properties held for sale	61,044	83,925
Others	10,790	12,425
Total	106,056	125,933
Less: allowance of credit losses	(27,117)	(279)
provision of impairment of assets	(11,215)	(27,471)
Prepayments and other current assets, net	67,724	98,183

For the years ended December 31, 2022, 2023 and 2024, credit loss expense (reversal) related to other receivables was US\$(219), US\$27,270 and US\$(26,702), respectively, and impairment losses related to property held were US\$6,240, US\$2,039 and US\$16,583, respectively. During the year ended December 31, 2024, the Company fully reversed an allowance for credit losses of US\$26.7 million that had been recognized in prior years for a long-outstanding receivable, as the related balance was subsequently fully recovered, which primarily contributed to the net reversal of credit losses on other receivables in 2024.

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7. LOANS RECEIVABLE

Beginning in August 2014, the Company initially provided secured and unsecured loans to new home and secondary home buyers. Loans made to these individuals consist of loans secured by pledged properties for consumption and property renovations use, as well as unsecured loans.

Secured loans

As of December 31, 2024, the duration of secured loans ranged from 3 to 36 months, and had interest rates ranging from 7.8% to 14.4% per annum. As of December 31, 2023 and 2024, the total outstanding balance is US\$28,957 and US\$21,253, respectively.

Unsecured loans

As of December 31, 2024, the duration of unsecured loans ranged from 0.5 to 36 months, and had interest rates ranging from 5.0% to 18.0% per annum. The unsecured loans with maturities of less than one month primarily represent short - term bridge loans provided to individual borrowers, typically to address temporary liquidity needs. As of December 31, 2023 and 2024, the total outstanding balance was US\$14,389 and US\$27,749, respectively.

A summary of the Company’s loans receivables is presented as follows:

	<u>As of December 31,</u>	
	<u>2023</u>	<u>2024</u>
	US\$	US\$
Total personal loans	43,346	49,002
Allowance for credit losses	(10,973)	(11,473)
Loans receivable, net	<u>32,373</u>	<u>37,529</u>

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7. LOANS RECEIVABLE (continued)

The activities in the provision/reversal for credit losses for the years ended December 31, 2022, 2023 and 2024, respectively, consisted of the following:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Beginning balance	11,180	11,263	10,973
Provision (reversal)	1,029	(103)	668
Foreign currency translation adjustments	(946)	(187)	(168)
Ending balance	11,263	10,973	11,473

Delinquency:

The Company evaluates expected credit losses of loans receivables on a collective basis based on the past due days, the Company separates the contracts into 6 groups including current, 1-90 days past due, 91-180 days past due, 181-360 days past due, 361-720 days and over 720 days past due. The delinquency rate was 34.3% and 33.4% as at December 31, 2023 and 2024, respectively.

Credit quality indicators are updated quarterly, and the credit quality of any given customer can change during the life of the portfolio.

Loans receivable portfolio based on credit quality indicator were as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Current	28,474	32,615
1 - 90 days past due	4,148	5,704
91 - 180 days past due	212	—
181 - 360 days past due	785	223
361 - 720 days past due	1,397	651
Over 720 days past due	8,330	9,809
	43,346	49,002

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8. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	As of December 31,	
	2023	2024
	US\$	US\$
Buildings	726,263	713,640
Office equipment	17,530	16,338
Motor vehicles	1,313	1,120
Leasehold improvement and decoration	16,890	18,636
Land	50,731	50,731
Subtotal	812,727	800,465
Less: accumulated depreciation	(229,831)	(240,712)
Construction in progress	24,090	28,680
	606,986	588,433
Less: impairment	(137,626)	(174,291)
	469,360	414,142

Depreciation expense for property and equipment amounted to US\$23,441, US\$21,708 and US\$16,010 for the years ended December 31, 2022, 2023 and 2024, respectively. In addition, impairment losses of nil, US\$138,243 and US\$38,485 were recognized for the years ended December 31, 2022, 2023 and 2024, respectively.

9. LEASE

The right-of-use assets and the amortization were summarized as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Right of use assets	34,309	33,766
Less: accumulated amortization	(5,366)	(6,248)
Less: impairment loss	(12,782)	(12,594)
Right of use assets	16,161	14,924

Impairment losses of nil, US\$12,854 and nil were recognized for the years ended December 31, 2022, 2023 and 2024, respectively.

A summary of supplemental information related to operating leases as of December 31, 2023 and 2024 is as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Operating lease right-of-use assets	1,000	427
Operating lease liabilities, current	748	281
Operating lease liabilities, non-current	347	128
Total operating lease liabilities	1,095	409

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9. LEASE (continued)

Operating lease expense was allocated to the following expense items:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Cost of revenues	286	180	84
General and administrative expenses	727	717	117
Selling and marketing expenses	1,046	458	358
Total operating lease expenses	2,059	1,355	559
Short-term lease expenses	679	—	318
Total lease expenses	<u>2,738</u>	<u>1,355</u>	<u>877</u>

The weighted average remaining lease term excluding land use right as of December 31, 2024 was 1.52 years, and the weighted average discount rate of the operating leases was 5.95%. The cash paid for amounts included in the measurement of operating lease liabilities was US\$1,686, US\$1,241 and US\$559 for the years ended December 31, 2022, 2023 and 2024, respectively.

Maturities of the lease liabilities as of December 31, 2024 were as follows:

For the Year Ended December 31	US\$
2025	296
2026 and thereafter	130
Total undiscounted lease payments	426
Less: imputed interest	(17)
Present value of lease liabilities balance	409
Amounts due within 12 months	281
Long-term lease liabilities	128

In addition, amortization expense related to land use rights amounted to US\$874, US\$834 and US\$445 for the years ended December 31, 2022, 2023 and 2024, and were included in the consolidated statements of comprehensive income (loss).

10. SHORT-TERM AND LONG-TERM LOANS

Short-term and long-term loans consisted of the following:

	As of December 31,	
	2023	2024
	US\$	US\$
Short-term loans	1,412	1,391
Long-term loans, current portion	16,103	40,481
Long-term loans, less current portion	167,570	125,308
Total long-term loans	<u>183,673</u>	<u>165,789</u>

Short-term loans:

During the year ended December 31, 2023, the Company obtained a short-term RMB-denominated bank loan of US\$1,412 (RMB10 million) from a financial institution in China, which bore a fixed annual interest rate of 3.45% maturity date of one year. In December 2024, the loan was repaid at maturity, and shortly after such repayment the Company obtained a new short-term RMB-denominated bank loan of same amount from the same financial institution, with a fixed annual interest rate of 3.1% and a maturity of one year. Both the 2023 and 2024 short-term loans were fully secured by the same property located in Beijing, which was owned by a company controlled by Vincent Tianquan Mo, the Executive Chairman of the Board and the controlling shareholder of the Company.

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10. SHORT-TERM AND LONG-TERM LOANS (continued)

Long-term loans:

Summary of principal terms of long-term bank borrowings as of December 31, 2023 and 2024 were as follows:

Item	As of December 31,		Contractual Maturity	Primary Collateral
	2023	2024		
	US\$	US\$		
Long-term loan 1	7,499	5,115	March 2027	Building
Long-term loan 2	18,233	14,182	August 2028	Building
Long-term loan 3	33,039	28,755	April 2029	Building
Long-term loan 4	39,533	37,561	July 2041	Building
Long-term loan 5	85,369	80,176	May 2038	Building
Total long-term loan	183,673	165,789		

As of December 31, 2023 and 2024, the Company had total long-term bank borrowings of US\$183,673 and US\$165,789. Current portions of these borrowings, representing scheduled repayments due within the next twelve months, amounted to US\$16,103 and US\$40,481, respectively, with the remaining balances classified as non-current liabilities.

These borrowings bore annual interest rates ranging from 4.20% to 5.63% in 2023 and from 3.85% to 5.40% in 2024.

The borrowings are primarily secured by buildings with carrying values of US\$350,709 and US\$311,102, pledged bank deposits of US\$136 and US\$2, and rental income receivables generated from the mortgaged properties. For certain loans, the lender also holds pledges over equity interests in certain of the Company’s PRC subsidiaries.

11. BOND PAYABLE

On October 29, 2019, Fang Holdings Limited issued a 364-day RMB-denominated bond (“Bond”) at par with a principal amount of RMB720,000,000 (equivalent to US\$102,009) with an annual interest rate of 4.8% (Note 4). In 2020, Fang Holdings Limited redeemed the 1-year Bond and reissued a 3-year Bond with an annual interest rate of 4.25%. As a result of this change in the underlying asset, from 2020 onwards, the investment in the trust was reclassified as a long-term investment.

On September 21, 2022, Fang Holdings Limited extended the trust term by an additional year, with the new maturity date set to October 11, 2023. On September 21, 2023, upon maturity of the prior bond, the Company redeemed 50% of the principal amount (RMB360,000,000), and the remaining RMB360,000,000 principal was exchanged for a new bond agreement with GTJA under substantially the same terms, serving as a contractual continuation of the original arrangement. The new bond had a maturity date of October 9, 2024.

Upon maturity in October 2024, the Company again exchanged the matured bond for a new bond of the same principal amount (RMB360,000,000) and on similar terms, with the maturity date of October 9, 2025. In October 2025, the Company further exchanged the bond for a new bond of the same principal amount and substantially unchanged terms with the maturity date of October 9, 2026. All other key terms remained unchanged throughout these exchanges.

Management has concluded, in accordance with ASC 470-50, Debt Modifications and Extinguishments, that these extensions do not constitute a debt modification or extinguishment, as only the maturity date changed and the terms of the new debt and original instrument were not substantially different.

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12. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consisted of the following:

	As of December 31,	
	2023	2024
	US\$	US\$
Payroll and welfare benefit	2,918	4,941
Other taxes and surcharges payable ⁽¹⁾	7,945	7,182
Amounts payable to sales and marketing agents	21,181	19,611
Interest payables	691	561
Utility and property management payables	7,337	8,056
Construction payables	1,436	1,402
Payables of decoration services	680	700
Deposits for rental	3,189	2,804
Lease liability, current	748	278
Customers’ refundable fees	6,385	6,292
Others	1,706	2,843
	<u>54,216</u>	<u>54,670</u>

(1) Other taxes and surcharges payable consist of VAT, education surcharge (“ES”), city construction tax (“CCT”) and withholding individual income tax (“IIT”).

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13. SHAREHOLDERS’ EQUITY

As of December 31, 2023 and 2024, 71,775,686 Class A and 24,336,650 Class B ordinary shares were issued, with 66,020,679 outstanding for Class A ordinary shares and 24,336,650 outstanding for Class B ordinary shares.

The Company’s Class A and Class B ordinary shares are identical in all respects except for voting and conversion rights. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, and Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Each Class A ordinary share is entitled to 1 vote per share whereas each Class B ordinary share is entitled to 10 votes per share.

No Class B ordinary shares were converted into Class A ordinary shares for the years ended December 31, 2022, 2023 and 2024.

Delisting of ADSs

On May 18, 2022, the Company received a notice from the NYSE Regulation staff regarding the commencement of delisting proceedings for the Company’s ADSs due to failure to timely file its 2020 annual report on Form 20-F and the interim report on Form 6-K for the half-year ended June 30, 2021. The NYSE suspended trading in the ADSs on May 18, 2022. The Company was given until June 2, 2022, to submit a written request to appeal the NYSE’s delisting decision.

Treasury share

Treasury share represents shares repurchased and held by the Company. These shares have no voting rights and are not entitled to receive dividends and are excluded from the weighted average outstanding shares in calculation of net income per share. Treasury share is accounted for under the cost method. As of December 31, 2024, under the repurchase plan, the Company has repurchased an aggregate of 7,065,058 Class A ordinary shares on the open market for a total cash consideration of US\$ 136,615. The Company has used 1,310,051 Class A treasury shares to settle the exercise of share options as of December 31, 2024.

Statutory reserve

The Company’s ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company’s PRC subsidiaries only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company’s PRC subsidiaries.

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13. SHAREHOLDERS’ EQUITY (continued)

In accordance with the PRC Regulations on Enterprises with Foreign Investment and its articles of association, a foreign invested enterprise established in the PRC is required to provide certain statutory reserves, namely general reserve fund, the enterprise expansion fund and staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise’s PRC statutory accounts. A foreign invested enterprise is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its respective registered capital based on the enterprise’s PRC statutory accounts. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The WFOEs were established as foreign invested enterprises and therefore are subject to the above mandated restrictions on distributable profits.

Additionally, in accordance with the Company Law of the PRC, a domestic enterprise is required to provide a statutory common reserve of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise’s PRC statutory accounts. A domestic enterprise is also required to provide a discretionary surplus reserve, at the discretion of the board of directors, from the profits determined in accordance with the enterprise’s PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The PRC Domestic Entities and the PRC Domestic Entities’ subsidiaries were established as domestic invested enterprises and therefore are subject to the above mentioned restrictions on distributable profits.

As of December 31, 2023 and 2024, the PRC subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries had appropriated US\$3,791 and US\$5,060 to the general reserve fund, which is restricted for distribution to the Company.

14. TAXATION

Cayman Islands

Under the current laws of the Cayman Islands, the Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

British Virgin Islands

Under the current laws of the BVI, all dividends, interests, rents, royalties, compensations and other amounts paid by subsidiaries incorporated in the BVI to persons who are not residents in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of subsidiaries incorporated in the BVI by persons who are not residents in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not residents in the BVI with respect to any shares, debt obligation or other securities of companies incorporated in the BVI.

All instruments relating to transfers of property to or by subsidiaries incorporated in the BVI and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from payment of stamp duty in the BVI. This assumes that such subsidiaries incorporated in the BVI do not hold an interest in real estate in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to subsidiaries incorporated in the BVI.

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14. TAXATION (continued)

Hong Kong

Under the Hong Kong tax laws, subsidiaries are subject to a Hong Kong profits tax rate of 16.5% and are exempt from income tax on foreign-derived income. Additionally, there are no withholding taxes on the remittance of dividends. A two-tiered profits tax regime was introduced in 2018, where the first HK\$2 million of assessable profits earned by a company will be taxed at half of the current rate (8.25%), while the remaining profits will continue to be taxed at 16.5%. This regime aims to reduce the tax burden on small and medium-sized enterprises. An anti-fragmentation measure requires each group to nominate only one company to benefit from the progressive rates. No provision for Hong Kong profits tax has been made in the financial statements, as the subsidiaries in Hong Kong did not have assessable profits for the three years ended December 31, 2024.

United States

The Tax Act, enacted in December 2017, brought significant changes to U.S. tax laws, including a reduction of the statutory tax rate from 35% to 21% effective from 2018 onwards. This change required us to re-measure our deferred tax balances to reflect the lower rate applicable in future periods. Additionally, the Tax Act introduced the global intangible low-taxed income (“GILTI”) regime, which imposes a tax on certain offshore earnings at an effective rate of 10.5% for tax years beginning after December 31, 2017, and increasing to 13.125% for tax years beginning after December 31, 2025. Although these adjustments were made to align with the revised U.S. tax environment, the overall impact on our tax position in the U.S. remains moderate, given the nature of our operations. We also considered the impact of applicable state income taxes in our deferred tax analysis, including those in New York and California, where we maintain property ownership. The state tax effect was incorporated net of the federal benefit. Given that we do not conduct any significant business operations in the United States, the overall impact of U.S. federal and state income taxes on our financial position remains moderate. We continue to monitor ongoing regulatory changes and adjust our tax strategies accordingly.

Singapore

Our Singapore-incorporated subsidiary does not conduct any substantive operations of its own. No provision for Singapore profits tax has been made in the financial statements as this entity has no assessable profits for the three years ended December 31, 2024.

China

In March 2007, a new enterprise income tax law in China was enacted and then amended in February 2017 and December 2018. The New EIT Law applies a unified 25% enterprise income tax, or EIT, rate to both foreign invested enterprises and domestic enterprises, unless a preferential EIT rate is otherwise stipulated. On April 14, 2008, relevant governmental regulatory authorities issued the Administrative Measures for Certification of High and New Technology Enterprises which was amended in January 2016. High and New Technology Enterprise, or HNTE, status under the New EIT Law would entitle qualified and approved entities to a favorable EIT tax rate of 15%. The SAT issued Circular No. 203 in April 2009 and Circular 24 in June 2017 stipulating that entities which qualified for the HNTE status should apply with competent tax authorities to enjoy the reduced EIT rate of 15% provided under the New EIT Law starting from the year when the new HNTE certificate becomes effective. The HNTE certificate is effective for a period of three years and can be renewed for another three years. Subsequently, an entity needs to re-apply for the HNTE status in order to enjoy the preferential tax rate of 15%.

As of December 31, 2024, we obtained HNTE certificates for Beijing Technology, Beijing Tuoshi, and Beijing FTX Technology, allowing these subsidiaries to benefit from the preferential tax rate of 15%. The HNTE certificates for each subsidiary have varying validity periods: Beijing Technology (2024 to 2026), Beijing Tuoshi (2022 to 2024) and Beijing FTX Technology (2023 to 2025).

If any entities fail to maintain the HNTE qualification under the New EIT Law, they will no longer qualify for the preferential tax rate of 15%, which could have a material and adverse effect on our results of operations and financial position provided that they do not qualify for any other preferential tax treatment. Historically, the abovementioned PRC subsidiaries have successfully obtained or renewed their HNTE certificates when the previous certificates had expired.

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14. TAXATION (continued)

Dividends paid by our PRC subsidiaries out of the profits earned after December 31, 2007 to non-PRC tax resident investors are subject to PRC withholding tax. The withholding tax on dividends is 10%, unless a foreign investor’s tax jurisdiction has a tax treaty with the PRC that provides a lower withholding tax rate and the foreign investor is recognized as the beneficial owner of the income under the relevant tax rules.

Moreover, the New EIT Law treats enterprises established outside of China but managed and controlled in China as PRC resident enterprises for tax purposes. The term “effective management and control” is generally defined as exercising overall management and control over the business, personnel, accounting, properties, and other operations of an enterprise. Our company, if classified as a PRC resident enterprise for tax purposes, would be liable for PRC EIT at the rate of 25% on our worldwide income for the period after January 1, 2008. As of December 31 2023 and 2024, we had not accrued PRC tax on this basis.

Loss before income taxes consisted of:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
PRC	(23,020)	(178,658)	(12,754)
Non-PRC	(16,770)	(28,427)	(30,736)
	<u>(39,790)</u>	<u>(207,085)</u>	<u>(43,490)</u>

Income tax expenses (benefits) comprised:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Current tax expense	46,832	4,690	1,906
Deferred tax benefit	(11,060)	(32,054)	(16,640)
	<u>35,772</u>	<u>(27,364)</u>	<u>(14,734)</u>

A reconciliation between the amount of income tax expenses (benefits) and the amount computed by applying the PRC statutory tax rate to income (loss) before income taxes was as follows:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Loss from before income taxes	(39,790)	(207,085)	(43,490)
Income tax at applicable tax rate of 25%	(9,948)	(51,771)	(10,873)
Effect of international tax rate differences	(607)	(11)	(23)
Non-deductible expenses	9,375	47,147	15,249
Non-taxable investment (income) loss	(69)	(136)	505
Effect of tax holidays or preferential tax rates	618	10,443	636
Withholding tax	35,925	2,272	—
Research and development super-deduction	(2,530)	(1,808)	(724)
Changes in valuation allowance	8,194	(15,325)	841
Expiration of loss carry forwards	1,878	1,020	1,498
Expiration of unrecognized tax benefits due to applicable statute of limitations	(7,064)	(19,195)	(21,843)
	<u>35,772</u>	<u>(27,364)</u>	<u>(14,734)</u>

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14. TAXATION (continued)

A roll-forward of unrecognized tax benefits, exclusive of related interest and penalties, was as follows:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Balance at beginning of year	78,637	65,898	45,712
Increase relating to tax positions	—	—	—
Decrease relating to expiration of applicable statute of limitations and reversal	(7,064)	(19,195)	(21,843)
Foreign currency translation adjustments	(5,675)	(991)	(459)
Balance at end of year	65,898	45,712	23,410

As of December 31, 2023 and 2024, the Company had recorded US\$104,788 and US\$81,218 as an accrual for unrecognized tax benefits and related interest and penalties, respectively, which was included in the account of “Other non-current liabilities”.

The final outcome of the tax uncertainty is dependent upon various matters including tax examinations, interpretation of tax laws or expiration of statute of limitations. However, due to the uncertainties associated with the status of examinations, including the protocols of finalizing audits by the relevant tax authorities, there is a high degree of uncertainty regarding the future cash outflows associated with these tax uncertainties. The amount of unrecognized tax benefits may change in the next twelve months, pending clarification of current tax law or audit by the tax authorities. However, a reliable estimate of the range of the possible change cannot be made at this time.

The Company’s PRC entities have been subject to the New EIT Law since January 1, 2008. The PRC tax authorities, US tax authorities and Hong Kong tax authorities have up to five years, three years and six years, respectively, to conduct examinations of the Company’s tax filings. Accordingly, the PRC subsidiaries’ tax years 2019 through 2024, the US subsidiaries’ tax years 2021 through 2024 and the Hong Kong subsidiaries’ tax years 2018 through 2024 remain open to examination by the respective taxing jurisdictions.

The aggregate amount and per share effect of tax holidays and preferential tax rates were as follows:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
The aggregate amount	618	10,443	636
The aggregate effect on basic and diluted loss per share for Class A and Class B ordinary shares:			
- Basic and diluted	(0.01)	(0.12)	(0.01)

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14. TAXATION (continued)

The components of deferred taxes were as follows:

	As of December 31,	
	2023	2024
	US\$	US\$
Deferred tax assets		
Net operating losses	63,109	64,945
Lease liability	180	67
Impairment of assets	9,480	2,184
Overcharged advertising and promotion fee	652	640
Fixed assets depreciation	671	695
Investments	—	—
Less: Valuation allowance	(56,714)	(57,108)
Total deferred tax assets	17,378	11,423
Deferred tax liabilities		
Right of use assets	(170)	(69)
Investment basis in the PRC entities	(51,949)	(51,496)
BaoAn Acquisition — Property	(9,488)	(8,890)
Investments	(1,305)	(1,286)
Deferred tax liabilities	(62,912)	(61,741)
Net deferred income tax assets	17,208	11,356
Net deferred income tax liabilities	(62,742)	(61,674)

The rollforward of valuation allowances of deferred tax assets were as follows:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Balance as of beginning of year	(66,475)	(73,024)	(56,714)
Additions of valuation allowance	(10,953)	(18,208)	(6,167)
Utilization of deferred tax assets	2,759	33,533	5,326
Foreign currency translation adjustments	1,645	985	447
Balance as of end of year	(73,024)	(56,714)	(57,108)

The tax losses in the PRC can be carried forward for five years (or ten years for entities qualified as High and New Technology Enterprises, or HNTEs) to offset future taxable income. These losses will expire between 2025 and 2034 if not utilized. Operating losses incurred by the Company’s subsidiaries incorporated in the United States can be carried forward indefinitely to offset future taxable income, subject to applicable limitations under U.S. tax law.

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15. SHARE-BASED PAYMENTS

Stock related award incentive plan of 1999

On September 1, 1999, the Company’s shareholders approved the 1999 Stock Related Award Incentive Plan (the “1999 Plan”). Under the 1999 Plan, the Company may issue up to 12% of the fully diluted ordinary shares of the Company to its directors and employees. The purpose of the 1999 Plan is to provide additional incentive and motivation to its directors and employees, through an equity interest in the Company, to work towards increasing the value of the Company. The 1999 Plan provides for accelerated vesting, subject to certain conditions, if there is a change in control. The 1999 Plan has no stated expiry date.

The exercise price, vesting and other conditions of individual awards are determined by the executive chairman of the board of directors. The awards are typically subject to a three-year to a four-year service vesting condition and expire 10 or 15 years after the grant date. In addition, the grantee must return all awards and any proceeds from the sale of the awards if he/she violates certain provisions including a non-compete condition for a period of 2 years after cessation of employment with the Company. The non-compete condition does not give rise to an in-substance service condition.

Stock related award incentive plan of 2010

On August 4, 2010, the Company’s board of directors and shareholders approved the 2010 Stock Related Award Incentive Plan (the “2010 Plan”). Under the 2010 Plan, the Company may issue up to 10% of the total number of ordinary shares, including ordinary shares issuable upon conversion of any preferred shares to its directors and employees. The purpose of the 2010 Plan was to recognize and acknowledge the contributions made to the Company by eligible employees and to promote the success of the Company’s business. The 2010 Plan allows the board of directors, or its designated committee, to establish the performance criteria when granting stock options on the basis of any one of, or combination of, increase in share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measures of performance selected by the Company’s board of directors, or its designated committee. Partial achievement of the specified criteria may result in a vesting corresponding to the degree of achievement as specified in the detail rules.

The exercise price, vesting and other conditions of individual awards are determined by the executive chairman of the board of directors, except for awards to officers which are determined by the board of directors or the compensation committee. The awards are typically subject to a four-year service vesting condition and multiple performance conditions with a contractual life of ten years. In addition, the grantee must return all awards and any proceeds from the sale of the awards if he/she violates certain provisions.

Stock related award incentive plan of 2015

On June 4, 2015, the Company’s board of directors and shareholders approved the 2015 Stock Related Award Incentive Plan (the “2015 Plan”). Under the 2015 Plan, the Company may issue up to 1.5% of the total number of ordinary shares, including ordinary shares issuable upon conversion of any preferred shares to its directors and employees. The purpose of the 2015 Plan was to recognize and acknowledge the contributions made to the Company by eligible employees and to promote the success of the Company’s business. The 2015 Plan allows the board of directors, or its designated committee, to establish the performance criteria when granting stock options on the basis of any one of, or combination of, increase in share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measures of performance selected by the Company’s board of directors, or its designated committee. Partial achievement of the specified criteria may result in a vesting corresponding to the degree of achievement as specified in the detail rules.

The exercise price, vesting and other conditions of individual awards are determined by the executive chairman of the board of directors, except for awards to officers which are determined by the board of directors or the compensation committee. The awards are typically subject to a four-year service vesting condition and multiple performance conditions with a contractual life of ten years. In addition, the grantee must return all awards and any proceeds from the sale of the awards if he/she violates certain provisions.

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15. SHARE-BASED PAYMENTS (continued)

No new share options granted during the years ended December 31, 2022, 2023 and 2024. A summary of the Company’s equity award activity held by both the Company’s employees and CIH’s employees under the 1999 Plan, 2010 Plan and 2015 Plan for each of the three years ended December 31, 2024 was stated below:

Options Granted to Employees and Directors	Number of Shares	Weighted-Average per share Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2021	6,247,265	3.83	6.46	—
Forfeited	(99,620)	3.71		
Expired	(275,620)	3.99		
Exercised	(240)	6.10		
Outstanding, December 31, 2022	<u>5,871,785</u>	3.82	5.57	—
Vested and expected to vest at December 31, 2022	<u>5,871,785</u>	3.82	5.57	—
Exercisable at December 31, 2022	<u>5,637,960</u>	3.86	5.53	—

Options Granted to Employees and Directors	Number of Shares	Weighted-Average per share Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2022	5,871,785	3.82	5.57	—
Forfeited	(18,980)	6.46		
Expired	(145,730)	5.54		
Exercised	—	—		
Outstanding, December 31, 2023	<u>5,707,075</u>	3.71	5.06	—
Vested at December 31, 2023	<u>5,707,075</u>	3.71	5.06	—
Exercisable at December 31, 2023	<u>5,707,075</u>	3.71	5.06	—

Options Granted to Employees and Directors	Number of Shares	Weighted-Average per share Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2023	5,707,075	3.71	5.06	—
Forfeited	(135,230)	6.60		
Expired	(8,380)	3.98		
Exercised	—	—		
Outstanding, December 31, 2024	<u>5,563,465</u>	3.64	4.70	—
Vested at December 31, 2024	<u>5,563,465</u>	3.64	4.70	—
Exercisable at December 31, 2024	<u>5,563,465</u>	3.64	4.70	—

The aggregate intrinsic value represents the difference between the fair value of the Company’s ordinary share and the exercise price. Since the Company’s stock price was lower than the exercise price of the options on December 31, 2023 and 2024, the intrinsic value of the options was zero for each of these periods.

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15. SHARE-BASED PAYMENTS (continued)

As of December 31, 2022, the Company had US\$39 of unrecognized share-based compensation cost related to share-based awards granted to employees. The remaining share-based compensation cost was fully recognized in 2023. As of December 31, 2023 and 2024, there was no unrecognized share-based compensation cost. Total share-based compensation expense of share-based awards granted to employees and directors charged to operations were US\$586, US\$39, and nil for the years ended December 31, 2022, 2023 and 2024, respectively.

16. RELATED PARTY TRANSACTIONS

a) Related Parties

Name of Related Parties	Relationship with the Company
Vincent Tianquan Mo	Executive chairman of the board of directors and controlling shareholder of the Company
Beihai Silver Beach 1 Hotel and Property Management Company, Ltd. (“Beihai Silver Beach”)	A company under the control of Vincent Tianquan Mo
Shanghai Yuyue Electronic Technology Development Co., Ltd (“Shanghai Yuyue”)	A company under the control of Vincent Tianquan Mo
China Index Holdings and its subsidiaries (“CIH”)	A company under the control of Vincent Tianquan Mo and the Company can exercise significant influence

b) The Company had the following related party transactions for the years ended December 31, 2022, 2023 and 2024

	Year Ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Office building leased from:			
-Vincent Tianquan Mo	159	152	150
Management fee incurred:			
-Beihai Silver Beach	281	588	493
Office building leased to:			
-CIH	1,261	1,204	1,093
IT service income from:			
-CIH	1,116	5,887	1,054
Software license income from:			
-CIH	70	—	—
Operating loan to:			
-Shanghai Yuyue	4,124	—	421
Repayment of operating loan from:			
-Shanghai Yuyue	—	—	4,487

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16. RELATED PARTY TRANSACTIONS (continued)

Office building leased from Vincent Tianquan Mo

The Company entered into an agreement with Vincent Tianquan Mo to lease a building owned by him for nil consideration starting from March 1, 2012. The deemed rental expense of US\$159, US \$152 and US \$150, and the corresponding contribution from shareholder were included in the consolidated financial statements for the years ended December 31, 2022, 2023 and 2024, respectively. The agreement was renewed in 2022, extending the maturity date to 2032.

Management service provided by Beihai Silver Beach

On April 1, 2013, the Company and Beihai Silver Beach entered into a contract, pursuant to which Beihai Silver Beach was engaged to manage the hotel and office leasing operations owned by Shanghai BaoAn Enterprise and Shanghai BaoAn Hotel for ten years. Upon expiration of the initial term, the contract is automatically renewed for an additional ten-year period unless either party objects. The management fees incurred for the years ended December 31, 2022, 2023 and 2024 were US \$281, US \$588 and US \$493 respectively. The balance as of December 31, 2024 represented outstanding management fees which were unsecured and interest-free.

Office building leased to CIH

The Company leases out offices to CIH. The Company entered into a lease framework agreement with CIH, pursuant to which the Company leases offices to CIH at annual rental fee of RMB8,478,314. The Agreement is effective from January 1, 2018 with initial lease term of 10 years. The amounts of lease income were US\$1,261, US\$1,204 and US \$1,093 for the years ended December 31, 2022, 2023 and 2024.

IT service income from CIH

The Company entered into an IT service agreement with CIH, pursuant to which CIH agrees to utilize Fang’s server and other IT services. The amounts of IT service income were US \$1,116, US \$5,887, and US \$1,054 for the years ended December 31, 2022, 2023 and 2024, respectively. In 2023, the Company entered into several additional IT service agreements with CIH, resulting in an increase in service income for the year. These new agreements expanded the scope of services provided by the Company to CIH, contributing to the significant rise in IT service income compared to prior years. In 2024, IT service income from CIH decreased compared to the previous year, primarily due to a reduction in the amount of services purchased by CIH as a result of CIH’s own internal resource allocation and procurement adjustments.

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16. RELATED PARTY TRANSACTIONS (continued)

Software license income from CIH

The Company entered into a software license agreement with CIH, pursuant to which, Fang agrees to license the right of using certain of its software at annual royalty fee of RMB500,000. The original term of the agreement was ten years. However, the agreement was terminated in 2023 by mutual consent, and as a result, no software license income was recognized for the years ended December 31, 2023 and 2024.

Loan to Shanghai Yuyue

The loans extended to Shanghai Yuyue were provided to meet its working capital needs. The loans were unsecured, repayable on demand and bore interest at rates determined with reference to prevailing market rates.

e) The Company had the following related party balances as of December 31, 2023 and 2024:

	As of December 31,	
	2023	2024
	US\$	US\$
Amounts due from related parties:		
- Beihai Silver Beach	245	292
- Shanghai Yuyue – loan receivable ⁽¹⁾	9,572	—
- Shanghai Yuyue – transaction payable ⁽¹⁾	(8,772)	—
	1,045	292
	As of December 31,	
	2023	2024
	US\$	US\$
Amounts due to related parties:		
- CIH ⁽³⁾	34,676	1,266
- Shanghai Yuyue – loan receivable ⁽¹⁾	—	(5,374)
- Shanghai Yuyue – transaction payable ⁽²⁾	—	8,640
	34,676	4,532

(1) The balance represents operating loans advanced to Shanghai Yuyue before 2023 to meet its working capital needs. The loans were unsecured, repayable on demand and bore interest at rates determined with reference to prevailing market rates. The changes in the outstanding balance during 2023 and 2024 were mainly due to repayments made by Shanghai Yuyue.

(2) The balance represents amounts arising from certain transactions between the Company and Shanghai Yuyue in 2019. The amount is non-interest bearing and payable on demand. There were no repayments or other changes in this balance during 2023 and 2024, other than foreign currency translation differences.

(3) The amounts due to CIH primarily arose from CIH’s payment of US\$84.3 million on behalf of the Company in 2021 to settle a convertible bond. The Company has been repaying this balance to CIH since then. The amount due to CIH decreased from US\$34.7 million as of December 31, 2023 to US\$1.3 million as of December 31, 2024, primarily as a result of the Company’s cash repayments during 2024. The balances with CIH are unsecured, non-interest bearing, and have no fixed repayment terms.

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17. EMPLOYEE DEFINED CONTRIBUTION PLAN

Full time employees of the Company in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the PRC subsidiaries of the Company make contributions to the government for these benefits based on certain percentages of the employees’ salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits charged, which were expensed as incurred, were US\$9,088, US\$7,013 and US\$5,604 for the years ended December 31, 2022, 2023 and 2024, respectively.

18. COMMITMENTS AND CONTINGENCIES

Capital commitment

	As of December 31, 2024			
	Total	Less than	1 to 3	More than
	US\$	1 year	years	3 years
Capital commitments	13,444	13,444	—	—

As of December 31, 2024, the Company does not have significant capital expenditure plans or commitments for the construction of fixed assets except for an office building under construction, which was planned since 2019. This is primarily due to the current operational environment and the Company’s strategic focus on maintaining financial flexibility. Given the existing business conditions, the Company does not plan to enter into any material agreements or contracts for future capital expenditures.

Significant legal contingencies

From time to time, the Company is involved in claims and legal proceedings that arise in the ordinary course of business. Based on currently available information, management does not believe that the ultimate outcome of the unresolved matters, individually and in the aggregate, are likely to have a material adverse effect on the Company’s financial position, results of operations or cash flows.

Litigation as respondent – Cayman Winding-up Petition

On November 12, 2020, certain shareholders of the Company (the “Petitioners”) filed a winding-up petition in the Grand Court of the Cayman Islands (the “Cayman Court”), under Cause No: FSD 278 of 2020, seeking to wind up the Company (the “Winding-up Petition”). The Petitioners also filed an application on December 4, 2020, for the appointment of provisional liquidators over the Company. A hearing was held on December 24, 2020, where the Cayman Court adjourned the application to allow the parties additional time to negotiate undertakings to the Court. The hearing was further adjourned by consent of the parties to a date no earlier than the week of March 29, 2021.

On October 24, 2023, the Cayman Court approved a Consent Order signed by all parties, which resulted in the withdrawal of the Winding-up Petition, the application for the appointment of provisional liquidators, and an additional application regarding the reconstitution of the Company’s board of directors filed on June 18, 2021. Accordingly, the proceedings under Cause No: FSD 278 of 2020 were fully discontinued, and the parties were released from all related undertakings given to the Cayman Court.

While this matter has now been resolved without further financial obligations, the Company recognizes that the proceedings were a significant legal matter during the reporting periods of 2022 through 2024. The outcome did not result in any material financial impact on the Company’s consolidated financial statements.

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18. COMMITMENTS AND CONTINGENCIES (continued)

Litigation as plaintiff - Equity Transfer Agreement Dispute

In June 2023, a wholly owned subsidiary of the Company initiated legal proceedings against the former shareholders of an equity investee, relating to a dispute arising from a prior equity transfer transaction. The amount claimed in the litigation was RMB500 million (US\$69.6 million).

On April 11, 2025, the appellate court issued a final judgment, ruling that the former shareholders are liable to compensate the Company in the amount of RMB200 million (US\$27.8 million) as well as a RMB200 million (US\$27.8 million) default principal adding default interest calculated at 1.5 times the one-year loan prime rate for the relevant period on the default principal.

Despite the favorable judgment, due to the counterparties' involvement in multiple ongoing litigations and their designation as dishonest judgment debtors under Chinese law, the Company believes it is not practicable at this time to reasonably estimate either the amount or the timing of any potential recovery. Management will continue to monitor developments relating to the enforcement of the judgment and would update the financial statements if, and only to the extent that, new information were to become available.

Litigation as plaintiff - Loans and Guarantees Dispute

Since 2015, the Company and its subsidiary have pursued recovery of overdue loan obligations from Shangyinxin Payment Services Co., Ltd. and certain guarantors through a series of PRC arbitration and enforcement actions. Final arbitral awards issued in 2017 and 2019 required the obligor and guarantors to repay outstanding principal, accrued default interest, penalties, and related legal and arbitration costs, totaling approximately RMB122.61 million (approximately US\$17.6 million) as of the award dates. Despite the finality of the awards, enforcement efforts in China were unsuccessful, and one of the guarantors subsequently relocated to the United States.

Beginning in 2022, the Company commenced cross-border enforcement actions in the United States, including recognition of the arbitral award, a fraudulent-transfer action, and participation in the guarantor's bankruptcy proceedings. In 2025, the U.S. Bankruptcy Court approved agreements permitting the Company to assume certain bankruptcy estate claims and lifted the automatic stay to allow related enforcement actions to continue. These proceedings remain ongoing, and the bankruptcy process continues to impose constraints on the timing and likelihood of recovery. As of December 31, 2024, management concluded that the amount and timing of any recovery remain highly uncertain, and no receivable has been recorded beyond amounts previously recognized. The Company will continue to monitor developments and will update its assessment as new information becomes available.

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18. COMMITMENTS AND CONTINGENCIES (continued)

Litigation as defendant - Property Management Contract Dispute

On July 30, 2025, the Beijing Fengtai District People’s Court issued a first-instance judgment in a property management fee dispute concerning one of the Company’s properties, ordering eight defendants, including the Company’s subsidiary, to pay approximately RMB40.93 million (US\$5.7 million), plus late payment penalties. As of December 31, 2024, the Company had already accrued RMB50.70 million (US\$7.0 million) related to this matter. Both parties have appealed, and the second-instance outcome remains uncertain. Management has assessed these developments and determined that no adjustment to the consolidated financial statements as of December 31, 2024 is required.

Separately, the Company has filed a related contractual claim for economic losses, which remains pending with no judgment issued. The Company will continue to monitor the proceedings and update the financial statements if new information becomes available.

Litigation as defendant – Shareholder Winding-Up Petition

On January 19, 2024, Koa Capital L.P. and 507 Summit LLC (the “Petitioners”), holders of approximately 4.6% of the Company’s Class A Ordinary Shares (representing approximately 3.3% of the total issued share capital), filed a petition (the “Petition”) with the Grand Court of the Cayman Islands seeking the winding up of Fang Holdings Limited (“Fang” or the “Company”). The Petition names the Company as respondent and seeks the appointment of joint official liquidators.

The Petition alleges that the Company’s Executive Chairman, Vincent Mo, and directors under his control, have conducted the Company’s affairs in a manner that is unfairly prejudicial and oppressive to minority shareholders, including the Petitioners. The Petitioners allege, among other things, that: (i) the Company’s business and assets have been used to benefit Mr. Mo and his associates through a series of related-party transactions; (ii) the Company adopted an amended and restated memorandum of association that is oppressive to minority shareholders; (iii) the Company has failed to comply with statutory and regulatory disclosure requirements, including failure to file required SEC reports and to meet NYSE listing standards; (iv) the Company has provided misleading information to shareholders and the market, failed to disclose material transactions, and engaged in frequent auditor changes and accounting deficiencies; and (v) the Company’s affairs have been managed in a manner that disregards the interests of minority shareholders and lacks probity, resulting in a loss of trust and confidence in the Company’s management.

The Petitioners seek, among other things: (i) an order winding up the Company on just and equitable grounds pursuant to section 92(e) of the Companies Act (2023 Revision) of the Cayman Islands; (ii) the appointment of joint official liquidators with broad powers to manage the Company’s affairs and protect its assets; and (iii) ancillary relief to facilitate the liquidation process and protect the interests of shareholders and creditors.

As of December 31, 2024, the proceedings remained ongoing and no court ruling had been issued. Management believes that the outcome of the petition and any potential financial impact cannot be reliably estimated at this time. Accordingly, no provisions or adjustments have been recorded in the consolidated financial statements as of December 31, 2024.

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19. SEGMENT REPORTING

In accordance with ASC 280, *Segment Reporting*, the Company’s chief operating decision maker (“CODM”) has been identified as the executive chairman of the board of directors, who makes resource allocation decisions and assesses performance based on the Company’s consolidated results. As a result, the Company has only one reportable segment.

The Company concluded that consolidated net income (loss) reported in the consolidated statements of comprehensive income (loss) is the measure of segment profitability, and consolidated total assets reported in the consolidated balance sheets is the measure of segment assets. The CODM refer to consolidated operating results and financial condition when addressing strategic and operational matters and allocating resources. For the years ended December 31, 2022, 2023 and 2024, the Company’s significant expense categories that are regularly reviewed by management include selling expenses, general and administrative expenses, and impairment of long-lived assets. The amounts for these expense categories are presented in the consolidated statements of comprehensive income (loss).

Geographic disclosures

As the Company generates substantially all of its revenues from customers domiciled in the PRC, no geographical segments are presented. All of the Company’s long-lived assets are located in the PRC except for buildings and land with net book values of US\$58,671 and US\$57,643 as of December 31, 2023 and 2024, respectively, which are located in the United States of America.

20. LOSS PER SHARE

Basic and diluted loss per share for each of the years presented are calculated as follows:

	Year Ended December 31,		
	2022	2023	2024
	US\$	US\$	US\$
Numerator			
Net loss attributable to Class A and Class B ordinary shares	(75,562)	(179,721)	(28,756)
Denominator			
Weighted average number of Class A and Class B ordinary shares outstanding-basic and diluted	90,357,275	90,357,329	90,357,329
Net loss per share			
Basic and diluted	(0.84)	(1.99)	(0.32)

The repurchased but not retired ordinary shares are accounted as treasury share which are not considered outstanding and excluded from the calculation of basic loss per share since the date of repurchase.

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21. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

Condensed balance sheets

	As of December 31,	
	2023	2024
	US\$	US\$
ASSETS		
Current assets:		
Cash and cash equivalents	22,311	11,255
Prepayments and other current assets	1	1
Amounts due from subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	441,251	442,470
Amounts due from related parties	1,045	292
Total current assets	464,608	454,018
Non-current assets:		
Long-term investments	34,470	31,668
Investment in subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	709,711	590,199
Total non-current assets	744,181	621,867
Total assets	1,208,789	1,075,885
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Current liabilities:		
Long-term bond payable, current	50,590	49,849
Accrued expenses and other liabilities:	69,779	1,226
Amounts due to subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	669,847	673,366
Amount due to related parties	34,676	4,532
Total current liabilities	824,892	728,973
Total liabilities	824,892	728,973
Commitments and contingencies	—	—
Shareholders’ equity:		
Class A ordinary shares, par value Hong Kong Dollar (“HK\$”) 1 per share, 600,000,000 shares authorized for Class A and Class B in aggregate; 71,775,686 shares issued as of December 31, 2023 and 2024, respectively; 66,020,679 shares outstanding as of December 31, 2023 and 2024, respectively.	9,244	9,244
Class B ordinary shares, par value Hong Kong Dollar (“HK\$”) 1 per share, 600,000,000 shares authorized for Class A and Class B in aggregate; 24,336,650 shares issued and outstanding as of December 31, 2023 and 2024, respectively; each Class B ordinary share is convertible into one Class A ordinary share.	3,124	3,124
Additional paid-in capital	545,364	545,514
Accumulated other comprehensive loss	(37,408)	(45,787)
Retained earnings	(25,144)	(53,900)
Less: Treasury shares (5,755,007 shares as of December 31, 2023 and 2024, respectively.)	(111,283)	(111,283)
Total shareholders’ equity	383,897	346,912
Total liabilities and shareholders’ equity	1,208,789	1,075,885

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21. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)

Condensed statements of comprehensive income (loss)

	Year Ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Revenues	—	—	—
Cost of revenues	—	—	—
Gross profit	—	—	—
General and administrative expenses	(2,257)	(1,664)	(2,565)
Other loss	—	(8,010)	—
Operating loss	(2,257)	(9,674)	(2,565)
Equity in losses of subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	(69,947)	(157,843)	(22,108)
Foreign exchange gain (loss)	264	(12)	473
Interest income	484	1,117	511
Interest expense	(4,932)	(4,264)	(2,264)
Change in fair value of securities	826	(9,045)	(2,803)
Loss before income taxes	(75,562)	(179,721)	(28,756)
Income tax expenses	—	—	—
Net loss	(75,562)	(179,721)	(28,756)
Other comprehensive income (loss)			
Foreign currency translation adjustments	(47,413)	(27,872)	(7,942)
Gain (loss) on intra-entity foreign transactions of long-term investment nature	(2,794)	(505)	(437)
Other comprehensive income (loss)	(50,207)	(28,377)	(8,379)
Comprehensive loss	(125,769)	(208,098)	(37,135)

Condensed statements of cash flows

	Year Ended December 31,		
	2022 US\$	2023 US\$	2024 US\$
Net cash provided by operating activities	146,815	86,652	2,144
Net cash used in investing activities	(176)	(14,477)	(13,200)
Net cash used in financing activities	(162,929)	(52,790)	—
Exchange rate effect on cash, cash equivalents and restricted cash	(4)	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(16,294)	19,385	(11,056)
Cash, cash equivalents and restricted cash at beginning of year	19,220	2,926	22,311
Cash, cash equivalents and restricted cash at end of year	2,926	22,311	11,255

Basis of Presentation

For the presentation of the parent company only condensed financial information, the Company records its investment in subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries which it effectively controls through contractual agreements, under the equity method of accounting as prescribed in ASC 323, Investments-Equity Method and Joint Ventures. Such investments are presented on the condensed balance sheets as “Investment in subsidiaries, PRC Domestic Entities, and PRC Domestic Entities’ subsidiaries” and the subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries’ profit or loss as “Equity in profits (losses) of subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries” on the condensed statements of comprehensive income (loss). The parent company only condensed financial information should be read in conjunction with the Company’s consolidated financial statements.

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22. SUBSEQUENT EVENTS

Settlement of Shareholder Derivative Action

On October 25, 2025, a Stipulation of Settlement (the “Settlement”) was entered into, resolving a shareholder derivative action (the “Action”) previously pending in the New York State Supreme Court. The Action was commenced by certain shareholders (the “Plaintiffs”) against certain of the Company’s executives and their affiliates (the “Defendants”), with the Company named as a nominal defendant. Pursuant to the terms of the Settlement, the Defendants have agreed to (i) pay aggregate cash consideration of US\$30.0 million (the “Monetary Consideration”) into a settlement fund and (ii) deliver 20,471,063 shares of CIH Holdings Limited (the “CIH Consideration”) to the Company.

The Monetary Consideration, net of any court-approved attorneys’ fees and expenses, is designated for pro rata distribution to the Company’s minority shareholders (excluding the Defendants and related parties). The Settlement provides that the Company shall not be required to contribute any funds toward the Monetary Consideration. The Company expects to recognize the CIH Consideration as a non-cash gain upon delivery, subsequent to the effective date of the Settlement. The Settlement also requires the Company to implement certain corporate governance enhancements. The Settlement is subject to approval by the Court. The Company evaluated this matter as a nonrecognized subsequent event; accordingly, no adjustment has been recorded to the consolidated financial statements as of December 31, 2024.

Pledge of equity interest in a subsidiary

In November 2025, Wuhan Tuoshi Fangtianxia Business Service Co., Ltd., an entity controlled by the Company, had its 100% equity interest pledged to Evenstar Advisors Limited. This equity pledge did not have an impact on the Company’s consolidated financial statements for the year ended December 31, 2024.

Bank facilities obtained in 2025

In 2025, the Company obtained bank facilities from financial institution in PRC, with an aggregate amount of RMB253,050,000, which was secured by the Company's property, equity interests and certain receivables, of which RMB245,050,000 has been withdrawn. Those loans were scheduled to be repaid in one to ten years maturity.

Company name	Date of Establishment	Place of Establishment	Principal Activities
Beijing SouFun Network Technology Co., Ltd. (“SouFun Network”)	3/16/2006	PRC	Provision of technology, leads generation and information consultancy services
Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”)	3/14/2006	PRC	Provision of marketing services, leads generation services and listing services
Beijing Fangtianxia Technology Development Co., Ltd.	8/19/2019	PRC	Provision of technology, leads generation and listing services
Xinjiang Tuo Shi Huan Yu Network Technology Co., Ltd.	11/29/2017	PRC	Provision of technology, leads generation and listing services
Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (“Beijing TuoShi”)	11/19/2010	PRC	Provision of technology, leads generation and information consultancy services
Beijing Yi Ran Ju Ke Technology Development Co., Ltd. (“Beijing Yi Ran Ju Ke”)	7/8/2011	PRC	Provision of marketing services, rental services, leads generation services and real estate agency services
Beijing Hua Ju Tian Xia Network Technology Co., Ltd. (“Beijing Hua Ju Tian Xia”)	7/25/2012	PRC	Provision of technology and information consultancy services
Beijing FTX Digital Technology Service Co., Ltd (previously known as Beijing Tianxia Dai Information service Co., Ltd.)	4/9/2014	PRC	Provision of finance information services
Shanghai SouFun Microfinance Co., Ltd. (“Shanghai SouFun Microfinance”)	1/19/2015	PRC	Provision of Microfinance services
Nanning Tian Xia Dai Microfinance Co., Ltd (“Beihai Tian Xia Dai Microfinance”)	9/12/2014	PRC	Provision of microfinance services
Shanghai BaoAn Enterprise Co., Ltd. (“Shanghai BaoAn Enterprise”)	7/27/1992	PRC	Lease, resale and management of property
Shanghai BaoAn Hotel Co., Ltd. (“ShanghaiBaoAn Hotel”)	5/9/2003	PRC	Operation and management of hotel, restaurant and other catering business
Chongqing Tian Xia Dai Microfinance Co., Ltd (“Chongqing Tian Xia Dai Microfinance”)	12/11/2014	PRC	Provision of microfinance services
Best Fang Holdings LLC	8/30/2017	United States of America	Investment holding
Best Work Holdings (New York) LLC (“Best Work”)	3/14/2011	United States of America	Investment holding

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jian Liu, certify that:

1. I have reviewed this annual report on Form 20-F of Fang Holdings Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: November 21, 2025

By: /s/ Jian Liu

Name: Jian Liu

Title: Chief Executive Officer

(principal executive officer)

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lili Chen, certify that:

1. I have reviewed this annual report on Form 20-F of Fang Holdings Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: November 21, 2025

By: /s/ Lili Chen

Name: Lili Chen

Title: Deputy Chief Financial Officer

(principal financial and accounting officer)

**Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Fang Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jian Liu, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 21, 2025

By: /s/ Jian Liu

Name: Jian Liu

Title: Chief Executive Officer
(principal executive officer)

**Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Fang Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lili Chen, Deputy Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 21, 2025

By: /s/ Lili Chen

Name: Lili Chen

Title: Deputy Chief Financial Officer
(principal financial and accounting officer)

競天公誠律師事務所
JINGTIAN & GONGCHENG

34/F, Tower 3, China Central Place, 77 Jianguo Road, Beijing 100025, China
Telephone: (86-10) 5809-1000 Facsimile: (86-10) 5809-1100

November 21, 2025

Fang Holdings Limited

Tower A, No. 20 Guogongzhuang Middle Street
Fengtai District, Beijing 100070
The People's Republic of China

Dear Sirs,

We consent to the references to our firm under “Item 3. Key Information-Permissions Required from the PRC Authorities for Our Operations”, “Item 3. Key Information-D. Risk Factors- Risks related to doing business in China-We may be treated as a resident enterprise for PRC tax purposes under the New EIT Law and therefore be subject to PRC taxation on our worldwide income”, “Item 3. Key Information-D. Risk Factors- Risks related to doing business in China-We rely primarily on dividends and other distributions on equity paid by our subsidiaries, and any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business as well as our liquidity”, “Item 3. Key Information-D. Risk Factors-Risks related to doing business in China- Fluctuations in the exchange rates of the Renminbi could materially and adversely affect the value of our shares, ADSs or notes and result in foreign currency exchange losses”, “Item 4. Information on the Company-B. Business Overview-Regulation-Restrictions on Foreign Ownership in the Online Advertising Industry” in Fang Holdings Limited’s Annual Report on Form 20-F for the year ended December 31, 2024 (the “Annual Report”), which is filed with the Securities and Exchange Commission (the “SEC”) on November 21, 2025. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the United States Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ Jingtian & Gongcheng

Jingtian & Gongcheng





Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-173157) and Form S-8 (No. 333-207182) of Fang Holdings Limited (the “Company”) of our report dated November 21, 2025, relating to the consolidated balance sheets of the Company as of December 31, 2023 and 2024, and the related consolidated statements of comprehensive income (loss), changes in shareholders’ equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes, which was included in the Company’s Annual Report on Form 20-F for the year ended December 31, 2024.

/s/ GGF CPA LTD

Guang Zhou, People’s Republic of China
November 21, 2025
