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

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**FORM 20-F**

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(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, 2023

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

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**Fang Holdings Limited**

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(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)

**Vincent Tianquan Mo, Executive Chairman  
Tower A, No. 20 Guogongzhuang Middle Street  
Fengtai District, Beijing 100070  
The People's Republic of China  
Telephone: +86-10-5631 8000  
Fax: +86-10-5631 8010**

(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 depository shares, each  
representing ten Class A ordinary  
share, 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:

- “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;
- “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.;
- “CSRC” refers to the China Securities Regulatory Commission;
- “China” or “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;
- “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 competent 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); and
- “U.S. dollars,” “US\$” or “\$” refers to the legal currency of the United States of America.

This annual report includes our audited consolidated statements of comprehensive income (loss) for the years ended December 2021, 2022 and 2023, our audited consolidated balance sheets as of December 31, 2022 and 2023, our audited consolidated statements of shareholders’ equity and our audited consolidated statements of cash flows for the years ended 2021, 2022 and 2023.

## 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 66.5%, 66.1% and 66.8% of our total revenues for the years of 2021, 2022 and 2023, 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 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”), Shanghai Century Jiatianxia Internet Technology Development Co., Ltd. (“Shanghai Century JTX Network”) 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. We have obtained for such consolidated controlled entities Internet Culture Operation License for exhibitions and competitions of online cultural products, 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.

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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, 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\$7.3 million, US\$6.6 million and US\$6.5 million as of December 31, 2021, 2022 and 2023, 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 control 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 31, 2021, 2022 and 2023, certain of our mainland China subsidiaries transferred a total of US\$472.4 million in cash to our Hong Kong subsidiaries. These funds were allocated as follows: (i) US\$349.5 million for the repayment of specific bank loans; (ii) US\$84.3 million for the repayment of convertible senior notes; and (iii) 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, 2023, 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 ordinary shares 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 ADS information) for the years ended December 31, 2021, 2022 and 2023 and our selected consolidated balance sheet data as of December 31, 2022 and 2023, 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,		
	2021	2022	2023
(U.S. dollars in thousands)			
<b>Consolidated statement of comprehensive income (loss) data:</b>			
<b>Revenues:</b>			
Marketing services	70,426	37,187	16,722
Listing services	31,128	13,105	7,749
Leads generation services	36,654	15,760	13,499
Financial services	13,290	9,716	4,572
Other services	6,835	4,713	7,473
<b>Total revenues</b>	<b>158,333</b>	<b>80,481</b>	<b>50,015</b>
<b>Cost of revenue:</b>			
Cost of services	(17,799)	(12,267)	(7,909)
<b>Gross profit</b>	<b>140,534</b>	<b>68,214</b>	<b>42,106</b>
<b>Operating income (expenses):</b>			
Selling expenses	(56,499)	(30,783)	(19,603)
General and administrative expenses	(99,911)	(77,509)	(81,958)
Impairment of long-lived assets	—	—	(151,097)
Other income, net	5,040	103	4,633
<b>Operating income (loss)</b>	<b>(10,836)</b>	<b>(39,975)</b>	<b>(205,919)</b>
Foreign exchange gain (loss)	2,667	1,222	126
Interest income	11,925	6,854	5,958
Interest expense	(16,679)	(10,765)	(8,081)
Change in fair value of securities	(19,142)	828	(1,523)
Government grants	1,732	1,523	254
Investment income, net	34,253	523	2,100
<b>Income (loss) from before income taxes</b>	<b>3,920</b>	<b>(39,790)</b>	<b>(207,085)</b>
Income tax expenses	(23,504)	(35,772)	27,364
<b>Net loss</b>	<b>(19,584)</b>	<b>(75,562)</b>	<b>(179,721)</b>
Foreign currency translation adjustments	34,089	(47,413)	(27,872)
Gain (loss) on intra-entity foreign transactions of long-term-investment nature	756	(2,794)	(505)
<b>Comprehensive income (loss)</b>	<b>15,261</b>	<b>(125,769)</b>	<b>(208,098)</b>
<b>Loss per share for Class A and Class B ordinary shares and per ADS</b>			
Basic and diluted	(0.22)	(0.84)	(1.99)
<b>Weighted average number of Class A and Class B ordinary shares outstanding and ADSs outstanding:</b>			
Basic and diluted	90,162,557	90,357,275	90,357,329

	As of December 31,	
	2022	2023
(U.S. dollars in thousands)		
<b>Consolidated balance sheet data:</b>		
Cash and cash equivalents and short-term investments	214,820	192,643
Total current assets	407,431	320,351
Total assets	1,208,923	947,011
Short-term loans and long-term loans	102,801	185,085
Total shareholder’s equity	591,804	383,897

**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,		
	2021	2022	2023
	(U.S. dollars in thousands)		
Current assets	300,176	77,048	87,828
Non-current assets	524,247	463,716	345,673
<b>Total assets</b>	<b>824,423</b>	<b>540,764</b>	<b>433,501</b>
Current liabilities	478,177	287,779	179,698
Non-current liabilities	139,714	119,881	205,391
<b>Total liabilities</b>	<b>617,891</b>	<b>407,660</b>	<b>385,089</b>
<b>Net assets</b>	<b>206,532</b>	<b>133,104</b>	<b>48,412</b>

**Selected Condensed Consolidated Statements of Income Information**

	Year Ended December 31.		
	2021	2022	2023
	(U.S. dollars in thousands)		
<b>Total revenues</b>	<b>105,227</b>	<b>53,211</b>	<b>33,401</b>
<b>Net loss</b>	<b>(1,853)</b>	<b>(28,504)</b>	<b>(119,022)</b>

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.*
- *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 or notes.*

### **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.*
- *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.*

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- *Uncertainties with respect to the PRC legal system could adversely affect us.*
- *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 control 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, ordinary shares and notes**

- *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 movement of our ADSs and notes may be 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.*

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- *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.*
- *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 or notes 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 or notes 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 or notes to decline.***

We incurred net loss of US\$19.6 million, US\$75.6 million and US\$179.7 million in 2021, 2022 and 2023, 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 or notes 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 63.2%, 61.4% and 56.7% of our total revenues in 2021, 2022 and 2023, 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 44.5%, 46.2% and 33.4% of our revenues in 2021, 2022 and 2023, respectively, constituting our largest source of revenues. In particular, our new home business accounted for substantially all of our marketing service revenues in 2021, 2022 and 2023, 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 significant portion of our revenues from our listing services. In 2021, 2022 and 2023, listing service revenues represented approximately 19.7%, 16.3% and 15.5% 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 or notes to fall.

***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.***

We derive a substantial portion of our revenues from several major urban centers in China, including Beijing, Shanghai, Chengdu, Chongqing, Wuhan, Guangzhou, Tianjin and Shenzhen. In 2023, we generated revenues of US\$32.9 million from these eight urban centers, representing 65.8% of our total revenues. We expect these eight 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, 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, Shanghai Century JTX Network 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.

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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. We have obtained for such consolidated controlled entities Internet Culture Operation License for exhibitions and competitions of online cultural products, 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. 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 or in the process of cancellation.

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, the 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.

- 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.”

#### *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.

***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.***

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. Furthermore, as we are substantially dependent on sales of listing and marketing, our quarterly revenues and results of operations are likely to be affected by:

- seasonality of the real estate market and real estate consumers' purchasing patterns;
- our ability to retain existing customers and attract new customers for our listing, marketing and e-commerce services;
- our ability to successfully introduce new service offerings on our platform;
- the amount and timing of our operating expenses and capital expenditures;
- the adoption of new, or changes to existing, governmental regulations;
- a shortfall in our revenues relative to our forecasts and a decline in our operating results; and
- economic conditions in general and specific to the real estate industry and to China.

As a result, you should not rely on our quarter-to-quarter comparisons of our results of operations as indicators of likely future performance.

***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, 2023, 33.2% 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 four cities, including Beihai (the obtained approval of which has been transferred to Nanning in 2021), Shanghai, Chongqing and Tianjin. 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 holds microfinancing approvals, is restricted from conducting microfinancing business outside Beihai city. 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 the 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. provides loans outside Nanning, and it may face the risk of corrective actions from 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 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.

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 provide 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. We could be exposed to liability with respect to such third-party information. Among other things, we may face assertions that, by directly or indirectly providing such third-party content or links to other websites, we should be liable for defamation, negligence, copyright or trademark infringement, or other actions 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 for 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 or notes.***

Effective internal controls are necessary for us to provide accurate and timely financial reports and effectively prevent fraud. We discovered in 2023 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, 2023, we and our independent registered public accounting firm, respectively, identified one material weakness in our internal control over financial reporting as of December 31, 2023. 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, 2023, 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.

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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, 2023, we had leased properties in approximately 32 cities in China in addition to our principal executive offices in Beijing, China. A number of these leased properties, all of which were used as offices, contained defects in the leasehold interests. Such defects included the lack of proper title or right to lease and the landlords' failure to duly register the leases with the relevant PRC government authority. A number of 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 authority. 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. For example, in February 2019, we were served with a subpoena from a court in Beijing, in which a third party claimed that a contract we entered into was invalid. Pursuant to such contract, we received certain assets from a debtor’s nominee to discharge its indebtedness. The debtor subsequently alleged that such contract was invalid because the transfer price of such assets was below the fair market value. We vigorously contested the allegation and the received a judgment in our favor. Such third party appealed to a higher court, and the case was closed in 2021 with the higher court upholding the judgment from the first instance trial, which was in our favor. 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;
- imposing conditions or requirements with which we, our PRC subsidiaries and/or consolidated controlled entities may not be able to comply;

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- 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, the legal environment in China is not as developed as in other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system 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 2021, 2022 and 2023, our VIEs and their respective subsidiaries and branches contributed in aggregate 66.5%, 66.1% and 66.8% 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), 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. 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. 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. 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. 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 May 24, 2022, 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 or notes. 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 control 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, 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 control 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, 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 on Form 20-F, 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 its subsidiary 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 or notes 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.

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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.

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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, ordinary shares and notes**

#### ***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.

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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 and notes 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, ADSs or notes; 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 and/or notes.

***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.***

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 and/or notes.

***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.

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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 depositary 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 depositary 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 depositary 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 depositary 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 depositary 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, ADSs and/or notes 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, ADSs and/or notes and may also materially and adversely affect the prices of our ADSs and/or notes.

***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.

***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.***

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

***We may incur more debt or take other actions which would intensify the risks discussed above.***

We and our subsidiaries and consolidated controlled entities may incur substantial additional debt in the future, some of which may be secured debt. We will not be restricted under the terms of the indenture governing the notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture governing the notes that could have the effect of diminishing our ability to make payments on the notes when due.

***The future sale of substantial amounts of ADSs and/or convertible notes could lower the market price for the ADSs and/or our outstanding notes, as the case may be.***

Sales of substantial amounts of ADSs and/or notes that may be converted or exchanged into ADSs or 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 and/or the notes. 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 or notes.

***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.

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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 Grand 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 is 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.

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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 our executive chairman of the board of directors, 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](http://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](http://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 2023. 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 2023, our websites, including [www.fang.com](http://www.fang.com), received a monthly average of approximately 24 million unique visitors and generated a monthly average of approximately 32.0 million website visits. We currently maintain approximately 54 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\$70.4 million, US\$37.2 million and US\$16.7 million in 2021, 2022 and 2023, respectively, representing 44.5%, 46.2% and 33.4% of our revenues, respectively. Our marketing services are delivered through our website [www.fang.com](http://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 growth area for us, as we believe that participants in China's real estate and home-related sectors are increasingly looking to the Internet and mobile apps as an additional vehicle through which to attract 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\$31.1 million, US\$13.1 million and US\$7.7 million in 2021, 2022 and 2023, respectively, representing 19.7%, 16.3% and 15.5% 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 30,000 in 2023 and 2022, respectively.

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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\$36.7 million, US\$15.8 million and US\$13.5 million in 2021, 2022 and 2023, respectively, representing 23.1%, 19.6% and 27.0% 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\$13.3 million, US\$9.7 million and US\$4.6 million in 2021, 2022 and 2023, representing 8.4%, 12.1% and 9.1% 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 four cities, including Beihai (the obtained approval of which has been transferred to Nanning in 2021), Shanghai, Chongqing and Tianjin.

### ***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](http://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](http://www.soufun.com) to [www.fang.com](http://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](http://www.fang.com), received a monthly average of approximately 36 million and 24 million unique visitors in the fourth quarter of 2022 and 2023, respectively. In addition, we had approximately 110 million registered members of our [www.fang.com](http://www.fang.com) website and had about 25.7 million and 25.6 million registered members of our free and paid Fang membership services as of December 31, 2023 and 2022, respectively.

As of December 31, 2023, our [www.fang.com](http://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 e-mail reporting system through which users can obtain assistance or otherwise contact us.

Our [www.fang.com](http://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](http://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 54 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](http://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](http://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, 2023, we had approximately 9 iOS and 9 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, 2023, 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 regarding these local real estate markets, which contributes to our collective knowledge and expertise about real estate markets throughout China.

We derive a substantial portion of our revenues from several major urban centers in China, including Beijing, Shanghai, Chengdu, Chongqing, Wuhan, Guangzhou, Tianjin and Shenzhen. We also offer limited listing and other information relating to the real estate markets in Hong Kong, Taiwan, Singapore, Japan, United States, Canada, Australia, United Kingdom and Spain, 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 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 marketing 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 rapidest 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, “Fang Tian Xia” and “Fang.com” brands, such as advertisements on billboards or online channels with high traffic.

## **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, 2023, our sales and marketing team consisted of over 500 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.

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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, 2023, we held 351 registered copyrights and owned or licensed 801 registered trademarks in China. As of the same date, we had 235 trademark applications in various industry categories, pending with the PRC Trademark Office.

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, 2023, 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, 2023, we had 16 registered patents and 41 patent applications relating to database maintenance and computer data backup under review 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, 2023, 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.

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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**

We are currently not involved in any material legal or arbitration proceedings. 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.

### **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, Shanghai Century JTX Network 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.

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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, 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 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.

#### ***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 December 27, 2021, 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 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.

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:

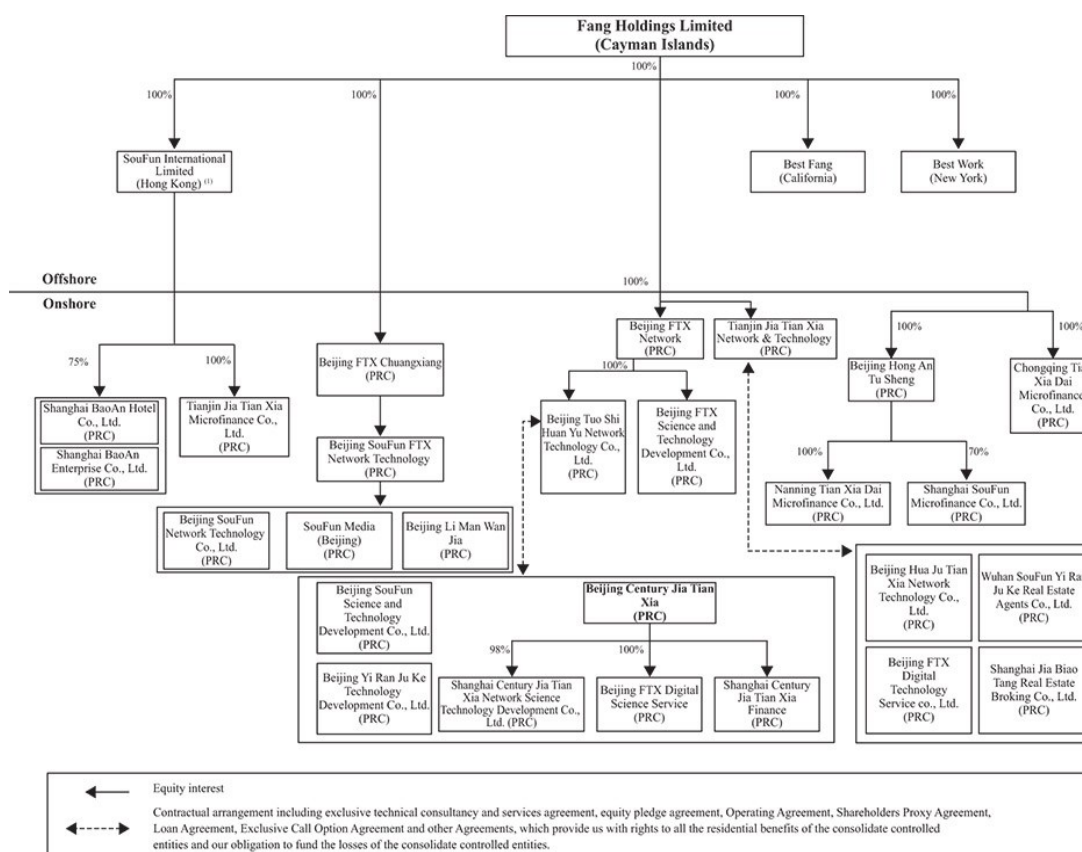
<b>Name</b>	<b>Place of Formation</b>	<b>Relationship</b>
Beijing Hong An Tu Sheng Network Technology Co., Ltd. (“Beijing Hong An”)	China	Wholly-owned subsidiary
Beijing Li Man Wan Jia Network Technology Co., Ltd. (“Beijing Li Man Wan Jia”)	China	Wholly-owned subsidiary
Beijing SouFun Network Technology Co., Ltd. (“Soufun Network”)	China	Wholly-owned subsidiary
Nanning Tian Xia Dai Microfinance Co., Ltd. (“Nanning Tian Xia Dai Microfinance”, (previously known as Beihai Tian Xia Dai Microfinance Co., Ltd.)	China	Wholly-owned subsidiary
Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (“Beijing Tuo Shi”)	China	Wholly-owned subsidiary
Best Work Holdings (New York) LLC	United States	Wholly-owned subsidiary
Best Fang Holdings LLC	United States	Wholly-owned subsidiary
Chongqing Tian Xia Dai Microfinance Co., Ltd. (“Chongqing Tian Xia Dai Microfinance”)	China	Wholly-owned subsidiary
Hangzhou SouFun Network Technology Co., Ltd. (“Hangzhou SouFun Network”)	China	Wholly-owned subsidiary
Hong Kong Property Network Limited	Hong Kong	Wholly-owned subsidiary
Shanghai BaoAn Enterprise Co., Ltd. (“Shanghai BaoAn Enterprise”)	China	Wholly-owned subsidiary
Shanghai BaoAn Hotel Co., Ltd. (“Shanghai BaoAn Hotel”)	China	Wholly-owned subsidiary
Shanghai SouFun Microfinance Co., Ltd. (“Shanghai SouFun Microfinance”)	China	Wholly-owned subsidiary
SouFun Media Technology (Beijing) Co., Ltd. (“SouFun Media”)	China	Wholly-owned subsidiary
Shanghai SouFun Fang Tian Xia Broking Co., Ltd. (“Shanghai Fang Tian Xia”)	China	Wholly-owned subsidiary
Tianjin Jia Tian Xia Microfinance Co., Ltd. (“Tianjin Jia Tian Xia Microfinance”)	China	Wholly-owned subsidiary

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<u>Name</u>	<u>Place of Formation</u>	<u>Relationship</u>
Beijing Hua Ju Tian Xia Network Technology Co., Ltd. (“Beijing Hua Ju Tian Xia”)	China	Consolidated controlled subsidiary
Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”)	China	Consolidated controlled subsidiary
Beijing Yi Ran Ju Ke Technology Development Co., Ltd. (“Beijing Yi Ran Ju Ke”)	China	Consolidated controlled subsidiary
Beijing FTX Digital Technology Service Co., Ltd. (previously known as Fang Tian Xia Financial Information Service(Beijing) Ltd. )	China	Consolidated controlled subsidiary
Shanghai Jia Biao Tang Real Estate Broking Co., Ltd. (“Shanghai JBT Real Estate Broking”)	China	Consolidated controlled subsidiary
Wuhan SouFun Yi Ran Ju Ke Real Estate Agents Co., Ltd. (“Wuhan Yi Ran Ju Ke”)	China	Consolidated controlled subsidiary

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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 2023. 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.

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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 2023, our websites, including www.fang.com, received a monthly average of approximately 24 million unique visitors and generated a monthly average of approximately 32.0 million website visits. We currently maintain approximately 54 offices to focus on local market needs.

Our revenues, net loss from operations attributable to our shareholders in 2023 were US\$50.0 million and US\$179.7 million, respectively. Marketing, listing, leads generation, financial, and other services accounted for 33.4%, 15.5%, 27.0%, 9.1% and 15.0%, respectively, of our revenues in 2023.

### 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,		
	2021	2022	2023
Average monthly unique visitors (million)*(1)	54	41	28
Average monthly mobile unique visitors (million)*(2)	40	32	22

\* Source: Internal records for data in 2021, 2022 and 2023

(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.

Although China lifted most of its COVID-19 restrictions by late 2022, the recovery of the real estate market remained slower than anticipated throughout 2023. Lingering effects from the pandemic, including reduced consumer confidence and delayed transactions in both property sales and home improvement projects, continued to weigh on the industry during the year ended December 31, 2023. 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, Chengdu, Chongqing, Wuhan, Guangzhou, Tianjin and Shenzhen. 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, 2023, 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, 2023, we had loans receivable with a net balance of US\$32.4 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, payments made to third-party real estate agents, and other direct costs incurred in providing these 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 2021, 2022, and 2023, our cost of revenues represented 11.2%, 15.2%, and 15.8% 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.

## 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.

*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, 2023.

*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, 2023.

## *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, 2023, we obtained HNTE certificates for Beijing Technology, Beijing Tuoshi, Beijing FTX Technology, and Beijing JTX 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 (2021 to 2023), Beijing Tuoshi (2022 to 2024), Beijing FTX Technology (2023 to 2025), and Beijing JTX Technology (2021 to 2023).

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, 2021, 2022, and 2023, we had not accrued PRC tax on this basis.

### **Critical Accounting Policies**

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.

### ***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 three to twelve months.

Starting from January 1, 2020, the Company adopted ASC 326, which introduced the current expected credit loss 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,					
	2021		2022		2023	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
	(US\$ in thousands, except percentage)					
<b>Revenues:</b>						
Marketing services	70,426	44.5 %	37,187	46.2 %	16,722	33.4 %
Listing services	31,128	19.7 %	13,105	16.3 %	7,749	15.5 %
Leads generation services	36,654	23.1 %	15,760	19.6 %	13,499	27.0 %
Financial services	13,290	8.4 %	9,716	12.1 %	4,572	9.1 %
Other services	6,835	4.3 %	4,713	5.9 %	7,473	15.0 %
<b>Total revenues</b>	<b>158,333</b>	<b>100.0 %</b>	<b>80,481</b>	<b>100.0 %</b>	<b>50,015</b>	<b>100.0 %</b>
<b>Cost of revenue:</b>						
Cost of services	(17,799)	(11.2)%	(12,267)	(15.2)%	(7,909)	(15.8)%
<b>Total cost of revenues</b>	<b>(17,799)</b>	<b>(11.2)%</b>	<b>(12,267)</b>	<b>(15.2)%</b>	<b>(7,909)</b>	<b>(15.8)%</b>
<b>Gross profit</b>	<b>140,534</b>	<b>88.8 %</b>	<b>68,214</b>	<b>84.8 %</b>	<b>42,106</b>	<b>84.2 %</b>
<b>Operating income (expenses):</b>						
Selling expenses	(56,499)	(35.7)%	(30,783)	(38.2)%	(19,603)	(39.2)%
General and administrative expenses	(99,911)	(63.1)%	(77,509)	(96.3)%	(81,958)	(163.9)%
Impairment of long-lived assets	—	—	—	—	(151,097)	(302.1)%
Other income, net	5,040	3.2 %	103	0.1 %	4,633	9.3 %
<b>Operating income (loss)</b>	<b>(10,836)</b>	<b>(6.8)%</b>	<b>(39,975)</b>	<b>(49.7)%</b>	<b>(205,919)</b>	<b>(411.7)%</b>
Foreign exchange gain	2,667	1.7 %	1,222	1.5 %	126	0.3 %
Interest income	11,925	7.5 %	6,854	8.5 %	5,958	11.9 %
Interest expense	(16,679)	(10.5)%	(10,765)	(13.4)%	(8,081)	(16.2)%
Change in fair value of securities	(19,142)	(12.1)%	828	1.0 %	(1,523)	(3.0)%
Government grants	1,732	1.1 %	1,523	1.9 %	254	0.5 %
Investment income, net	34,253	21.6 %	523	0.6 %	2,100	4.2 %
<b>Income (loss) before income taxes</b>	<b>3,920</b>	<b>2.5 %</b>	<b>(39,790)</b>	<b>(49.4)%</b>	<b>(207,085)</b>	<b>(414.0)%</b>
Income tax benefit (expenses)	(23,504)	(14.8)%	(35,772)	(44.4)%	27,364	54.7 %
<b>Net loss</b>	<b>(19,584)</b>	<b>(12.4)%</b>	<b>(75,562)</b>	<b>(93.9)%</b>	<b>(179,721)</b>	<b>(359.3)%</b>

### Revenues

Our total revenue decreased by 37.9% year-over-year in 2023, following a 49.2% decline in 2022 compared to 2021. The decline over these three years reflects significant reductions across most service lines, particularly in marketing services, listing services, and leads generation services. Other services saw growth in 2023, 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 55.0% year-over-year in 2023, following a 47.2% decline in 2022 compared to 2021. The decrease in revenue over these two years was largely due to the impact of COVID-19, as movement restrictions in many regions across China significantly reduced new home transactions, leading to lower demand for our marketing services.

Beyond the immediate impact of COVID-19, the real estate market continued to face structural challenges in 2023, including a tightening regulatory environment, persistent weakness in housing demand, and shifts in developers' marketing strategies. These factors, combined with reduced liquidity among developers and increased buyer hesitancy, further contributed to the decline in demand for our marketing services. As the industry transitions through this prolonged adjustment period, both buyers and developers have adopted a more cautious and cost-sensitive approach, which has continued to exert downward pressure on our marketing service revenue in 2023.

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*Listing Services.* Our listing service revenue, primarily generated from real estate agents subscribing to our platform to upload secondary home listings, decreased by 40.9% year-over-year in 2023, following a 57.9% decline in 2022 compared to 2021. This segment experienced a larger decline compared to our marketing services, reflecting the prolonged weakness and continued challenges faced by the secondary home market. While the removal of pandemic-related restrictions in late 2022 helped ease some logistical barriers, the recovery in transaction volumes remained limited throughout 2023 due to persisting market uncertainties.

The secondary home market remained weak in 2023 due to limited buyer demand and continued pressure on agent activity. Although pandemic-related restrictions were lifted in late 2022, recovery in listing volumes was slow. Homebuyers remained cautious, and many real estate agents reduced their level of engagement or exited the market. In addition, tighter credit conditions and reduced market liquidity further contributed to the low transaction volume. As a result, listing service revenue declined significantly during the year.

*Leads Generation Services.* Our leads generation service revenue, primarily driven by new home projects from real estate developers, decreased by 14.4% year-over-year in 2023, following a 57.0% decline in 2022 compared to 2021. The decline in 2023 reflected continued weakness in the real estate market, particularly in new home sales. Although COVID-related restrictions were lifted in late 2022, the recovery in buyer interest and site visit activity remained limited throughout 2023, resulting in reduced demand from developers for leads generation services. A smaller portion of our leads generation services is related to secondary home and rental listings, which also saw weaker demand during the year. Overall, revenue from this segment continued to be affected by low transaction volumes and cautious market sentiment.

*Financial Services.* Our financial service revenue, primarily derived from secured consumer loans to individuals, declined by 52.9% in 2023, following a decrease of 26.9% in 2022 compared to 2021. The decline over the two-year period was mainly due to lower loan issuance, reduced average loan balances, and more conservative credit policies. These changes reflected weaker demand for personal financing, heightened credit risks, and a more cautious lending environment driven by economic and regulatory factors.

*Other Services.* Other service revenue, primarily from licensing agreements with local agencies, increased by 58.6% year-over-year in 2023, following a 31.0% decline in 2022. We generate revenue by granting licenses to local agencies to use our brand and backend systems for real estate marketing. Other service revenue accounted for 4.3%, 5.8%, and 15.0% of our total revenue in 2021, 2022, and 2023, respectively. The increase in 2023 was primarily due to a low base in the prior year and improved performance from certain existing partners. Despite ongoing market challenges, this segment benefited from more stable license renewals and stronger execution by selected agencies.

### ***Cost of Revenues***

Cost of revenues primarily consists of staff costs, rental costs incurred in relation to server and bandwidth leasing fees, payments to third-party real estate agents, and other direct costs incurred in providing related services. As a percentage of total revenues, our cost of revenues was 11.2%, 15.2% and 15.8% in 2021, 2022, and 2023, respectively.

In 2023, our cost of revenues decreased by 35.5% year-over-year to US\$7.9 million, primarily due to a reduction in staff costs, which declined by approximately US\$2.7 million as we continued to streamline our operations in response to lower business volume. Reductions in rental 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 38.3% year-over-year in 2023, following a 51.5% decline in 2022. Our gross margin was 88.8%, 84.8% and 84.2% in 2021, 2022, and 2023, 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,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(US\$ in thousands, except percentage)					
Selling expenses	56,499	37.3 %	30,783	28.5 %	19,603	7.9 %
General and administrative expenses	99,911	66.0 %	77,509	71.6 %	81,958	33.0 %
Impairment of long-lived assets	—	—	—	—	151,097	60.9 %
Other income, net	(5,040)	(3.3)%	(103)	(0.1)%	(4,633)	(1.8)%
<b>Total</b>	<b>151,370</b>	<b>100.0 %</b>	<b>108,189</b>	<b>100.0 %</b>	<b>248,025</b>	<b>100.0 %</b>

*Selling Expenses.* Our selling expenses decreased by 36.3% in 2023 compared to 2022, following a 45.5% decline in 2022 compared to 2021. 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 increased by 5.7% in 2023 compared to 2022, primarily due to attributable to certain non-recurring items and legal-related costs incurred during the year. In contrast, general and administrative expenses decreased by 22.4% in 2022 compared to 2021, mainly as a result of lower depreciation expenses and reduced management staff costs. The decrease in 2022 reflected the Company's ongoing efforts to control costs and improve operational efficiency in response to a challenging market environment.

*Impairment of long-lived assets.* In 2023, against the backdrop of a deteriorating global economic environment, we identified impairment indicators related to buildings and land use rights. As a result, we performed recoverability assessments and recorded an impairment charge of US\$151.1 million based on the estimated fair values of these assets. No such impairment charges were recognized in 2021 or 2022.

*Other Income, net* Our other income, primarily derived from net rental income generated by properties we own, increased significantly to US\$4.6 million in 2023, compared to US\$0.1 million in 2022. The increase was mainly attributable to the recovery of rental operations and improved occupancy rates as pandemic-related disruptions eased. In 2022, other income declined sharply from US\$5.0 million in 2021, primarily due to lower rental income and reduced utilization of our property assets during periods of restricted market activity.

### **Interest Income**

Our interest income decreased to US\$6.0 million in 2023, compared to US\$6.9 million in 2022 and US\$11.9 million in 2021. The decline in 2022 was primarily due to a reduction in cash balances following significant debt repayments made in the second half of 2021 and during 2022. Interest income further declined in 2023 as average cash balances continued to decrease during the year.

### ***Interest Expenses***

Our interest expenses primarily consist of interest incurred from bank borrowings, bonds, and convertible senior notes. Interest expenses declined steadily from 2021 to 2023, primarily due to the full repayment of our convertible senior notes in 2021 and continued repayments of bank borrowings during 2022 and 2023. Although the Company entered into new long-term borrowings in the late 2023, the impact on interest expenses for the year was limited due to the timing of the borrowings. As a result, interest expenses decreased to US\$8.1 million in 2023, compared to US\$10.8 million in 2022, and US\$16.7 million in 2021.

### ***Change in Fair Value of Securities***

The fair value changes of our securities recorded losses of approximately US\$1.5 million in 2023, income of US\$0.8 million in 2022, and losses of US\$19.1 million in 2021. 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 consisted of gains and losses from the disposal of long-term investments, with several disposals resulting in net losses. In 2021, we disposed of two major long-term investments that generated gains, leading to a significant increase in investment income for that year.

### ***Income Tax Expenses***

Our effective tax rate was -599.6%, 89.9%, and -13.2% in 2021, 2022 and 2023, respectively. 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.

In 2021, our effective tax rate was -599.6%, which differed from the statutory income tax rate of 25% due to several factors. These include: (1) non-deductible expenses amounting to US\$8.3 million, (2) a US\$12.7 million withholding tax payment by our PRC subsidiaries on profit distributions to overseas entities, (3) US\$7.9 million in valuation allowance changes, (4) expiration of loss carry forwards of US\$1.7 million, (5) the effect of tax holidays or preferential tax rates in the amount of US\$4.8 million. These were partially offset by: (1) a research and development super deduction benefit of US\$3.5 million, and (2) a US\$12.5 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, 2023, we maintained cash and cash equivalents of US\$86.1 million, current restricted cash of US\$4.3 million, and short-term investments of US\$106.5 million. These figures compare to US\$106.0 million, US\$1.2 million, and US\$108.8 million, respectively, as of December 31, 2022, 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, 2023, our current liabilities were significantly reduced to US\$214.8 million from US\$354.4 million in 2022, driven by a reduction in short-term loans and current portion of long-term loans. Additionally, our non-current liabilities increased to US\$348.3 million from US\$262.7 million in 2022, primarily due to new long-term bank borrowings obtained during 2023 to optimize the maturity profile of our debt and reduce reliance on short-term financing.

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.

	For the Years Ended December 31,		
	2021	2022	2023
	(US\$ in thousands)		
<b>Consolidated statements of cash flows data</b>			
Net cash generated from (used in) operating activities	2,743	(16,061)	(9,991)
Net cash generated from (used in) investing activities	23,864	70,855	(41,851)
Net cash generated from (used in) financing activities	(90,691)	(340,836)	33,356
Exchange rate effect on cash, cash equivalents and restricted cash	1,427	(1,464)	(1,436)
Net decrease in cash, cash equivalents and restricted cash	(62,657)	(287,506)	(19,922)
Cash, cash equivalents and restricted cash at beginning of year	460,522	397,865	110,359
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b>397,865</b>	<b>110,359</b>	<b>90,437</b>

#### ***Net Cash Generated from (Used in) Operating Activities***

In 2023, we recorded a net cash outflow from operating activities of US\$10.0 million, compared to an outflow of US\$16.1 million in 2022 and an inflow of US\$2.7 million in 2021. The outflow in 2023 was primarily attributable to the net loss of US\$179.7 million, partially offset by non-cash adjustments such as impairment of property and equipment and land use-right of US\$151.1 million, depreciation of US\$21.7 million, and provisions for credit losses of US\$30.4 million. Working capital net changes also negatively affected cash flows.

The outflow in 2022 was primarily due to a net loss of US\$75.6 million, partly offset by depreciation and provisions for credit losses, while working capital changes such as increases in accounts receivable and prepayments further reduced operating cash flows. The positive cash flow in 2021 reflected a lower net loss and favorable working capital movements, along with consistent non-cash adjustments including depreciation and credit loss provisions.

#### ***Net Cash Generated from (used in) Investing Activities***

In 2023, our investing activities generated a net cash outflow of US\$41.9 million, compared to inflow of US\$70.9 million in 2022 and US\$23.9 million in 2021. The outflow in 2023 was primarily driven by acquisition of short-term investment, 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. The inflows in prior years were also largely driven by investment disposals, partially offset by expenditures related to the acquisition of property, equipment. These fluctuations reflect adjustments in line with our evolving operational requirements and asset allocation strategies.

### ***Net Cash Generated from (Used in) Financing Activities***

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 marks a shift from the significant outflows in 2022 and 2021, which were US\$340.8 million and US\$90.7 million, respectively, primarily driven by large-scale loan repayments and the redemption of convertible senior notes. The inflow in 2023 reflects our proactive approach to securing longer-term financing to support business operations while continuing to manage near-term obligations.

### **Capital Expenditures**

Our capital expenditures were US\$38.9 million, US\$10.8 million and US\$1.0 million in 2021, 2022 and 2023, 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 0.9%, 2.0% and 0.2% in 2021, 2022 and 2023, 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 COVID-19 pandemic, which began in early 2020, led to quarantines, travel restrictions, and temporary closures of facilities in China and many other countries. While COVID-19 has significantly impacted our business in the past, the pandemic has largely subsided, and related restrictions have been lifted. However, the long-term effects of the pandemic on our business, including disruptions to operations, slowdown in revenue growth, and delayed collection of accounts receivables, are reflected in our historical financial results. For a detailed discussion of the impact of COVID-19, please refer to “Item 3. D. Key Information—Risk Factors” of this annual report.

As of the date of this report, other than as disclosed herein, 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, or that would render our historical financial information not necessarily indicative of future performance.

### **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, 2023.

	Total	Payment due by period			
		Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Loan principal and interest expense obligation	185,085	17,515	34,610	30,911	102,049
Capital commitments	4,367	4,367	—	—	—
Bond payable	50,590	50,590	—	—	—

**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	61	Executive chairman of the board of directors and director
Jian Liu	49	Chief executive officer and director
Shaohua Zhang	62	Independent director
Howard Huyue Zhang	55	Independent director
Changming Yan	61	Independent director
Shihang Dong	34	President
Frank Hua Lei	45	Chief investment officer
Lili Chen	36	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 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 as a financial manager at our company from 2014 to 2015. Ms. Chen holds 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, 2023, we paid an aggregate cash compensation of approximately US\$342 (RMB2,425,060) 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, 2023, 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.

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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.

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*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.

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*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 \$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**

<b>Name</b>	<b>Number of Class A ordinary shares to be issued upon exercise of options</b>	<b>Number of Class B ordinary shares to be issued upon exercise of options</b>	<b>Exercise price per ordinary share (US\$)</b>	<b>Date of grant</b>	<b>Date of expiration</b>
Media Partner / Mr. Mo(1)	112,500	—	1.99	December 30, 2018	
	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, 2022
	—	—	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, 2021
	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, 2022
	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

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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	September 17, 2010	September 16, 2025
	*	—	1.99	August 15, 2012	August 14, 2022
	*	—	1.99	December 1, 2016	December 1, 2026
	*	—	1.99	June 7, 2019	June 6, 2029
Frank Hua Lei	*	—	1.99	September 17, 2010	September 16, 2020
	*	—	1.99	July 26, 2012	July 25, 2022
	*	—	1.99	December 1, 2016	December 1, 2026
	*	—	1.99	June 7, 2019	June 6, 2029
Zhihong Zhang	*	—	1.99	September 17, 2010	September 16, 2025
	*	—	1.99	July 26, 2012	July 25, 2022
	*	—	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.

(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.

**Restricted shares**

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
<b>Total</b>	<b>260,090</b>		

\* 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.

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- 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.
- 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.

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- 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.
- 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.

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- 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.
- 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 959 and 1,503 employees as of December 31, 2023 and 2022, respectively. The decline in 2023 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, 2023:

<b>Function</b>	<b>Number</b>
Editorial and production	122
Sales and marketing	510
Management and general administrative	178
Technical and research	149
<b>Total</b>	<b>959</b>

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 <sup>(1)</sup>
	Class A No.	Percent	Class B No.	Percent	
<b>Principal Shareholders:</b>					
Mr. Vincent Tianquan Mo and his affiliated entities <sup>(2)</sup>	30,051,898	45.5 %	21,586,290	88.7 %	79.5 %
Digital Link Investments Limited <sup>(3)</sup>	*	*	2,750,360	11.3 %	8.9 %
General Atlantic Singapore Fund Pte. Ltd. <sup>(4)</sup>	11,106,440	16.8 %	—	—	3.6 %
Evenstar Capital Management Limited and its affiliated entities <sup>(5)</sup>	12,970,340	19.6 %	—	—	4.2 %
<b>Directors and Executive Officers:</b>					
Mr. Vincent Tianquan Mo <sup>(2)</sup>	30,051,898	*	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) 441,656 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 April 2, 2024, 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 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 share 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.

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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 Jiatianxia Technology Development Co., Ltd., Shanghai Century Jiatianxia Network Technology Development Co., Ltd. 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.

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### *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\$1,118, US\$1,261, and US\$1,204 for the years ended December 31, 2021, 2022, and 2023, 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. Vincent Tianquan Mo, founder and controlling shareholder of the Company 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. Vincent Tianquan 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.

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*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.

***Renewal of Short-term Loan***

In December 2024, the short-term loan of US\$1,412, which was obtained in December 2023 and was scheduled to mature in December 2024, was renewed for an additional one-year term. The loan bears a fixed annual interest rate of 3.1% and remains secured by the same property located in Beijing, which is owned by a PRC company ultimately controlled by Mr. Vincent Tianquan Mo, the Executive Chairman of the Board and the controlling shareholder of the Company.

***Other Related Party Transactions***

We had relationships with the following related parties in 2023:

<b>Name of Related Party</b>	<b>Relationship with Fang</b>
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 deemed rental expense of US\$0.2 million, US\$0.2 million and US\$0.2 million for 2021, 2022 and 2023, 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. The management fees incurred for the years ended December 31, 2021, 2022 and 2023 were US\$0.4 million, US\$0.3 million and US\$0.6 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 31, 2021, 2022 and 2023 were US\$2.4 million, US\$2.4 million and US\$7.1 million, respectively.

As of December 31, 2021, 2022 and 2023, we had US\$1.5 million, US\$4.3 million and US\$1.0 million, respectively, due from our related parties, and had US\$92.1 million, US\$90.5 million and US\$34.7 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 depository 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 depository to holders of ADSs in any means it deems legal, fair and practical. Under the deposit agreement, the depository 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.

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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 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 \$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](http://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](http://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 2021, 2022 and 2023, 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 2021 would have been US\$0.9 million lower, our loss for 2022 would have been US\$3.6 million lower and our loss for 2023 would have been US\$8.60 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, 2023, we had US\$146.1 million in cash and cash equivalents, restricted cash, long-term deposits and fixed-rate time deposits 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, 2023, we had US\$52.3 million of short-term investment in the Structured Note. The repayments of the principal and interests of the 2023 Bonds received by Guotai Junan Financial Products Limited, or GTJA, are required to settle the Structured Note. We actively monitor the risks of default of the 2020 Bonds to limit the exposure to credit risk of the Structured Note. The 2023 Bonds refer to the RMB-denominated structured bonds originally issued by Fang Holdings Limited through a domestic trust structure on October 29, 2019, with an initial principal amount of RMB720 million. On September 21, 2023, the Company entered into a new trust agreement with GTJA, which continued the terms and structure of the prior arrangement. This new agreement was executed as a contractual continuation of the original structured note and extended the maturity to October 21, 2024. In connection with the execution of this agreement, the Company redeemed 50% of the outstanding principal and received the corresponding cash repayment. As a result, 50% of the original investment remained outstanding as of December 31, 2023, and was classified as a current asset due to its maturity within one year.

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, 2023, 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, \$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 \$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of up to \$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, 2023, 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, 2023 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 or notes.”

**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](http://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, 2023 and 2022, 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,	
	2023	2022
	(U.S. dollars in thousands)	
Audit fees <sup>(1)</sup> - GGF	325	654

(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\$0.3 million and US\$0.6 million for the years ended December 31, 2023 and 2022 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	<a href="#">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).</a>
2.1	<a href="#">Specimen ordinary share certificate (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).</a>
2.2	<a href="#">Specimen American depository receipt (incorporated by reference to our Registration Statement on Form F-6 filed with the SEC on March 18, 2014).</a>
2.3	<a href="#">Form of Deposit Agreement (incorporated by reference to our Registration Statement on Form F-6 filed with the SEC on September 2, 2010).</a>
2.4	<a href="#">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).</a>
2.5	<a href="#">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).</a>
2.6	<a href="#">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).</a>
2.7	<a href="#">Form of Restricted Deposit Agreement by and among SouFun Holdings Limited, JPMorgan Chase Bank, N.A. and the holders of American depository 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).</a>
2.8	<a href="#">Form of Indenture by and among SouFun Holdings Limited, JPMorgan Chase Bank, N.A. and the holders of American depository 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).</a>
2.9	<a href="#">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).</a>
2.10	<a href="#">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).</a>
2.11	<a href="#">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).</a>
4.1	<a href="#">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).</a>

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<b>Exhibit No.</b>	
4.2	<a href="#">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).</a>
4.3	<a href="#">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).</a>
4.4	<a href="#">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).</a>
4.5	<a href="#">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).</a>
4.6	<a href="#">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).</a>
4.7	<a href="#">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).</a>
4.8	<a href="#">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).</a>
4.9	<a href="#">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).</a>
4.10	<a href="#">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).</a>
4.11	<a href="#">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).</a>
4.12	<a href="#">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).</a>
4.13	<a href="#">2010 Stock Incentive Plan (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).</a>
4.14	<a href="#">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).</a>
4.15	<a href="#">Form of Employment Agreement (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).</a>
4.16	<a href="#">Form of Indemnification Agreement (incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010).</a>
4.17	<a href="#">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).</a>

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**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 \(incorporated by reference to Exhibit 4.23.1 of our Annual Report on Form 20-F filed with the SEC on May 14, 2019\).](#)

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**Exhibit No.**

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- 4.24 [Form of Intra-group Memorandum of Understanding between SouFun Network or SouFun Media and a consolidated controlled entity \(incorporated by reference to our Registration Statement on Form F-1 filed with the SEC on September 2, 2010\).](#)
- 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](#)

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**Exhibit No.**

- [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 \(incorporated by reference to Exhibit 99.20 to the Amendment No. 1 to Schedule 13D filed with the SEC by Vincent Tianquan Mo on November 12, 2015\).](#)
- 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 \(incorporated by reference to Exhibit 99.24 of our Current Report on Form 6-K filed with the SEC on November 23, 2015\).](#)

**Exhibit No.**

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- 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., 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. \(incorporated by reference to Exhibit 4.60.1 to our annual report on Form 20-F for the period ended December 31, 2019 filed with the SEC on May 27, 2020\).](#)
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**Exhibit No.**

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4.61	<a href="#">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)</a>
4.62	<a href="#">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.)</a>
4.63	<a href="#">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.)</a>
4.64	<a href="#">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.)</a>
4.65	<a href="#">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.)</a>
4.66*	<a href="#">Placing Agreement between Fang Holdings Limited and CNCB (Hong Kong) Capital Limited dated October 10, 2023</a>
8.1*	<a href="#">List of Principal Subsidiaries and Consolidated Controlled Entities.</a>
11.1	<a href="#">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).</a>
12.1*	<a href="#">CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
12.2*	<a href="#">CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
13.1**	<a href="#">CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
13.2**	<a href="#">CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
15.1*	<a href="#">Consent of Jingtian &amp; Gongcheng.</a>
15.2*	<a href="#">Consent of GGF CPA Limited.</a>
16.1	<a href="#">Letter dated May 14, 2019 from Ernst &amp; 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).</a>
97.1	<a href="#">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).</a>
97.2*	<a href="#">Clawback Policy</a>
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)

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\* 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: May 7, 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, 2022 and 2023, 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, 2023, 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, 2022 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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 Matters**

The critical audit matters communicated below are matters arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate 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 matters 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 matters 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 \$635.9 million, as of December 31, 2023. The Company evaluates the recoverability of its long-lived assets, including property and equipment 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, 2023, the Company recorded an impairment charge of \$151.1 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  
May 7, 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,	
		2022	2023
		US\$	US\$
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents		106,015	86,123
Restricted cash, current		1,185	4,314
Short-term investments	4	108,805	106,520
Accounts receivable, net	5	31,447	22,252
Prepayments and other current assets	6	109,047	67,724
Loans receivable, net	7	46,662	32,373
Amounts due from related parties	16	4,270	1,045
<b>Total current assets</b>		<b>407,431</b>	<b>320,351</b>
<b>Non-current assets:</b>			
Property and equipment, net	8	635,453	469,360
Deferred tax assets	14	4,944	17,208
Restricted cash, non-current portion		3,159	—
Long-term investments	4	97,857	104,526
Long-term time deposits	4	—	1,412
Right-of-use assets	9	31,094	16,161
Other non-current assets		28,985	17,993
<b>Total non-current assets</b>		<b>801,492</b>	<b>626,660</b>
<b>Total assets</b>		<b>1,208,923</b>	<b>947,011</b>

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,	
		2022	2023
		US\$	US\$
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term loans and current portion of long-term loans	10	42,978	17,515
Bond payable	11	103,380	50,590
Deferred revenue		49,763	56,343
Accrued expenses and other liabilities	12	66,858	54,216
Income tax payable		898	1,468
Amounts due to related parties	16	90,526	34,676
<b>Total current liabilities</b>		<b>354,403</b>	<b>214,808</b>
<b>Non-current liabilities:</b>			
Long-term loans, less current portion	10	59,823	167,570
Deferred tax liabilities	14	62,591	62,742
Other non-current liabilities		140,302	117,994
<b>Total non-current liabilities</b>		<b>262,716</b>	<b>348,306</b>
<b>Total liabilities</b>		<b>617,119</b>	<b>563,114</b>
<b>Commitments and contingencies</b>	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)

	<u>Note</u>	<u>As of December 31,</u>	
		<u>2022</u>	<u>2023</u>
		US\$	US\$
<b>Shareholders’ equity:</b>			
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, 2022 and 2023, respectively; 66,020,679 shares outstanding as of December 31, 2022 and 2023, 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, 2022 and 2023, respectively; each Class B ordinary share is convertible into one Class A ordinary share.	13	3,124	3,124
Additional paid-in capital		545,173	545,364
Accumulated other comprehensive loss		(9,031)	(37,408)
Retained earnings (accumulated deficit)		154,577	(25,144)
Less: Treasury shares (5,755,007 shares as of December 31, 2022 and 2023, respectively.)	13	(111,283)	(111,283)
<b>Total shareholders’ equity</b>		<b>591,804</b>	<b>383,897</b>
<b>Total liabilities and shareholders’ equity</b>		<b>1,208,923</b>	<b>947,011</b>

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,		
		2021 US\$	2022 US\$	2023 US\$
<b>Revenues</b>				
Marketing services		70,426	37,187	16,722
Listing services		31,128	13,105	7,749
Leads generation services		36,654	15,760	13,499
Financial services		13,290	9,716	4,572
Other services		6,835	4,713	7,473
<b>Total revenues</b>		<b>158,333</b>	<b>80,481</b>	<b>50,015</b>
Cost of services		(17,799)	(12,267)	(7,909)
<b>Gross profit</b>		<b>140,534</b>	<b>68,214</b>	<b>42,106</b>
<b>Operating income (expenses)</b>				
Selling expenses		(56,499)	(30,783)	(19,603)
General and administrative expenses		(99,911)	(77,509)	(81,958)
Impairment of long-lived assets		—	—	(151,097)
Other income, net		5,040	103	4,633
<b>Operating loss</b>		<b>(10,836)</b>	<b>(39,975)</b>	<b>(205,919)</b>
Foreign exchange gain		2,667	1,222	126
Interest income		11,925	6,854	5,958
Interest expense		(16,679)	(10,765)	(8,081)
Change in fair value of securities	4	(19,142)	828	(1,523)
Government grants		1,732	1,523	254
Investment income, net	4	34,253	523	2,100
<b>Income (loss) before income taxes</b>		<b>3,920</b>	<b>(39,790)</b>	<b>(207,085)</b>
Income tax benefit (expense )	14	(23,504)	(35,772)	27,364
<b>Net loss</b>		<b>(19,584)</b>	<b>(75,562)</b>	<b>(179,721)</b>

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,		
		2021	2022	2023
		US\$	US\$	US\$
<b>Comprehensive income (loss)</b>				
Net loss		(19,584)	(75,562)	(179,721)
Foreign currency translation adjustments		34,089	(47,413)	(27,872)
Gain (loss) on intra-entity foreign transactions of long-term investment nature		756	(2,794)	(505)
<b>Total comprehensive income (loss)</b>		<b>15,261</b>	<b>(125,769)</b>	<b>(208,098)</b>
<b>Net loss per share for Class A and Class B ordinary shares</b>				
Basic and diluted	20	(0.22)	(0.84)	(1.99)
<b>Weighted average number of Class A and Class B ordinary shares outstanding:</b>				
Basic and diluted	20	<u>90,162,557</u>	<u>90,357,275</u>	<u>90,357,329</u>

**FANG HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands of United States Dollars (“US\$”))

	Year Ended December 31,		
	2021 US\$	2022 US\$	2023 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	(19,584)	(75,562)	(179,721)
<i>Adjustments to reconcile net loss to net cash generated from (used in) operating activities:</i>			
Share-based compensation	2,137	586	39
Depreciation of property and equipment	21,295	23,441	21,708
Amortization of right-of-use assets	2,747	1,956	2,131
Deferred tax benefits	(3,192)	(11,060)	(32,054)
Net allowance for credit loss for accounts receivable, loans receivable and other current assets	42,374	50,335	30,389
Impairment of property and equipment and land use right	—	—	151,097
Impairment of investment	390	270	—
Investment income	(34,253)	(523)	(2,100)
Change in fair value of securities	19,142	(828)	1,523
Amortization of transaction costs for structured note	124	136	—
Amortization of issuance costs and unamortized premium for convertible senior notes	(530)	—	—
Loss (gain) on disposal of property and equipment	707	(26)	(58)
Deemed rental expense (Note 16)	166	159	152
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable	(29,888)	(30,837)	8,383
Prepayments and other current assets	(48,863)	(10,898)	(3,183)
Loans receivable	(23,780)	48,440	14,932
Amounts due from related parties	(1,089)	(2,794)	3,242
Other non-current assets	(6,134)	(1,494)	5,045
Deferred revenue	(2,001)	(2,220)	5,750
Accrued expenses and other liabilities	(1,946)	8,571	(13,546)
Income tax payable	(1,691)	(678)	555
Amounts due to related parties	75,830	(323)	—
Other non-current liabilities	10,782	(12,712)	(24,275)
<b>Net cash generated from (used in) operating activities</b>	<b>2,743</b>	<b>(16,061)</b>	<b>(9,991)</b>

**FANG HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**  
(Amounts in thousands of United States Dollars (“US\$”))

	Year Ended December 31,		
	2021 US\$	2022 US\$	2023 US\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of short-term investments	73,193	62,739	56,107
Proceeds from disposal of equity investments	51,840	32,204	23,014
Proceeds from disposal of property and equipment	16,459	33	65
Acquisition of property and equipment	(38,873)	(10,795)	(979)
Acquisition of short-term investments	(63,147)	(5,474)	(54,529)
Acquisition of long-term investments and time deposits	—	(17,770)	(15,891)
Cash collected from refund of prepayment for purchase properties	—	9,634	6,247
Proceeds from dividend distribution from equity investments	631	284	543
Cash repayments to related parties	—	—	(56,428)
Cash prepayment for purchase properties	(16,239)	—	—
<b>Net cash generated from (used in) investing activities</b>	<b>23,864</b>	<b>70,855</b>	<b>(41,851)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options	44	7	—
Proceeds from short-term loans	283,049	—	1,420
Proceeds from long-term loans	44,615	—	126,577
Repayment of loans	(334,086)	(340,843)	(43,527)
Repayment of bonds	—	—	(51,114)
Redemption of convertible senior notes	(84,313)	—	—
<b>Net cash (used in) generated from financing activities</b>	<b>(90,691)</b>	<b>(340,836)</b>	<b>33,356</b>
Exchange rate effect on cash, cash equivalents and restricted cash	1,427	(1,464)	(1,436)
Net increase (decrease) in cash, cash equivalents and restricted cash	(62,657)	(287,506)	(19,922)
<b>Cash, cash equivalents and restricted cash at beginning of year</b>	<b>460,522</b>	<b>397,865</b>	<b>110,359</b>
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b>397,865</b>	<b>110,359</b>	<b>90,437</b>
<b>Supplemental schedule of cash flow information:</b>			
Income tax paid	18,296	38,162	4,877
Interest paid	16,577	7,656	13,470
Settlement of convertible senior notes with 50% Paid by CIH	84,313	—	—
Recognition of operating right-of-use assets	2,493	1,387	479

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.

	2021 US\$	2022 US\$	2023 US\$
Cash and cash equivalents	120,652	106,015	86,123
Restricted cash, current	267,500	1,185	4,314
Restricted cash, non-current portion	9,713	3,159	—
<b>Total cash, cash equivalents and restricted cash</b>	<b>397,865</b>	<b>110,359</b>	<b>90,437</b>

**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 US\$	Additional Paid-in Capital US\$	Treasury stock US\$	Accumulated Other Comprehensive Income (Loss)		Subtotal US\$	Retained Earnings US\$	Non controlling Interests US\$	Total Equity US\$
	Class A	Class B				Foreign Currency translation adjustments US\$	Intra-entity foreign currency transaction loss US\$				
<b>Balance as of December 31, 2020</b>	<b>65,715,529</b>	<b>24,336,650</b>	<b>12,368</b>	<b>542,122</b>	<b>(117,183)</b>	<b>11,903</b>	<b>(5,572)</b>	<b>6,331</b>	<b>255,575</b>	<b>695</b>	<b>699,908</b>
Net loss for the year	—	—	—	—	—	—	—	—	(19,584)	—	(19,584)
Disposal of a non-controlling interests subsidiary	—	—	—	—	—	—	—	—	—	(695)	(695)
Other comprehensive income											
- Foreign currency translation adjustments	—	—	—	—	—	34,089	—	34,089	—	—	34,089
- Gain on intra-entity foreign transactions of long-term investment nature	—	—	—	—	—	—	756	756	—	—	756
Contribution from shareholder	—	—	—	166	—	—	—	—	—	—	166
Share-based compensation	—	—	—	2,137	—	—	—	—	—	—	2,137
Exercise of share options and vesting of unvested shares	304,910	—	—	—	5,896	—	—	—	(5,852)	—	44
<b>Balance as of December 31, 2021</b>	<b><u>66,020,439</u></b>	<b><u>24,336,650</u></b>	<b><u>12,368</u></b>	<b><u>544,425</u></b>	<b><u>(111,287)</u></b>	<b><u>45,992</u></b>	<b><u>(4,816)</u></b>	<b><u>41,176</u></b>	<b><u>230,139</u></b>	<b><u>—</u></b>	<b><u>716,821</u></b>

**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 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\$	US\$
<b>Balance as of December 31, 2021</b>	<b>66,020,439</b>	<b>24,336,650</b>	<b>12,368</b>	<b>544,425</b>	<b>(111,287)</b>	<b>45,992</b>	<b>(4,816)</b>	<b>41,176</b>	<b>230,139</b>	<b>716,821</b>
Net loss for the year	—	—	—	—	—	—	—	—	(75,562)	(75,562)
Other comprehensive loss	—	—	—	—	—	(47,413)	—	(47,413)	—	(47,413)
- Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—
- 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
<b>Balance as of December 31, 2022</b>	<b>66,020,679</b>	<b>24,336,650</b>	<b>12,368</b>	<b>545,173</b>	<b>(111,283)</b>	<b>(1,421)</b>	<b>(7,610)</b>	<b>(9,031)</b>	<b>154,577</b>	<b>591,804</b>

**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 US\$	Additional Paid-in Capital US\$	Treasury stock US\$	Accumulated Other Comprehensive Loss			Retained earnings (accumulated deficits) US\$	Total Equity US\$
	Class A	Class B				Foreign Currency translation adjustments US\$	Intra-entity foreign currency transaction loss US\$	Subtotal US\$		
<b>Balance as of December 31, 2022</b>	<b>66,020,679</b>	<b>24,336,650</b>	<b>12,368</b>	<b>545,173</b>	<b>(111,283)</b>	<b>(1,421)</b>	<b>(7,610)</b>	<b>(9,031)</b>	<b>154,577</b>	<b>591,804</b>
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
<b>Balance as of December 31, 2023</b>	<b>66,020,679</b>	<b>24,336,650</b>	<b>12,368</b>	<b>545,364</b>	<b>(111,283)</b>	<b>(29,293)</b>	<b>(8,115)</b>	<b>(37,408)</b>	<b>(25,144)</b>	<b>383,897</b>

**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, 2023 were as follows:

Company	Date of Establishment	Place of Establishment	Principal Activities
Beijing SouFun Internet Information Service Co., Ltd. (“Beijing Internet”)	December 17, 2003	PRC	Provision of marketing services and listing services
SouFun Media Technology (Beijing) Co., Ltd. (“SouFun Media”)	November 28, 2002	PRC	Provision of technology, leads generation and information consultancy services
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 Century Jia Tian Xia Technology Development Co., Ltd. (“Beijing JTX Technology”)	December 21, 2006	PRC	Provision of marketing 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
Tianjin Sipu Era Technology Development Co., Ltd.	October 13, 2015	PRC	Provision of technology, leads generation and listing services
Beijing Hong An Tu Sheng Network Technology Co., Ltd. (“Beijing Hong An”)	November 15, 2010	PRC	Provision of technology, leads generation and information consultancy 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 Li Man Wan Jia Network Technology Co., Ltd. (“Beijing Li Man Wan Jia”)	July 25, 2012	PRC	Provision of technology, leads generation and information consultancy services
Shanghai Jia Biao Tang Real Estate Broking Co., Ltd. (“Shanghai JBT Real Estate Broking”)	July 7, 2005	PRC	Provision of real estate agency services, marketing services and listing services
Tianjin Jia Tian Xia Network Technology Co., Ltd. (“Jia Tian Xia Network Technology”)	April 15, 2014	PRC	Provision of technology and information consultancy services
Hangzhou SouFun Network Technology Co., Ltd., (“Hangzhou SouFun Network”)	August 27, 2013	PRC	Provision of technology and information consultancy services
Wuhan SouFun Yi Ran Ju Ke Real Estate Agents Co., Ltd. (“Wuhan Yi Ran Ju Ke”)	December 13, 2013	PRC	Provision of real estate agency services, leads generation services and real estate information services
Hangzhou Ji Ju Real Estate Agents Co., Ltd. (“Hangzhou Ji Ju”)	December 23, 2013	PRC	Provision of real estate agency services and real estate information services
Fang Tian Xia Financial Information Service(Beijing) 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)**

<b>Company</b>	<b>Date of Establishment</b>	<b>Place of Establishment</b>	<b>Principal Activities</b>
Shanghai SouFun Microfinance Co., Ltd. (“Shanghai SouFun Microfinance”)	January 19, 2015	PRC	Provision of Microfinance services
Beihai 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”)	March 31, 2013	PRC	Lease, resale and management of property
Shanghai BaoAn Hotel Co., Ltd. (“ShanghaiBaoAn Hotel”)	March 31, 2013	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
Tianjin Jia Tian Xia Microfinance Co., Ltd. (“Tianjin Jia Tian Xia Microfinance”)	December 5, 2014	PRC	Provision of microfinance services
Guangzhou Fang Tian Xia Real Estate Broking Co., Ltd. (“Guangzhou Fang Tian Xia”)	March 9, 2015	PRC	Provision of real estate agency services
Chongqing Fang Tian Xia Real Estate Broking Co., Ltd. (“Chongqing Fang Tian Xia”)	May 27, 2015	PRC	Provision of real estate agency services
Hong Kong Property Network Limited (“HK Property”)	May 19, 2011	Hong Kong	Investment holding
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:

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Total current assets	77,048	87,828
Total non-current assets	463,716	345,673
<b>Total assets</b>	<b>540,764</b>	<b>433,501</b>
Total current liabilities	287,779	179,698
Total non-current liabilities	119,881	205,391
<b>Total liabilities</b>	<b>407,660</b>	<b>385,089</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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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.

	<u>Year Ended December 31.</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	US\$	US\$	US\$
<b>Total revenues</b>	105,227	53,211	33,401
<b>Net loss</b>	(1,853)	(28,504)	(119,022)

	<u>Year Ended December 31.</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	US\$	US\$	US\$
Net cash used in operating activities	(158,738)	(154,091)	(74,524)
Net cash generated from investing activities	67,972	11,340	2,979
Net cash generated from (used in) financing activities	16,930	(55,084)	85,970

As of December 31, 2023, except for the restricted cash, current of US\$2,551, restricted cash, and property and equipment of US\$252,308, 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		
	2022	2023	2021	2022	2023
RMB: 1USD	6.9646	7.0827	6.4531	6.7210	7.0431

***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 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.

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) 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.

**(3) 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 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, 2021, 2022 and 2023, 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 3 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. In general, loan principal and interest receivables are identified as uncollectible if any of the following conditions are met: 1) the borrower is dead, missing or incapacitate and there is no legal heir and presentee or the legal heir and presentee refuse to abide the contract; 2) identification of fraud, and the fraud is officially reported to and filed with relevant law enforcement departments; 3) outstanding amount following 720 days past due after all collection efforts based on management's judgment.

***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	shorter of lease term or economic lives
Buildings	12 -45 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.

Interest associated with major development and construction projects is capitalized and included in the cost of the project. The capitalization of interest ceases when the project is substantially completed or the development activity is suspended for more than a brief period. The amount to be capitalized is determined by applying the capitalization rate to the average amount of accumulated qualifying capital expenditures for assets under construction during the year.

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. No impairment charge was recognized for any of the years presented. 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, convertible senior notes and related derivative liabilities. As of December 31, 2022 and 2023, 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, convertible senior notes 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, 2022 and 2023. 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. The convertible senior notes were recognized based on residual proceeds after allocation to the derivative liabilities at fair market value.

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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, 2022 and 2023 are summarized below:

	<b>Fair Value Measurement as of December 31, 2022</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1) US\$</b>	<b>Significant Other Observable Inputs (Level 2) US\$</b>	<b>Unobservable Inputs (Level 3) US\$</b>	<b>Fair Value US\$</b>
Short-term investments	—	108,805	—	108,805
Investments accounted for at fair value	24,117	—	—	24,117

	<b>Fair Value Measurement as of December 31, 2023</b>			
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1) US\$</b>	<b>Significant Other Observable Inputs (Level 2) US\$</b>	<b>Unobservable Inputs (Level 3) US\$</b>	<b>Fair Value US\$</b>
Short-term investments	—	106,520	—	106,520
Investments accounted for at fair value	3,260	—	31,211	34,471

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Other non-current assets**

Other non-current assets primarily consist of prepayments for building purchases, 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.

The following table presents revenue disaggregated by nature of services:

	Year Ended		
	December 31,		
	2021	2022	2023
	US\$	US\$	US\$
Marketing services	70,426	37,187	16,722
Listing services	31,128	13,105	7,749
Leads generation services	36,654	15,760	13,499
Financial services	13,290	9,716	4,572
Other services	6,835	4,713	7,473
<b>Total revenues</b>	<b><u>158,333</u></b>	<b><u>80,481</u></b>	<b><u>50,015</u></b>

*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 upon the actual receipt of cash payments from borrowers. 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\$54,122, US\$52,643 and US\$12,669 from deferred revenue during the years ended December 31, 2021, 2022, and 2023, respectively.

***Cost of Revenues***

Cost of revenues consists of employee costs, tax surcharges, rental costs incurred in relation to server and bandwidth leasing fees, payments to third-party real estate agents 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, 2021, 2022, and 2023 were US\$8,827, US\$4,533, and US\$3,973, 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 capital lease or an operating lease. A lease is a capital 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 capital 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, 2021, 2022 and 2023, 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, 2021, 2022 and 2023, 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 is currently evaluating the potential impact of adopting this new guidance on its consolidated financial statements.

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, 2023, the Company had US\$146,073 in cash and cash equivalents, restricted cash, short term held-to-maturity investments and long-term time deposit, 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, 2023, the Company’s investments included a structured note classified as a short-term investment, with a balance of US\$52,296. 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, 2022 and 2023, 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, 2021, 2022 and 2023. There were no accounts receivable of customers which individually accounted for greater than 10% of the total accounts receivable as of December 31, 2021, 2022 and 2023. 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, 2021, 2022, and 2023.

***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.

***Impact of COVID-19***

The COVID-19 pandemic had a considerable impact on the Company’s core business segments in China for the year ended December 31, 2022, due to movement restrictions that reduced real estate transactions. Marketing services for real estate developers, listing services for agents, and leads generation services all saw declines as these restrictions limited in-person site visits and overall buyer engagement. The downturn was compounded by broader market factors, including regulatory changes and shifts in economic conditions that dampened demand from both buyers and developers.

In 2023, following the lifting of pandemic-related restrictions in China, the Company did not observe any significant direct disruption to its business operations attributable to COVID-19. The Company has continued to assess its financial estimates, including credit losses on financial assets, long-lived assets, long-term investments, share-based compensation, valuation allowances for deferred tax assets, and revenue recognition. Based on this review, and considering the sustained normalization of market conditions in 2023, the Company determined that COVID-19 no longer has a significant effect on its long-term forecasts. However, the Company acknowledges the possibility of lingering economic uncertainties and policy shifts that may have indirect effects. The Company will continue to monitor relevant financial estimates and credit risk impacts as the situation evolves, making adjustments where necessary in response to any further changes in its operating environment.

***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 and convertible senior notes denominated in the RMB. The appreciation of the U.S. dollars against the RMB was approximately 2.3%, 8.2% and 1.7% in 2021, 2022 and 2023, 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, bonds payable and convertible senior notes 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.

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**4. INVESTMENTS**

	As of December 31,	
	2022	2023
	US\$	US\$
<b>Short-term investments</b>		
Short-term held-to-maturity debt investments	4,753	54,224
Structured note - maturity within 1 year	104,052	52,296
<b>Total short-term investments</b>	<b>108,805</b>	<b>106,520</b>

As of December 31, 2022 and 2023, 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\$11,925, US\$6,854 and US\$5,958 were recognized for the years ended December 31, 2021, 2022 and 2023, respectively.

**Structured note**

On October 29, 2019, Beijing Soufang Network Technology Co., Ltd. (“Beijing Soufang”), a PRC subsidiary of the Company, through a consolidated trust, purchased a 364-day RMB denominated structured note issued by GTJA in the total consideration of RMB720,000,000 (equivalent to US\$102,009). In connection with the issuance of the structured note, GTJA purchased the 364-day RMB denominated short-term bond issued by Fang Holdings Limited (the “Bond”) in the total consideration of RMB720,000,000 (equivalent to US\$102,009) (Note 11). Funds corresponding to the principal and interest paid by Fang Holdings Limited on the underlying Bond are received within the structure managed via GTJA. Pursuant to the agreement, GTJA is required to apply these funds to settle the principal and interest due on its structured note held for Beijing Soufang. The transfer of the structured note is subject to prior written consent of GTJA.

In 2020, Fang Holdings Limited redeemed the 1-year Bond and reissued a 3-year Bond. On September 21, 2022, the Company extended the trust term by one additional year to October 21, 2023. As of December 31, 2022, the structured note had less than one year until maturity and was classified as a current asset.

On September 21, 2023, Beijing Soufang entered into a new trust agreement, which continued the terms and structure of the prior arrangement. This new agreement was executed as a contractual continuation of the original structured note and extended the maturity to October 21, 2024. In connection with the execution of this agreement, the Company redeemed 50% of the outstanding principal and received the corresponding cash repayment. As a result, 50% of the original investment remained outstanding as of December 31, 2023, and was classified as a current asset due to its maturity within one year.

	As of December 31,	
	2022	2023
	US\$	US\$
Equity Investments with Readily Determinable Fair Values	7,298	3,260
Equity method investments carried at fair value	16,819	31,211
Equity Investments without Readily Determinable Fair Values:	46,709	44,180
Equity method investments	27,031	25,875
<b>Total long-term investments</b>	<b>97,857</b>	<b>104,526</b>

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**4. INVESTMENTS (continued)**

*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.

*Equity method investments carried at fair value*

As of December 31, 2022, the investment was measured at fair value using quoted prices (Level 1). After the investee’s delisting in 2023, the Company continued to 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:

	Year Ended December 31,		
	2021	2022	2023
	US\$	US\$	US\$
Fair value at the beginning of the year	73,089	23,127	24,117
Purchase of securities	—	—	14,479
Disposal of securities	(30,683)	—	(2,597)
Change in fair value of securities	(19,142)	828	(1,523)
Foreign currency translation adjustments	(137)	162	(5)
<b>Fair value at the end of the year</b>	<b>23,127</b>	<b>24,117</b>	<b>34,471</b>

For the years ended December 31, 2021, 2022 and 2023, the Company recorded a net gain of US\$16,658 in 2021, nil in 2022, and a net gain of US\$667 in 2023, 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 Values*

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. The total carrying value of investment accounted for under measurement alternative held as of December 31, 2022 and 2023 were as follows:

	As of December 31,	
	2022	2023
	US\$	US\$
Initial cost basis	48,210	44,886
Accumulated impairment	(1,501)	(706)
<b>Total carrying value</b>	<b>46,709</b>	<b>44,180</b>

For the years ended December 31, 2021, 2022 and 2023, US\$390, US\$270, and nil impairment was recorded for investments in equity investments without readily determinable fair value in the Company’s consolidated statements of comprehensive income (loss).

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**4. INVESTMENTS (continued)**

For the years ended December 31, 2021, 2022, and 2023, the Company recorded a net gain of US\$17,233 and US\$1,484 in 2021 and 2023, respectively from disposal of investment without readily determinable fair values, with nil for 2022, 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, over which it has significant influence but does not own a majority equity interest or otherwise control. As of December 31, 2022, and 2023, the carrying amounts of these equity investments were US\$27,031 and US\$25,875, respectively. The Company recognized investment loss of US\$156, US\$236 and US\$709 for the years ended December 31, 2021, 2022 and 2023, respectively.

***Long-term Time Deposits***

As of December 31, 2023, the Company held fixed-rate long-term time deposits with commercial banks, which will mature in June 2025.

**5. ACCOUNTS RECEIVABLE**

Accounts receivable and the related allowance for credit losses were summarized as follows:

	As of December 31,	
	2022	2023
	US\$	US\$
Accounts receivable	65,311	38,243
Allowance for credit losses	(33,864)	(15,991)
<b>Accounts receivable, net</b>	<b>31,447</b>	<b>22,252</b>

The movements in the allowance for credit losses of accounts receivable were as follows:

	Year Ended December 31,		
	2021	2022	2023
	US\$	US\$	US\$
Movement in allowance for credit losses			
Balance at beginning of year	40,144	52,831	33,864
Additional provision	41,350	43,285	1,183
Write-offs	(30,103)	(56,276)	(18,393)
Foreign currency translation adjustments	1,440	(5,976)	(663)
<b>Balance at end of year</b>	<b>52,831</b>	<b>33,864</b>	<b>15,991</b>

Ageing analysis of accounts receivable based on the date of delivery of service to customers is as follows:

	As of December 31,	
	2022	2023
	US\$	US\$
- Within 3 months	21,464	18,501
- 3 months to 6 months	6,203	4,233
- 6 months to 12 months	9,554	5,399
- Over 1 year	28,090	10,110
Accounts receivable	65,311	38,243
Less: allowance for credit losses	(33,864)	(15,991)
<b>Accounts receivable, net</b>	<b>31,447</b>	<b>22,252</b>

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**6. PREPAYMENTS AND OTHER CURRENT ASSETS**

Prepayments and other current assets consisted of the following:

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2023</u>
	US\$	US\$
Prepaid expenses	2,746	1,306
Advance to employees	755	712
Receivables related to disposal of long-term investments	46,478	29,975
Interest receivable	3,496	468
Funds receivable	2,694	1,761
Properties held for sale	43,586	61,044
Others	18,635	10,790
Total	<u>118,390</u>	<u>106,056</u>
Less: allowance of credit losses	<u>(9,343)</u>	<u>(38,332)</u>
<b>Prepayments and other current assets, net</b>	<b><u>109,047</u></b>	<b><u>67,724</u></b>

The movements in the allowance for credit losses of prepayment and other current assets were as follows:

	<u>Year Ended December 31,</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	US\$	US\$	US\$
Movement in allowance for credit losses			
Balance at beginning of year	2,210	3,629	9,343
Additional provision	1,367	6,021	29,309
Foreign currency translation adjustments	52	(307)	(320)
<b>Balance at end of year</b>	<b><u>3,629</u></b>	<b><u>9,343</u></b>	<b><u>38,332</u></b>

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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, 2022 and 2023, the duration of secured loans ranged from 3 to 12 months, and had interest rates ranging from 10.6% to 12.0% per annum. As of December 31, 2022 and 2023, the total outstanding balance is US\$47,859 and US\$28,957, respectively.

**Unsecured loans**

As of December 31, 2022 and 2023, the duration of unsecured loans ranged from 3 to 12 months, and had interest rates ranging from 5.4% to 21.6% per annum. As of December 31, 2022 and 2023, the total outstanding balance is US\$10,066 and US\$14,389, respectively.

A summary of the Company’s loans receivables is presented as follows:

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
<b>Total personal loans</b>	<b>57,925</b>	<b>43,346</b>
Allowance for credit losses	(11,263)	(10,973)
<b>Loans receivable, net</b>	<b>46,662</b>	<b>32,373</b>

*Loans Receivable – Allowance for Credit Losses and Credit Quality*

Consistent with the adoption of ASU No. 2016-13 effective January 1, 2020, the allowance for credit losses is determined principally based on the past collection experience as well as consideration of current and future economic conditions and changes in the Company’s customer collection trends. All forward-looking statements are, by their nature, subject to risks and uncertainties, many of which are beyond the Company’s control. Primarily as a result of the uncertainty of macroeconomic and real estate agency business, the management updated the CECL model taking the latest available information into consideration. The major assumption (i.e. forward-looking information) and CECL model parameters (i.e. the one-year probability of default) were updated accordingly.

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**7. LOANS RECEIVABLE (continued)**

The activities in the provision/reversal for credit losses for the years ended December 31, 2021, 2022 and 2023, respectively, consisted of the following:

	<u>Year Ended December 31,</u>		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	US\$	US\$	US\$
Beginning balance	11,259	11,180	11,263
Provision (reversal)	(343)	1,029	(103)
Foreign currency translation adjustments	264	(946)	(187)
<b>Ending balance</b>	<b><u>11,180</u></b>	<b><u>11,263</u></b>	<b><u>10,973</u></b>

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 26.2% and 34.3% as at December 31, 2022 and 2023, 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 are as follows:

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2023</u>
	US\$	US\$
Current	42,757	28,474
1 - 90 days past due	3,719	4,148
91 - 180 days past due	366	212
181 - 360 days past due	3,892	785
361 - 720 days past due	1,913	1,397
Over 720 days past due	5,278	8,330
	<b><u>57,925</u></b>	<b><u>43,346</u></b>

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**8. PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following:

	As of December 31,	
	2022	2023
	US\$	US\$
Buildings	736,515	726,263
Office equipment	18,976	17,530
Motor vehicles	1,488	1,313
Leasehold improvement	17,701	16,890
Land	50,731	50,731
<b>Subtotal</b>	<b>825,411</b>	<b>812,727</b>
Less: accumulated depreciation	(213,329)	(229,831)
Construction in progress	23,371	24,090
	<b>635,453</b>	<b>606,986</b>
Less: accumulated impairment	—	(137,626)
	<b>635,453</b>	<b>469,360</b>

Depreciation expense for property and equipment amounted to US\$21,295, US\$23,441 and US\$21,708 for the years ended December 31, 2021, 2022 and 2023, respectively. In addition, impairment losses of nil, nil, and US\$138,243 were recognized for the years ended December 31, 2021, 2022, and 2023, respectively.

**9. LEASE**

The right-of-use assets and the amortization were summarized as follows:

	As of December 31,	
	2022	2023
	US\$	US\$
Right-of-use assets	36,026	34,309
Less: accumulated amortization	(4,932)	(5,366)
Less: accumulated impairment	—	(12,782)
<b>Right-of-use assets</b>	<b>31,094</b>	<b>16,161</b>

Impairment losses of nil, nil, and US\$12,854 were recognized for the years ended December 31, 2021, 2022, and 2023, respectively.

A summary of supplemental information related to operating leases as of December 31, 2022 and 2023 is as follows:

	As of December 31,	
	2022	2023
	US\$	US\$
<b>Operating lease right-of-use assets</b>	<b>1,835</b>	<b>1,000</b>
Operating lease liabilities, current	1,228	748
Operating lease liabilities, non-current	664	347
<b>Total operating lease liabilities</b>	<b>1,892</b>	<b>1,095</b>

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**9. LEASE (continued)**

Operating lease expense was allocated to the following expense items:

	Year Ended December 31,	
	2022	2023
	US\$	US\$
Cost of revenues	286	180
General and administrative expenses	727	717
Selling and marketing expenses	1,046	458
Total operating lease expenses	2,059	1,355
Short-term lease expenses	679	—
Total lease expenses	2,738	1,355

The weighted average remaining lease term excluding land use right as of December 31, 2023 was 1.59 years, and the weighted average discount rate of the operating leases was 6%. The cash paid for amounts included in the measurement of operating lease liabilities was US\$2,647, US\$1,686, and US\$1,241 for the years ended December 31, 2021, 2022, and 2023, respectively.

Maturities of the lease liabilities as of December 31, 2023 were as follows:

For the Year Ended December 31	US\$
2024	767
2025	313
2026 and thereafter	62
<b>Total undiscounted lease payments</b>	<b>1,142</b>
Less: imputed interest	(47)
<b>Present value of lease liabilities balance</b>	<b>1,095</b>
Amounts due within 12 months	748
Long-term lease liabilities	347

In addition, amortization expense related to land use rights amounted to US\$910, US\$874 and US\$834 for the years ended December 31, 2021, 2022 and 2023, 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,	
	2022	2023
	US\$	US\$
Short-term loans	—	1,412
Long-term loans, current portion	42,978	16,103
Long-term loans, less current portion	59,823	167,570

Short-term loan of US\$1,412 as of December 31, 2023 represented an RMB-denominated borrowing obtained from a financial institution in China in December 2023. The loan bears a fixed annual interest rate of 3.45% and is scheduled to mature in December 2024. The entire loan amount of US\$1,412 was fully secured by a property located in Beijing, which is owned by a company controlled by Vincent Tianquan Mo, the Executive Chairman of the Board and the controlling shareholder of the Company. There were no outstanding short-term loans as of December 31, 2022.

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**10. SHORT-TERM AND LONG-TERM LOANS (continued)**

The long-term loan of US\$33,683 as of December 31, 2022 represented an RMB-denominated bank borrowing from a financial institution in China for the purchase of buildings in Beijing, PRC. The loan was originally repayable by installments through September 22, 2026 and bore interest rate of 4.55% in 2022. As of December 31, 2022, the entire outstanding balance was classified as a current liability, as the Company did not meet certain loan covenants and, despite having obtained a waiver from the lender, was deemed unlikely to comply with all provisions of the debt agreement within twelve months after the balance sheet date. The borrowing was secured by a building in the PRC with a carrying value of US\$160,540 as of December 31, 2022. The loan was fully repaid during 2023, with no outstanding balance as of December 31, 2023.

The long-term loan of US\$9,974 and US\$7,499 as of December 31, 2022 and 2023, respectively, represents an RMB-denominated bank borrowing from a financial institution in China for the purchase of buildings in Wuhan, PRC. The loan is repayable by installments through March 21, 2027 and bears interest rate of 4.45% in 2023. As of December 31, 2022 and 2023, US\$2,346 and US\$2,306 of the outstanding balance, respectively, were classified as current liabilities due to their scheduled repayments within twelve months. The borrowing is secured by a building in the PRC with a carrying value of US \$36,998 and US\$30,078 as of December 31, 2022 and 2023, respectively. In addition to the mortgaged properties, the lender also holds a pledge over the rental income receivables arising from the properties.

The long-term loan of US \$23,176 and US \$18,233 as of December 31, 2022 and 2023, respectively, represents RMB-denominated bank borrowings from a financial institution in China for the purchase of buildings in Chongqing, PRC. The loan is repayable by installments through August 1, 2028 and bears a floating interest rate set at 25% above the long-term benchmark rate published by the People’s Bank of China. As of December 31, 2022 and 2023, US \$4,580 and US \$4,504 of the outstanding balance, respectively, were classified as current liabilities due to their scheduled repayments within twelve months. The borrowing is secured by a bank deposit balance of Nil and US\$136, and by buildings in the PRC with a carrying value of US \$76,409 and US \$52,606 as of December 31, 2022 and 2023, respectively. In addition to the mortgaged properties, the lender also holds a pledge over the rental income receivables arising from the properties.

The long-term loan of US \$35,968 and US \$33,039 as of December 31, 2022 and 2023, respectively, represents RMB-denominated bank borrowings from financial institutions in China. The loan is repayable by installments through April 22, 2029 and bears interest rate of 5.23% in 2023. As of December 31, 2022 and 2023, US\$2,369 and US \$3,883 of the outstanding balance, respectively, were classified as current liabilities due to their scheduled repayments within twelve months. The borrowing is secured by buildings in the PRC with carrying value of US \$48,870 and US \$77,226 as of December 31, 2022 and 2023, respectively. In addition to the mortgaged properties, the lender also holds a pledge over the rental income receivables arising from the properties.

The long-term loan of US\$39,533 as of December 31, 2023 represents an RMB-denominated borrowing obtained from a financial institution in China in August 2023. The loan is repayable by installments through July 2041 and bears a floating interest rate equal to 5-year Loan Prime Rate (LPR) published by the People’s Bank of China plus 0.70%, with an effective annual rate of approximately 4.90% for the year. Of the total outstanding balance, US\$1,412 was scheduled to be repaid within twelve months and was classified as a current liability as of December 31, 2023. The borrowing is secured by a building in the PRC with a carrying value of US\$50,118 as of December 31, 2023. In addition to the mortgaged properties, the lender also holds a pledge over the rental income receivables arising from the properties, as well as equity interests in certain PRC subsidiaries of the Company.

The long-term loan of US\$85,369 as of December 31, 2023 represents an RMB-denominated borrowing obtained from a financial institution in China in November 2023. The loan is repayable by installments through May 2038 and bears a fixed annual interest rate of 5.4%. The loan includes an interest rate adjustment feature linked to the rental income performance of the pledged properties. No interest rate adjustment was triggered during the year ended December 31, 2023. Of the total outstanding balance, US\$3,998 was scheduled to be repaid within twelve months and was classified as a current liability as of December 31, 2023. The borrowing is secured by a building in the PRC with a carrying value of US\$140,681 as of December 31, 2023. In addition to the mortgaged properties, the lender also holds a pledge over the rental income receivables arising from the properties, as well as equity interests in certain PRC subsidiaries of the Company.

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**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, the Company entered into a new bond agreement with terms substantially consistent with the previous arrangement, which served as a contractual continuation of the original Bond. The new bond has a maturity date of October 21, 2024. In connection with the execution of the new agreement, Fang Holdings Limited redeemed 50% of the principal amount, and the remaining portion continues to serve as the underlying asset of the structured note investment.

**12. ACCRUED EXPENSES AND OTHER LIABILITIES**

Accrued expenses and other liabilities consisted of the following:

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Payroll and welfare benefit	3,203	2,918
Other taxes and surcharges payable (1)	7,931	7,945
Amounts payable to sales and marketing agents	25,909	21,181
Interest payables	6,080	691
Utility and property management payables	7,444	7,337
Construction payables	1,497	1,436
Payables of decoration services	1,096	680
Deposits for rental	2,708	3,189
Lease liability, current	1,228	748
Customers’ refundable fees	6,032	6,385
Others	3,730	1,706
	<b>66,858</b>	<b>54,216</b>

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**

The Company has 71,775,686 Class A and 24,336,650 Class B ordinary shares issued as of December 31, 2022, and 2023, respectively. Total outstanding shares of Class A ordinary shares as of December 31, 2022, and 2023 are 66,020,679, respectively. Total outstanding shares of Class B ordinary shares as of December 31, 2022 and 2023 are 24,336,650.

The rights of the holders of Class A and Class B ordinary shares are identical, except with respect to voting rights. Each Class A ordinary share is entitled to one vote per share whereas each Class B ordinary share is entitled to 10 votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by its holder, but Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a Class B ordinary shareholder to any person or entity which is not an affiliate of such holder, such Class B ordinary shares will be automatically and immediately converted into the equal number of Class A ordinary shares.

No class B ordinary shares were converted into Class A ordinary shares for the years ended December 31, 2021, 2022 and 2023.

***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, 2023, 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, 2023.

***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, 2022 and 2023, the PRC subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries had appropriated US\$3,791 and US\$3,791 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 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.

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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, 2023.

***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, 2023.

***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, 2023, we obtained HNTE certificates for Beijing Technology, Beijing Tuoshi, Beijing FTX Technology, and Beijing JTX 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 (2021 to 2023), Beijing Tuoshi (2022 to 2024), Beijing FTX Technology (2023 to 2025), and Beijing JTX Technology (2021 to 2023).

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 2021, 2022, and 2023, we had not accrued PRC tax on this basis.

Income (loss) before income taxes consisted of:

	Year Ended December 31,		
	2021	2022	2023
	US\$	US\$	US\$
PRC	49,267	(23,020)	(178,658)
Non-PRC	(45,347)	(16,770)	(28,427)
	<b>3,920</b>	<b>(39,790)</b>	<b>(207,085)</b>

Income tax expenses (benefits) comprised:

	Year Ended December 31,		
	2021	2022	2023
	US\$	US\$	US\$
Current tax expense	26,696	46,832	4,690
Deferred tax benefit	(3,192)	(11,060)	(32,054)
	<b>23,504</b>	<b>35,772</b>	<b>(27,364)</b>

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,		
	2021	2022	2023
	US\$	US\$	US\$
Income (loss) from before income taxes	3,920	(39,790)	(207,085)
Income tax at applicable tax rate of 25%	980	(9,948)	(51,771)
Effect of international tax rate differences	3,138	(607)	(11)
Non-deductible expenses	8,325	9,375	47,147
Non-taxable income	(127)	(69)	(136)
Effect of tax holidays or preferential tax rates	4,843	618	10,443
Withholding tax	12,693	35,925	2,272
Research and development super-deduction	(3,455)	(2,530)	(1,808)
Changes in valuation allowance	7,932	8,194	(15,325)
Expiration of loss carry forwards	1,709	1,878	1,020
Expiration of unrecognized tax benefits due to applicable statute of limitations	(12,534)	(7,064)	(19,195)
	<b>23,504</b>	<b>35,772</b>	<b>(27,364)</b>

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**14. TAXATION (continued)**

A roll-forward of unrecognized tax benefits, exclusive of related interest and penalties, was as follows:

	<b>Year Ended December 31,</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Balance at beginning of year	75,434	78,637	65,898
Increase relating to tax positions	10,574	—	—
Decrease relating to expiration of applicable statute of limitations and reversal	(12,534)	(7,064)	(19,195)
Foreign currency translation adjustments	5,163	(5,675)	(991)
<b>Balance at end of year</b>	<b>78,637</b>	<b>65,898</b>	<b>45,712</b>

As of December 31, 2022 and 2023, the Company had recorded US\$126,378 and US\$104,788 as an accrual for unrecognized tax benefits and related interest and penalties, respectively, which is 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 2018 through 2023, the US subsidiaries’ tax years 2020 through 2023 and the Hong Kong subsidiaries’ tax years 2017 through 2023 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:

	<b>Year Ended December 31,</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
The aggregate amount	4,843	618	10,443
The aggregate effect on basic and diluted earnings per share for Class A and Class B ordinary shares:			
- Basic and diluted	(0.05)	(0.01)	(0.12)

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**14. TAXATION (continued)**

The components of deferred taxes were as follows:

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
<b>Deferred tax assets</b>		
Net operating losses	75,705	63,109
Lease liability	282	180
Impairment of assets	1,114	9,480
Overcharged advertising and promotion fee	400	652
Fixed assets depreciation	690	671
Investments	59	—
Less: Valuation allowance	(73,024)	(56,714)
<b>Total deferred tax assets</b>	<b>5,226</b>	<b>17,378</b>
<b>Deferred tax liabilities</b>		
Right-of-use assets	(428)	(170)
Investment basis in the PRC entities	(52,332)	(51,949)
BaoAn Acquisition — Property	(10,122)	(9,488)
Investments	—	(1,305)
Interest capitalization	(137)	—
<b>Deferred tax liabilities</b>	<b>(63,019)</b>	<b>(62,912)</b>
<b>Net deferred income tax assets</b>	<b>4,944</b>	<b>17,208</b>
<b>Net deferred income tax liabilities</b>	<b>(62,591)</b>	<b>(62,742)</b>

The rollforward of valuation allowances of deferred tax assets were as follows:

	<b>Year Ended December 31,</b>	
	<b>2022</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Balance as of beginning of year	(66,475)	(73,024)
Additions of valuation allowance	(10,953)	(18,208)
Utilization of deferred tax assets	2,759	33,533
Foreign currency translation adjustments	1,645	985
<b>Balance as of end of year</b>	<b>(73,024)</b>	<b>(56,714)</b>

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 2024 and 2033 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, 2021, 2022 and 2023. 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, 2023 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, 2020	6,725,855	3.97	4.84	—
Forfeited	(93,160)	2.30		
Expired	(363,430)	6.70		
Exercised	(22,000)	5.37		
Outstanding, December 31, 2021	<u>6,247,265</u>	3.83	6.46	—
Vested and expected to vest at December 31, 2021	<u>6,247,265</u>	3.83	6.46	—
Exercisable at December 31, 2021	<u>5,792,080</u>	3.97	6.33	—

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 and expected to vest 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	—

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, 2022 and 2023, 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 of the Company. This amount was expected to be recognized over a weighted-average vesting period of 0.42 years. During the year ended December 31, 2023, the remaining share-based compensation cost was fully recognized. As of December 31, 2023, 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\$2,137, US\$586 and US\$39 for the years ended December 31, 2021, 2022 and 2023, respectively.

Restricted Shares

All previously granted restricted shares to the Company’s employees and directors were either vested or forfeited by the end of 2021. As a result, there were no restricted shares outstanding, granted, vested, or forfeited during the years ended December 31, 2022 and 2023. Accordingly, no unvested restricted shares remained as of either December 31, 2022 or 2023.

**16. RELATED PARTY TRANSACTIONS**

**a) Related Parties**

<u>Name of Related Parties</u>	<u>Relationship with the Company</u>
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

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16. RELATED PARTY TRANSACTIONS (continued)

b) The Company had the following related party transactions for the years ended December 31, 2021, 2022, and 2023

	Year Ended December 31,		
	2021 US\$	2022 US\$	2023 US\$
Office building leased from:			
-Vincent Tianquan Mo	166	159	152
Management fee incurred:			
-Beihai Silver Beach	380	281	588
Settlement of convertible senior note by:			
-CIH	84,313	—	—
Office building leased to:			
-CIH	1,181	1,261	1,204
IT service income from:			
-CIH	1,162	1,116	5,887
Software license income from:			
-CIH	73	70	—
Operating loan to:			
-Shanghai Yuyue	—	4,124	—

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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\$166, US \$159 and US \$152, and the corresponding contribution from shareholder were included in the consolidated financial statements for the years ended December 31, 2021, 2022, and 2023, 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. The management fees incurred for the years ended December 31, 2021, 2022, and 2023 were US \$380, US \$281 and US \$588 respectively. The balance as of December 31, 2023 represented outstanding management fees which were unsecured and interest-free.

***Settlement of convertible senior note by CIH***

During the year ended December 31, 2021, the Company fully settled the convertible senior note, with 50% of the repayment made by CIH as part of the arrangement.

***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 RMB7,621,000. The Agreement is effective from January 1, 2018 with initial lease term of 10 years. The amounts of lease income were US\$1,181, US\$1,261 and US \$1,204 for the years ended December 31, 2021, 2022 and 2023.

***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 \$1,162, US\$1,116, and US \$5,887 for the years ended December 31, 2021, 2022 and 2023, 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.

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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 year ended December 31, 2023.

*Loan to Shanghai Yuyue:*

The loans extended to Shanghai Yuyue were provided to meet its working capital needs. These loans are unsecured, interest-free, have no specified repayment terms, and are payable on demand. In 2023, the Company collected US\$3.1 million of outstanding loan balance from Shanghai Yuyue.

**c) The Company had the following related party balances as of December 31, 2022 and 2023:**

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2023</u>
	US\$	US\$
Amounts due from related parties:		
- Beihai Silver Beach	330	245
- Shanghai Yuyue	3,940	800
	<u>4,270</u>	<u>1,045</u>
	<u>As of December 31,</u>	
	<u>2022</u>	<u>2023</u>
	US\$	US\$
Amounts due to related parties:		
- CIH	90,526	34,676
	<u>90,526</u>	<u>34,676</u>

The decrease in amounts due to CIH from US\$90.5 million as of December 31, 2022 to US\$34.7 million as of December 31, 2023 was primarily due to the Company’s cash repayment of payables during the year 2023. The balances with related parties 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\$11,710, US\$9,088 and US\$7,013 for the years ended December 31, 2021, 2022 and 2023, respectively.

**18. COMMITMENTS AND CONTINGENCIES**

*Significant legal contingencies*

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 2021 through 2023. The outcome did not result in any material financial impact on the Company’s consolidated financial statements.

*Capital commitment*

	<b>As of December 31, 2023</b>			
	<b>Total</b>	<b>Less than 1 year</b>	<b>1 to 3 years</b>	<b>More than 3 years</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Capital commitments	4,367	4,367	—	—

As of December 31, 2023, the Company does not have significant capital expenditure plans or commitments for the construction of fixed assets. 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 has not entered into any material agreements or contracts for future capital expenditures.

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**18. COMMITMENTS AND CONTINGENCIES (continued)**

*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.

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.

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 as well as a RMB200 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, given the counterparties’ involvement in multiple ongoing litigations and their designation as dishonest judgment debtors under Chinese law, the Company currently considers it difficult to reasonably estimate the amount and timing of any potential recovery. Management will continue to monitor developments regarding the enforcement of the judgment and will update the financial statements accordingly as new information becomes available.

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**19. SEGMENT REPORTING**

In accordance with ASC 280, Segment Reporting, the Company’s chief operating decision maker 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.

***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 (i.e. including the construction in progress) with net book values of US\$89,231 and US\$58,671 as of December 31, 2022 and 2023, 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,		
	2021	2022	2023
	US\$	US\$	US\$
<b>Numerator</b>			
Net loss attributable to Class A and Class B ordinary shares	(19,584)	(75,562)	(179,721)
<b>Denominator</b>			
Weighted average number of Class A and Class B ordinary shares outstanding-basic and diluted	90,162,557	90,357,275	90,357,329
<b>Net loss per share</b>			
Basic and diluted	(0.22)	(0.84)	(1.99)

The repurchased but not retired ordinary shares are accounted as treasury share which are not considered outstanding and excluded from the calculation of basic earnings (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,	
	2022	2023
	US\$	US\$
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	2,926	22,311
Prepayments and other current assets	126	1
Amounts from subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	—	441,251
Amounts due from subsidiaries	4,270	1,045
<b>Total current assets</b>	<b>7,322</b>	<b>464,608</b>
<b>Non-current assets:</b>		
Long-term investments	17,355	34,470
Investment in subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	984,175	709,711
<b>Total non-current assets</b>	<b>1,001,530</b>	<b>744,181</b>
<b>Total assets</b>	<b>1,008,852</b>	<b>1,208,789</b>
<b>LIABILITIES AND SHAREHOLDERS’ EQUITY</b>		
<b>Current liabilities:</b>		
Long-term bond payable, current	103,380	50,590
Accrued expenses and other liabilities:	31,440	69,779
Amounts due to subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	282,228	669,847
Amount due to related parties	—	34,676
<b>Total current liabilities</b>	<b>417,048</b>	<b>824,892</b>
<b>Total liabilities</b>	<b>417,048</b>	<b>824,892</b>
<b>Commitments and contingencies</b>	—	—
<b>Shareholders’ equity:</b>		
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, 2022 and 2023, respectively; 66,020,679 shares outstanding as of December 31, 2022, and 2023, 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, 2022, and 2023, respectively; each Class B ordinary share is convertible into one Class A ordinary share.	3,124	3,124
Additional paid-in capital	545,173	545,364
Accumulated other comprehensive loss	(9,031)	(37,408)
Retained earnings	154,577	(25,144)
Less: Treasury shares (5,755,007 shares as of December 31, 2022 and 2023, respectively.)	(111,283)	(111,283)
<b>Total shareholders’ equity</b>	<b>591,804</b>	<b>383,897</b>
<b>Total liabilities and shareholders’ equity</b>	<b>1,008,852</b>	<b>1,208,789</b>

**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)

**21. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION (continued)**

*Condensed statements of comprehensive income (loss)*

	Year Ended December 31,		
	2021 US\$	2022 US\$	2023 US\$
Revenues	—	—	—
Cost of revenues	—	—	—
Gross profit	—	—	—
General and administrative expenses	(8,347)	(2,257)	(1,664)
Other income (loss)	—	—	(8,010)
<b>Operating loss</b>	<b>(8,347)</b>	<b>(2,257)</b>	<b>(9,674)</b>
Equity in profits (losses) of subsidiaries, PRC Domestic Entities and PRC Domestic Entities’ subsidiaries	(6,291)	(69,947)	(157,843)
Foreign exchange gain (loss)	2,814	264	(12)
Interest income	22	484	1,117
Interest expenses	(7,452)	(4,932)	(4,264)
Change in fair value of securities	(19,142)	826	(9,045)
Investment income, net	18,812	—	—
<b>Loss before income taxes</b>	<b>(19,584)</b>	<b>(75,562)</b>	<b>(179,721)</b>
Income tax expenses	—	—	—
<b>Net loss</b>	<b>(19,584)</b>	<b>(75,562)</b>	<b>(179,721)</b>
<b>Other comprehensive income (loss)</b>			
Foreign currency translation adjustments	34,089	(47,413)	(27,872)
Gain (loss) on intra-entity foreign transactions of long-term investment nature	756	(2,794)	(505)
<b>Other comprehensive income (loss)</b>	<b>34,845</b>	<b>(50,207)</b>	<b>(28,377)</b>
<b>Comprehensive income (loss)</b>	<b>15,261</b>	<b>(125,769)</b>	<b>(208,098)</b>

*Condensed statements of cash flows*

	Year Ended December 31,		
	2021 US\$	2022 US\$	2023 US\$
Net cash generated from operating activities	52,462	146,815	86,652
Net cash generated from (used in) investing activities	22,149	(176)	(14,477)
Net cash used in financing activities	(99,804)	(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	(25,193)	(16,294)	19,385
Cash, cash equivalents and restricted cash at beginning of year	44,413	19,220	2,926
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b>19,220</b>	<b>2,926</b>	<b>22,311</b>

***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.

**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)**

**22. SUBSEQUENT EVENTS**

***Renewal of Short-term Loan***

In December 2024, the short-term loan of US\$1,412, which was obtained in December 2023 and was scheduled to mature in December 2024, was renewed for an additional one-year term. The loan bear a fixed annual interest rate of 3.1% and remains secured by the same property located in Beijing, which is owned by a PRC company ultimately controlled by Mr. Vincent Tianquan Mo, the Executive Chairman of the Board and the controlling shareholder of the Company.

***Refinancing of Structured Note and Related Bond Arrangement***

As of December 31, 2023, the Company held a structured note investment backed by underlying bonds issued by Fang Holdings Limited, both scheduled to mature in October 2024. Subsequently, in September 2024, arrangements were implemented to replace this maturing structure. Consistent with prior refinancing activities, new offshore bonds maturing October 2025, were issued by Fang Holdings Limited in exchange for the underlying bonds that were due in 2024. The related domestic trust arrangement holding the investment was modified concurrently to align with the new maturity. This allowed the investment in the structured note to continue under terms consistent with the prior structure, now maturing October 2025.

**FANG HOLDINGS LIMITED**  
**(房天下控股有限公司)**

AS ISSUER

AND

**CNCB (HONG KONG) CAPITAL LIMITED**

AS PLACING AGENT

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**PLACING AGREEMENT RELATING TO**  
**CNY360,000,000.00 4.25 PER CENT. BONDS DUE 2024**  
**IN EXCHANGE FOR CNY360,000,000.00 OF THE**  
**CNY720,000,000.00 4.25 PER CENT. BONDS**  
**ISSUED ON 20 OCTOBER 2020**

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**BETWEEN**

- (1) **Fang Holdings Limited (房天下控股有限公司)** (the “**Issuer**”); and
- (2) **CNCB (Hong Kong) Capital Limited (信銀 (香港) 資本有限公司)** (the “**Placing Agent**”).

**WHEREAS**

- (A) On 29 October 2019, the Issuer issued CNY720,000,000.00 4.8 per cent. bonds due 2020 (the “**Previous Existing Bonds**”). On 20 October 2020, the Issuer has issued CNY720,000,000.00 4.25 per cent. bonds due 2023 (the “**Existing Bonds**”). The Existing Bonds were issued in exchange for the Previous Existing Bonds held by the only holder (the “**Existing Bondholder**”) as described in the placing agreement relating to the Previous Existing Bonds dated 12 October 2020.
- (B) The Issuer has authorised the creation and issue of CNY360,000,000.00 in aggregate principal amount of 4.25 per cent. bonds due 2024 (the “**Bonds**”).
- (C) The Bonds will be issued in exchange for CNY360,000,000.00 of the Existing Bonds held by the Existing Bondholder in the manner described in this Agreement (such exchange being the “**Exchange Offer**”).
- (D) This Agreement confirms the terms on which the Issuer has engaged the Placing Agent as a placing agent in connection with the proposed issue, offering, sale, marketing and distribution on a private placement basis of the Bonds.
- (E) The Bonds will be in registered form and in the denomination of CNY1,000,000 each and integral multiples of CNY10,000 in excess thereof. The Bonds will be represented by a global bond certificate (the “**Global Bond Certificate**”), which will be exchangeable for individual bond certificates (together with the Global Bond Certificate, the “**Bond Certificates**”) only in the limited circumstances specified in the Global Bond Certificate.
- (F) The Bonds will be offered and sold outside the United States in reliance on Regulation S (“**Regulation S**”) under the United States Securities Act of 1933, as amended (the “**Securities Act**”).
- (G) The Bonds will be constituted by a trust deed (the “**Trust Deed**”) to be dated on or about 13 October 2023 between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行 (亞洲) 股份有限公司) as trustee (the “**Trustee**”), a draft of which is in agreed form. The forms of the Bond Certificates will be attached to the Trust Deed.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement the following expressions have the following meanings:

“**affiliate**” means, with respect to any specified person or entity, any other person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person or entity;

“**Clearing Systems**” mean Clearstream and Euroclear;

“**Clearstream**” means Clearstream Banking S.A.;

“**Closing Date**” means, subject to Clause 9.2 (*Postponed Closing*), 13 October 2023;

“**CNY**” or “**Renminbi**” mean the lawful currency of the People’s Republic of China;

“**Conditions**” means the terms and conditions of the Bonds substantially in the form set out in Schedule

2 (*Terms and Conditions of the Bonds*) as the same may be modified by agreement between the Issuer and the Placing Agent prior to the Closing Date, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof;

“**control**” (including the terms “controlling”, “controlled by” and “under common control with”) means the power (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise (i) to appoint the majority of the members of the governing body of management, or (ii) to direct or cause the direction of the management and policies, of that other person or entity;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Group**” means the Issuer and its Subsidiaries, taken as a whole;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Macau**” means the Macau Special Administrative Region of the People’s Republic of China;

“**Material Adverse Effect**” means a material adverse effect on the condition (financial or other), prospects, results of operations, business, properties or general affairs of the Issuer or the Group taken as a whole, or on the Issuer’s ability to perform its obligations under the Issue Documents, the Bonds or which are otherwise material in the context of the Exchange Offer or the issue of the Bonds;

“**Court Proceedings**” means (1) the court proceeding in the Grand Court of the Cayman Islands between (1) Evenstar Master Fund SPC for and on behalf of Evenstar Master Sub-Fund I Segregated Portfolio, and (2) Evenstar Special Situations Limited, as petitioners and the Issuer as one of the respondents (Cause No: FSD 278 of 2020), and (2) originating summons between (1) Evenstar Master Fund SPC for and on behalf of Evenstar Master Sub-Fund I Segregated Portfolio, and (2) Evenstar Special Situations Limited, as plaintiffs and the Issuer as defendant (Cause No: FSD 161 of 2020);

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, trust, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” means the People’s Republic of China, which, for the purposes of this Agreement, excludes Hong Kong, Macau and Taiwan;

“**Subsidiary**” means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (b) any corporation, association and other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and

“**Voting Stock**” means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

## 1.2 **Clauses and Schedules**

Any reference in this Agreement to a Clause, a sub-clause or a Schedule is, unless otherwise stated, to a clause or sub-clause hereof or a schedule hereto.

## 1.3 **Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

## 1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

## 1.5 Agreed Form

Any reference herein to a document being in “**agreed form**” means that the document in question has been substantially agreed between the proposed parties thereto, subject to any amendments that the parties may agree upon on or prior to the Closing Date.

## 1.6 Affiliates

The Issuer agrees that the Placing Agent may perform its obligations under this Agreement through one or more of its affiliates designated by the Placing Agent, as it deems appropriate and the Placing Agent shall procure that such affiliate shall comply with the terms hereof and such affiliate may, subject to compliance by it with the terms of this Agreement any applicable laws or regulations, offer and sell the Bonds purchased by it to or through the Placing Agent.

## 2. ISSUE OF THE BONDS AND APPOINTMENT OF PLACING AGENT

### 2.1 Undertaking to Issue

#### 2.1.1 Issue of Bonds

Subject to and in accordance with the provisions of this Agreement, the Issuer agrees to issue the Bonds on the Closing Date, in accordance with this Agreement and the Trust Deed, to the Existing Bondholder as part of the Exchange Offer; and

#### 2.1.2 Issue Documentation

The terms and conditions of the Bonds (the “**Terms and Conditions**”) shall be in the form set out in Schedule 2 (*Terms and Conditions of the Bonds*) to this Agreement, which such changes or other amendments as may be agreed between the Issuer and the Trustee on or before the Closing Date.

Prior to or upon Closing, the Issuer shall enter into:

- (a) a trust deed with the Trustee in a form to be agreed between the Issuer and the Trustee (the “**Trust Deed**”); and
- (b) an agency agreement with China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as the principal agent, the Trustee and the agents named therein in a form to be agreed between the Issuer and the Trustee (the “**Agency Agreement**”).

This Agreement, the Trust Deed and the Agency Agreement are together referred to as the “**Issue Documents**”.

### 2.2 Appointment of Placing Agent

2.2.1 Subject to the provisions of this Agreement, the Issuer hereby appoints the Placing Agent as its placing agent and not as principal for the Placement (as defined below) and the Placing Agent, relying on the representations, warranties and undertakings set out in this Agreement, agree to act as the placing agent of the Issuer in the placement and to use its best efforts to procure the Existing Bondholder for the proposed placement of the Bonds and to facilitate the subscription of the Bonds by the Existing Bondholder (the “**Placement**”). The Issuer acknowledges and agrees that the Placing Agent’s engagement hereunder is not an agreement by the Placing Agent or any of its affiliates to underwrite or subscribe for or purchase any securities or otherwise provide any financing. The Placing Agent shall not be under any obligation to purchase any Bonds in the event that the Existing Bondholder is not procured for any of the Bonds.

2.2.2 During the period of the Placing Agent’s engagement hereunder, the Issuer shall not discuss the Placement with any third party, or engage any third party to act as placing agent in the Placement (except with the prior written consent of the Placing Agent).

2.2.3 Any transaction carried out by the Placing Agent on behalf of the Issuer pursuant to this Agreement shall constitute a transaction carried out as the agent of the Issuer and not as principal.

2.2.4 The Placing Agent, relying on the representations, warranties and undertakings herein contained, agrees, to notify the Clearing Systems of the details of the initial allotment of the Bonds to the Existing Bondholder.

### 3. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

#### 3.1 Representations and Warranties by the Issuer

The Issuer represents, warrants to and agrees with the Placing Agent as set out in Schedule 1 (*Representations and Warranties*).

#### 3.2 Representations Repeated

The representations and warranties in Schedule 1 (*Representations and Warranties*) are given on the date of this Agreement and shall be deemed to be repeated (with reference to the facts and circumstances then subsisting) on the Closing Date.

### 4. UNDERTAKINGS

The Issuer undertakes with the Placing Agent that:

#### 4.1 Taxes: the Issuer will pay:

4.1.1 any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties in the PRC and all other relevant jurisdictions payable on or in connection with the creation, issue, offering and sale of the Bonds, the conduct and consummation of the Exchange Offer, or the execution or delivery of the Transaction Documents; and

4.1.2 in addition to any amount payable by it under this Agreement, any value added, service, turnover or similar tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it);

#### 4.2 Compliance with Schedule 5: the Issuer will comply with the relevant restrictions set out in Schedule 5 (*Selling Restrictions*) hereto as if it were a Placing Agent under this Agreement;

#### 4.3 Representations and Warranties: the Issuer will promptly, after becoming aware of the occurrence thereof, notify the Placing Agent of anything which at any time prior to the Closing Date constitutes a breach of or which renders or may render untrue or incorrect in any respect any representations, warranties, agreements, indemnities or undertakings of the Issuer contained in the Issue Documents and will promptly take such steps as the Placing Agent may reasonably require to remedy and/or publicise the fact;

#### 4.4 Approvals and Filings: the Issuer will use its best endeavours to obtain all approvals and consents and promptly make all notifications, registrations and filings as may from time to time be required in relation to the Bonds (including but not limited to the conduct and consummation of the Exchange Offer);

#### 4.5 Clearing Systems: the Issuer shall co-operate with the Placing Agent and use all reasonable endeavours to enable the Bonds to be eligible for clearance and settlement through the facilities of Euroclear and Clearstream;

#### 4.6 Announcements: between the date hereof and the Closing Date (both dates inclusive), unless required by applicable law or regulations, the Issuer will not without the prior approval of the Placing Agent (such approval not to be unreasonably withheld or delayed), make any official announcement which could have an adverse effect on the marketability of the Bonds and the conduct or consummation of the Exchange Offer;

#### 4.7 Securities Act: the Issuer shall not issue, offer or sell any securities under circumstances that would

require the registration of any of the Bonds under the Securities Act;

- 4.8 Directed Selling Efforts:** neither the Issuer nor any of its affiliates (as defined in Rule 405 under the Securities Act), nor any person acting on behalf of any of them (other than the Placing Agent or any of its affiliates, or any person acting on behalf of any of them, as to whom the Issuer makes no representation) have engaged or will engage in any directed selling efforts (as defined in Regulation S) in the United States with respect to the Bonds; and

## 5. SELLING RESTRICTIONS

Each of the parties to this Agreement represents, warrants and undertakes as set out in Schedule 5 (*Selling Restrictions*).

## 6. INDEMNIFICATION

- 6.1** The commitment of the Placing Agent under this Agreement is being made on the basis of the representations and warranties as set out in Schedule 1 (*Representations and Warranties*) and agreements of the Issuer with the intention that such representations and warranties shall remain true and accurate in all respects up to and including the Closing Date and that the agreements shall have been performed on or before the Closing Date and the Issuer undertakes to pay to the Placing Agent on demand an amount which on an after tax basis is equal to any liability, damages, claim and loss incurred and any cost or expense (including, without limitation, legal fees, costs and expenses) properly incurred (a "**Loss**") by it or any of its Subsidiaries, affiliates or any person who controls any of them or any of their respective directors, officers, employees or agents (each an "**Indemnified Person**") in respect of or in connection with:

- 6.1.1 any actual breach or alleged breach by it of any of the representations, warranties, undertakings or agreements contained in, or deemed to be made pursuant to, this Agreement, by reference to the facts subsisting on the date hereof, and the Closing Date;
- 6.1.2 any untrue statement or alleged untrue statement of a material fact contained in any material (as amended or supplemented if the Issuer shall have supplied to the Placing Agent any amendments or supplements thereto) approved by the Issuer for use in connection with the Placement or any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect; or
- 6.1.3 the failure or alleged failure by the Issuer or any member of the Group or any of their respective directors or officers to comply with any requirements of applicable law or regulation in relation to the Exchange Offer or the Bonds.

Loss shall include (without limitation) all Losses which an Indemnified Person may incur in investigating, preparing, disputing or defending, or providing evidence in connection with, any litigation, claim, action, proceeding, investigation, demand, judgment or award (each a "**Claim**") (whether or not the Indemnified Person is an actual or potential party to such Claim) or in establishing any Claim or mitigating any Loss on its part or otherwise enforcing its rights under this Clause 6.1, which shall be additional and without prejudice to any rights which the Indemnified Person may have at common law or otherwise.

- 6.2** The Placing Agent shall not have any duty or obligation, whether as fiduciary or trustee for any Indemnified Person or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under Clause 6.1 and save to the extent notified in writing to an Indemnified Person by the Placing Agent, the Placing Agent (without obligation) will have the sole conduct of any action to enforce such rights on behalf of the Indemnified Person. This Agreement may be terminated, amended or varied in any way and at any time by the parties hereto without the consent of any Indemnified Person (other than the Placing Agent).

## 7. FEES AND EXPENSES

### 7.1 Placement Fees

In consideration of the agreement by the Placing Agent to act as placing agent in relation to the issue of the Bonds and to subscribe and pay for or procure subscriptions and payment for the Bonds as provided

herein, the Issuer agrees to pay to the Placing Agent a placement fee set out in a Fee Letter to be entered into between the Issuer and the Placing Agent (the “**Placement Fee**”). For the purposes of this Clause, “**Fee Letter**” means the fee letter to be entered into between the Issuer and the Placing Agent setting out the placement fee and expenses to be paid to the Placing Agent pursuant to this Clause 7 (*Fees and Expenses*), which shall supplement, and upon execution, be read together with and form a part of, this Agreement.

## **7.2 Issuer costs and expenses**

The Issuer is responsible for paying:

### **7.2.1 Professional Advisers**

The fees and expenses of the legal, accountancy and other professional advisers instructed by the Issuer in connection with the Exchange Offer, the creation and issue of the Bonds, the offering of the Bonds and the Placement.

### **7.2.2 Legal Documentation**

The costs incurred in connection with the conduct and consummation of the Exchange Offer and the preparation and execution of the Issue Documents.

### **7.2.3 Printing**

The cost of setting, proofing, printing, translating and delivering the Bond Certificates.

### **7.2.4 Placing Agent**

The fees and expenses of the other parties to the Issue Documents and their respective legal counsels (if any).

If the Placing Agent properly incur any such fees, costs and expenses on behalf of the Issuer, the Issuer shall on demand reimburse the Placing Agent for the same. Any amount due to the Placing Agent shall be payable by the Issuer within 30 days after the later of (i) the Closing Date and (ii) the date on which such demand is given to the Issuer.

## **7.3 Expenses**

The Issuer will reimburse to the Placing Agent (i) the costs and expenses properly incurred by the Placing Agent (including its directors, officers and employees) in connection with the Exchange Offer and the issue of the Bonds; (ii) the fees and expenses of DeHeng Law Offices (Hong Kong) LLP, the Placing Agent’s legal advisers as to English and Hong Kong law and Commerce & Finance Law Offices, the Placing Agent’s legal advisers as to the PRC law; and (iii) other out-of-pocket costs and expenses properly incurred by the Placing Agent in connection with or arising out of the Exchange Offer and the issuance and offering of the Bonds hereunder for which provision is not otherwise made in this Clause.

## **7.4 Payment**

All payments due under this Agreement are to be made in (i) (in the case of the Placement Fee or payments of damages or judgment debts and/or payments pursuant to Clause 6 (*Indemnification*)) Renminbi and (ii) (in the case of all other payments) the specified currency stated in the relevant invoice and are, in each case, stated exclusive of any applicable tax whether income taxes, withholding taxes, value added taxes, goods and services taxes, business or services taxes or similar taxes other than taxes imposed in respect of net income or profits by a taxing jurisdiction wherein the recipient is incorporated or resident for tax purposes (“**Taxes**”). If any deduction or withholding for or on account of Taxes is required to be made from any payment to the Placing Agent, or the amounts receivable by the Placing Agent hereunder are otherwise subject to assessment or levy for Taxes, then the Issuer shall pay an additional amount so that the Placing Agent receive, free from any such withholding, deduction, assessment or levy, the full amount of the payments set out herein. The Issuer shall make appropriate payments and returns in respect of such Taxes and provide the Placing Agent with an original or authenticated copy of the tax receipt.

## 7.5 Stamp Duties

The Issuer shall pay (i) all stamp, issue, registration, documentary and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the creation, issue and offering of the Bonds, the Placement and the execution of the Issue Documents; and (ii) in addition to any amount payable by it under the Bonds and the Issue Documents, any value added, turnover, business or similar tax payable in respect of that amount, and the Issuer shall indemnify the Placing Agent against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees) which it may incur as a result or arising out of or in relation to any failure to pay or delay in paying any of the same unless such failure or delay is due to the fraud, gross negligence or wilful misconduct of the Placing Agent.

## 8. EXCHANGE RATE INDEMNITY

**8.1 Currency of Account and Payment:** (i) Renminbi (in the case of the Placement Fee or payments of damages or judgment debts and/or payments pursuant to the Clause 6 (*Indemnification*)) and (ii) the specified currency stated in the relevant invoice (in the case of all other payments) (in each case, the “**Contractual Currency**”) is the sole currency of account and payment for all relevant sums payable by the Issuer under or in connection with this Agreement.

**8.2 Extent of discharge:** An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or upon the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, or otherwise), by the Placing Agent in respect of any sum expressed to be due to them from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery at the prevailing market exchange rates (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

**8.3 Indemnity:** If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Agreement, the Issuer will indemnify the Placing Agent against any loss sustained by them as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

**8.4 Indemnity separate:** The indemnities in this Clause 8 and in Clause 6 (*Indemnification*) constitute separate and independent obligations from the other obligations in this Agreement, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Placing Agent and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Agreement or any other judgment or order.

## 9. CLOSING

### 9.1 Global Bond Certificate

Subject to Clause 9.3 (*Conditions Precedent*), the closing of the issue of the Bonds shall take place on the Closing Date, whereupon:

#### 9.1.1 Registration

the Issuer shall cause the Bonds to be registered in the name of a nominee for a common depository designated for the purpose by Euroclear and Clearstream for credit on the Closing Date to the accounts of Euroclear and Clearstream with such common depository; and

#### 9.1.2 Delivery of Global Bond Certificate

the Issuer shall deliver or cause to be delivered the Global Bond Certificate, duly executed on behalf of the Issuer and authenticated in accordance with the Trust Deed to such common depository;

### 9.2 Postponed Closing

The parties to this Agreement may agree to postpone the Closing Date to another date as agreed in writing

between the parties, and in any event no later than 14 days thereafter, whereupon all references herein to the Closing Date shall be construed as being to that later date.

### 9.3 Conditions Precedent

Subject to and in accordance with the provisions of this Agreement, the Placing Agent shall only be under obligation to procure the Existing Bondholder to purchase the Bonds upon:

- 9.3.1 **Trust Deed:** the execution and delivery of the Trust Deed in a form reasonably satisfactory to the Placing Agent, by the Issuer and the Trustee;
- 9.3.2 **Payment of Interest:** receipt by the Existing Bondholder of an amount in cash equal to CNY 15,048,493.15, being the accrued and unpaid interest on the Existing Bonds;
- 9.3.3 **Authorisation:** on or prior to the Closing Date, there having been delivered to the Placing Agent a copy of:
  - (a) the memorandum and articles of association of the Issuer; and
  - (b) the resolutions of the Board of Directors of the Issuer authorising the execution of this Agreement and the other Agreements, the issue of the Bonds, the conduct and consummation of the Exchange Offer and the entry into and performance of the transactions contemplated hereby and thereby;
- 9.3.4 **Other Consents:** on or prior to the Closing Date, there having been delivered to the Placing Agent copies of all consents and approvals required in relation to the issue of the Bonds, the conduct and consummation of the Exchange Offer and the performance of the Issuer's obligations under the Transaction Documents and the Bonds in accordance with Clause 4.4 (*Approvals and Filings*);
- 9.3.5 **Compliance:** on the Closing Date (a) the representations and warranties of the Issuer in this Agreement being true, accurate and correct at, and as if made on, the Closing Date; and (b) the Issuer having performed all of its obligations under this Agreement to be performed on or before the Closing Date;
- 9.3.6 **Process Agent:** on or before the Closing Date, there having been delivered to the Placing Agent a copy of the confirmation that the agent appointed to receive service of process on behalf of the Issuer pursuant to the Issue Documents and the Bonds has accepted its appointment;
- 9.3.7 **Incumbency Certificates:** there having been delivered to the Placing Agent certificates dated the Closing Date from the Issuer of the persons authorised on behalf of the Issuer to execute the Issue Documents or the Bonds (as appropriate), to authorise issues of the Bonds and sign or give or deliver all notices and other documents to be delivered in connection with the Exchange Offer, the Issue Documents, and to take any other action in relation to the Exchange Offer or the Issue Documents;
- 9.3.8 **Material Adverse Change:** up to and at the Closing Date, there having not occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), prospects, results of operations, business, properties or general affairs, or on the ability of the Issuer to perform its obligations under the Issue Documents or the Bonds which, in the opinion of the Placing Agent, is material and adverse in the context of the Exchange Offer or the issue and offering of the Bonds;
- 9.3.9 **Legal Opinions:** on or before the Closing Date, there having been delivered to the Placing Agent opinions, in form and substance satisfactory to the Placing Agent, dated the Closing Date of:
  - (a) Commerce & Finance Law Offices, legal advisers as to PRC law;
  - (b) Ogier, legal advisers as to Cayman Islands law; and
  - (c) DeHeng Law Offices (Hong Kong) LLP, legal advisers as to English and Hong Kong

law;

- 9.3.10 **Closing Certificates:** on the Closing Date, there having been delivered to the Placing Agent a certificate substantially in the form attached as Schedule 3 (*Form of Closing Certificate*) dated such dates and signed by an authorised officer of the Issuer; and
- 9.3.11 **Fee Letter:** the due execution and delivery of the Fee Letter referred to in Clause 7.1 (*Placement Fees*).
- 9.3.12 **Waiver:** The Placing Agent may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of this Clause 9.3 (other than sub-Clause 9.3.1).

## 10. TERMINATION

### 10.1 Placing Agent's Right to Terminate

Notwithstanding anything contained in this Agreement, the Placing Agent may, by notice to the Issuer before closing, terminate this Agreement in any of the following circumstances:

- 10.1.1 if there shall have come to the notice of the Placing Agent any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in this Agreement or any failure to perform any of the Issuer's undertakings or agreements in this Agreement;
- 10.1.2 if any of the conditions specified in Clause 9.3 (*Conditions Precedent*) has not been satisfied or waived by the Placing Agent on or prior to the Closing Date;
- 10.1.3 if in the opinion of the Placing Agent, there shall have been, since the date of this Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view be likely to prejudice materially the success of the Exchange Offer, the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- 10.1.4 if, in the opinion of the Placing Agent, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange; (ii) a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong, the Cayman Islands and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, the Cayman Islands or the European Union (including the United Kingdom) or (iii) a change or development involving a prospective change in taxation affecting the Issuer, the Bonds, the Existing Bonds or the cancellation thereof as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- 10.1.5 if, in the opinion of the Placing Agent, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in their view be likely to prejudice materially the success of the Exchange Offer, the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

### 10.2 Consequences

Upon such notice being given this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that the Issuer shall remain liable under Clause 6 (*Indemnification*) and be responsible for the payment of all costs and expenses referred to in Clause 7 (*Fees and Expenses*) and already incurred or incurred in consequence of such termination and the respective obligations of the parties pursuant to Clause 11 (*Survival*) which would have continued had the arrangements for the subscription and issue of the Bonds, shall continue.

## 11. SURVIVAL

The representations, warranties, agreements, undertakings and indemnities in this Agreement shall continue in full force and effect despite completion of the arrangements for the subscription and issue of the Bonds or any investigation made by or on behalf of any Placing Agent.

## 12. TIME

As regards any date or period specified or postponed pursuant to the provisions herein, time shall be of the essence.

## 13. NOTICES

### 13.1 Addresses for Notices

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

#### 13.1.1 Issuer

If to the Issuer, to it at:

**FANG HOLDINGS LIMITED**

**(房天下控股有限公司)**

Tower A, No. 20 Guogongzhuang Middle Street Fengtai District, Beijing 100070

Fax: +86-10-56318810

Attention: Jiang Yan

#### 13.1.2 The Placing Agent

If to the Placing Agent, to it at:

**CNCB (Hong Kong) Capital Limited (信銀 (香港) 資本有限公司)**

2001-2005, 20/F and 10/F, AIA Central,

1 Connaught Road Central, Central, Hong Kong

Fax: +852 2801 7399

Attention: DCM

## 13.2 Effectiveness

Any such communication shall take effect, in the case of a letter, at the time of delivery, in the case of a fax, when the relevant delivery receipt is received by the sender, provided that any communication which is received (or deemed to take effect in accordance with the foregoing) outside business hours or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Agreement which is to be sent by fax will be written legal evidence.

## 14. LAW AND JURISDICTION

### 14.1 Governing Law

This Agreement and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

### 14.2 Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of

or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

**14.3 Service of Process**

The Issuer irrevocably appoints Hong Kong Property Network Limited at Room 1901, 19th Floor, Lee Garden One, 39 Hysan Avenue, Causeway Bay, Hong Kong as its authorised agent to receive service of process in any Proceedings in Hong Kong. If for any reason such agent ceases to have a place of business in Hong Kong, the Issuer shall as soon as practicable appoint an agent in Hong Kong to accept service of process on behalf of the Issuer and to deliver to the Placing Agent a copy of the new agent’s acceptance of that appointment within 30 days. Nothing in this paragraph shall affect the right to serve process in any other manner permitted by law.

**14.4 Waiver of Immunity**

The Issuer hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

**15. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

**16. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original

**AS WITNESS** the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

**SCHEDULE 1  
REPRESENTATIONS AND WARRANTIES**

The Issuer represents, warrants to and agrees with the Placing Agent that:

1. **Incorporation:** each of the Issuer and its Subsidiaries is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation, is in compliance with all laws and regulations to which it is subject except where such non-compliance would not, individually or in the aggregate, have a Material Adverse Effect, has not been placed into liquidation or receivership by any court orders, has full capacity power and authority to own, lease and operate its properties and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
2. **Status:** the Issuer is a separate legal and independent entity incorporated under the laws of the Cayman Islands (“**Cayman**”); it is undertaking commercial activities independent from the Cayman government with ownership of its assets and the capacity independently to assume civil liabilities, and each of the Issuer and its Subsidiaries and each of their respective assets and properties does not enjoy any sovereign, crown or other immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment or attachment in and of execution or otherwise) under the laws of its jurisdiction of incorporation and the submission to the jurisdiction of the courts of Hong Kong in the Issue Documents and the Bonds (where applicable) is or on the Closing Date, as the case may be, will be valid and binding on it;
3. **Validity of Issue Documents:** the Issuer has full power and authority to enter into and perform its obligations under the Bonds and the Issue Documents, and this Agreement has been duly authorised, executed and delivered by it and constitutes, and the other Issue Documents to which it is a party have been duly authorised by it and upon due execution and delivery prior to or on the Closing Date will constitute its valid and legally binding and enforceable obligations subject, as to enforceability only, to the laws of insolvency, bankruptcy, administration, moratorium, reorganisation and other laws affecting creditors’ rights generally and to general principles of equity;
4. **Validity of Bonds:** the Bonds have been duly authorised by the Issuer and, when duly executed, authenticated, issued and delivered in accordance with the Trust Deed and their entry into the register, the Bonds will constitute valid and legally binding obligations of the Issuer;
5. **Status:** the Bonds (when issued) will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and the payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations;
6. **Laws and Regulations:** the Issuer will comply with all applicable laws and regulations in connection with the Exchange Offer or the issue, offering and placement of the Bonds;
7. **Consents:** no consent, approval, authorisation, filing with or order of any court or arbiter or governmental or regulatory agency or body or other action or thing is required to be taken, fulfilled or done (including without limitation the obtaining of any governmental, regulatory and judicial or third-party consent or licence or the making of any filing or registration) for the issue of the Bonds, the conduct and consummation of the Exchange Offer, the execution and delivery of the Issue Documents, the carrying out of the other transactions contemplated by the Issue Documents, the Bonds and the Exchange Offer or the compliance by it (as applicable) with the terms of the Bonds and the Issue Documents, as the case may be.
8. **Compliance:** the execution and delivery of the Issue Documents, the issue of the Bonds, the conduct and consummation of the Exchange Offer, the carrying out of the other transactions contemplated by the Issue Documents and the Bonds and compliance with their terms do not and will not:
  - 8.1 conflict with or result in a breach of any of the terms or provisions of, or constitute a default (nor has any event occurred which, with the giving of notice and/or the lapse of time and/or the fulfilment of any other requirement would result in a default by the Issuer or any member of the Group) under, (a) the documents constituting it, or (b) any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other financing agreement or

- instrument to which the Issuer or any member of the Group is a party or by which any of their respective properties are bound or to which any of the Issuer's or any member of the Group's property or assets is subject (collectively the "Financing Instruments"); or
- 8.2 infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign, having jurisdiction over the Issuer or any member of the Group or any of their respective properties;
  - 8.3 infringe the rules of any stock exchange on which securities of the issuer are listed;
  - 8.4 require any approval or the sanction or consent of the shareholders of the Issuer or any other members of the Group; or
  - 8.5 result in the creation or imposition of any encumbrance or other restriction upon any assets of any member of the Group;
9. **Absence of Default and Conflicts:** neither the Issuer nor any member of the Group is in breach, violation of or in default (nor has any event occurred which, with the giving of notice and/or lapse of time and/or fulfilment of any other requirement would result in a default by the Issuer or any member of the Group) under:
- 9.1 its constitutional documents; or
  - 9.2 the Financing Instruments; or
  - 9.3 any law, regulation, agreement, licence, certificate or authorisation applicable to the Issuer or any member of the Group of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Issuer, or any member of the Group, or any of their assets and properties, which would, individually or in the aggregate, have a Material Adverse Effect;
10. **Restrictions:** subject to the provisions of the Terms and Conditions and the Trust Deed, there are no restrictions on transfers of the Bonds under Cayman Islands laws or Hong Kong laws, or pursuant to the Issuer's constitutional documents, or pursuant to any agreement or other instrument to which the Issuer is a party or by which it may be bound;
11. **No Winding-up:** no winding up or liquidation proceedings have been commenced against any of its Subsidiaries, and no proceedings have been started for the purpose of, no winding up or liquidation orders have been made by any court against the Issuer, and no judgment has been rendered declaring that the Issuer or any of its Subsidiaries is bankrupt or is in an insolvency proceeding; save for the Court Proceedings, none of the Issuer or its Subsidiaries (collectively, the "Group") has taken any action nor have any legal proceedings been started or, to the best of the Issuer's knowledge after due and careful inquiry, threatened against any member of the Group for it to enter into any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, trustee, administrator or similar officer of any of them, or any of their respective Assets (as defined below) or revenues, and each member of the Group can pay its debts as and when they fall due for payment;
12. **No Debt Default:** each member of the Group is currently in compliance with all financial covenants in its outstanding indebtedness and (i) is not in breach or potential breach of any provision of such indebtedness, (ii) will not be in breach or potential breach of any provision of such indebtedness following issuance of the Bonds and (iii) no event has occurred which, with the giving of notice and/or passage of time and/or the fulfilment of any other requirement would result in a default by any of the Issuer or any other member of the Group, except for any breach, potential breach or occurrence which would not, individually or in the aggregate, have a Material Adverse Effect;
13. **Accounting Controls:** the Issuer has established procedures which provide a basis for it to make proper judgements as to the financial position and prospects of the Group, taken as a whole, and each of it and such members of the Group maintains a system of internal accounting controls sufficient to provide reasonable assurances that:
- 13.1 transactions are executed in accordance with management's general or specific authorisations;

- 13.2 transactions are recorded as necessary to permit preparation of financial statements in conformity with the accounting standards applicable to and adopted by it in the relevant jurisdiction and to maintain asset accountability;
  - 13.3 access to assets is permitted only in accordance with management's general or specific authorisation;
  - 13.4 the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
  - 13.5 each member of the Group has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of its consolidated financial statements in accordance with the general accepted accounting principles of the U.S.; and
  - 13.6 the Issuer's current management information and accounting control system has been in operation for at least 12 months during which time neither the Issuer nor any of its Subsidiaries have experienced any material difficulties with regard to paragraphs 13.1 to 13.5 above;
14. **Contingent Liabilities:** there are no outstanding guarantees or contingent payment obligations of the Group in respect of indebtedness of any party other than a member of the Group which would, individually or in the aggregate, result in a Material Adverse Effect; each member of the Group is in compliance with all of its obligations under any outstanding guarantees in all material respects;
15. **Off-balance Sheet Arrangements:** neither the Issuer nor any other member of the Group has any material relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by it or any member of the Group, such as structured finance entities and special purpose entities that could have a material effect on its or any member of the Group's liquidity or the availability thereof or the requirements of it or any member of the Group for capital resources;
16. **Title:**
- 16.1 the Issuer and each member of the Group has good and valid title to all real property, personal property and any other assets owned by it or any rights or interests thereto, in each case as is necessary to conduct the business now operated by it or are material to its operations ("**Assets**") except where any title defect would not, individually or in the aggregate have a Material Adverse Effect;
  - 16.2 the Issuer and each member of the Group has obtained all necessary approvals in order to have good and valid title to its Assets, including without limitation approvals relating to the evaluation, acquisition and perfection of such title, except where failure to receive such approval would not, individually or in the aggregate have a Material Adverse Effect; and
  - 16.3 there are no charges, liens, encumbrances or other security interests or third party rights or interests, conditions, planning consents, orders, regulations, defects or other restrictions affecting any of such Assets which could have a material adverse effect on the value of such Assets, or limit, restrict or otherwise have a material adverse effect on the ability of the relevant member of the Group to utilise or develop any such Assets and, where any such Assets are held under lease, each lease is a legal, valid, subsisting and enforceable lease, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and general principles of equity;
17. **Approvals:**
- 17.1 the Issuer and each member of the Group possesses all necessary certificates, authorisations, licences, orders, consents, approvals or permits ("**Approvals**") issued by, and has made all declarations and filings with, all appropriate national, state, local and other governmental agencies or bodies, all exchanges and all courts and other tribunals, domestic or foreign, necessary to own or lease, as the case may be, and to operate its properties and to conduct the business now operated by them except where failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect;

- 17.2 the Issuer and each member of the Group is in compliance with the terms and conditions of all such Approvals, except where non-compliance would not, individually or in the aggregate, have a Material Adverse Effect;
- 17.3 all of the Approvals are valid and in full force and effect; and
- 17.4 neither the Issuer nor any member of the Group has received any notice of proceedings relating to the revocation or modification of any such Approvals or is otherwise aware that any such revocation or modification is contemplated or threatened, except where such revocation or modification would not, individually or in the aggregate have a Material Adverse Effect;

**18. Taxes and Assessments:**

- 18.1 all returns, reports or filings which ought to have been made by or in respect of the Issuer and each member of the Group for taxation purposes have been made unless failure to do so would not, individually or in the aggregate, have a Material Adverse Effect, and all such returns are correct and on a proper basis and are not the subject of any dispute with the relevant revenue or other appropriate authorities which if determined adversely to the Issuer or any member of the Group, individually or in the aggregate would have a Material Adverse Effect and do not reveal any circumstances likely to give rise to any such dispute and the provisions, charges, accruals and reserves included in the financial statements are sufficient to cover all taxation of the Issuer and each member of the Group existing in all accounting periods ended on or before the accounting reference date to which the financial statements relate whether payable then or at any time thereafter. No liability for tax which has not been provided for in the Issuer's or any member of the Group's financial statements has arisen or has been asserted by the tax authorities against it or any member of the Group;
- 18.2 the Issuer and each member of the Group has duly and in a timely manner paid all taxes that have become due, including, without limitation, all taxes reflected in the tax returns referred to in sub-Clause 18.1 above, or any assessment or notice, either formal or informal, received by the relevant member of the Group; and
- 18.3 save as disclosed in Schedule 4 (*Taxation*), it is not necessary for (a) this Agreement, the other Issue Documents or the Bonds to be filed, registered or recorded with, or executed or notarised before, any court or other authority in the United Kingdom, Cayman, the United States, Hong Kong or the PRC, or (b) the entry into of this Agreement, the other Issue Documents, or the Bonds to bear any stamp, registration or similar tax, to ensure the legality, validity, enforceability and admissibility in evidence of this Agreement, the other Issue Documents, or the Bonds in the United Kingdom, Cayman, the United States, Hong Kong or the PRC;
19. **Taxes/Duties:** save as disclosed in Schedule 4 (*Taxation*), no tax or duty (including any stamp or issuance or transfer tax or duty, any service tax and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is assessable or payable in, and no withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature is imposed or made for or on account of any income, registration, transfer, service or turnover taxes, customs or other duties or taxes of any kind, levied, collected, withheld or assessed by or within, the United Kingdom, Cayman, the United States, Hong Kong, the PRC, or any other relevant jurisdiction or by any sub-division of or authority therein or thereof having power to tax, in connection with the creation, issue and offering of the Bonds, the conduct and consummation of the Exchange Offer, or the execution or delivery of any of the Issue Documents or the performance of the obligations thereunder;
20. **Litigation:** save for the Court Proceedings, there are no other pending actions, suits or proceedings against or affecting the Issuer or any member of the Group or any of their respective properties, which if determined adversely to the Issuer or any member of the Group would individually or in the aggregate have a Material Adverse Effect and, to the best of the Issuer's knowledge (after due and careful enquiry), no such actions, suits or proceedings are threatened or contemplated. Save for the Court Proceedings, there is no order, decree or judgment of any court or governmental agency or regulatory body outstanding or to the best of the Issuer's knowledge (after due and careful enquiry), anticipated against it or any other member of the Group which if determined adversely to it or any other member of the Group would individually or in the aggregate have a Material Adverse Effect;

21. **Investigation:** save for the Court Proceedings, there are no police, legal, governmental or regulatory investigations nor any pending actions, suits or proceedings against or affecting the Issuer or any member of the Group or any of their respective executive directors, officers, properties, or employees, which, if determined adversely to the Issuer or any member of the Group or any of their respective executive directors, officers, properties or employees would individually or in the aggregate have a Material Adverse Effect and, to the best of the Issuer's knowledge (after due and careful enquiry), no such investigations, actions, suits or proceedings are threatened or contemplated;
22. **Insurance:** the Issuer and each member of the Group has in place all insurance policies customary for the conduct of their businesses as currently operated and for compliance with all requirements of law, such policies are in full force and effect, and all premiums with respect thereto have been paid, and no notice of cancellation or termination has been received with respect to any such policy, and the Issuer and each member of the Group has complied in all material respects with the terms and conditions of such policies, except to the extent that any cancellation or termination would not, individually or in the aggregate, have a Material Adverse Effect, and each of the Issuer and the other members of the Group has complied with the terms and conditions of such policies in all material respects;
23. **Intellectual Property:** the Issuer and each member of the Group owns or possesses, adequate patents, patent rights, licences, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") necessary or used in any material respect to carry on the business now operated by it in each country in which it operates, and neither the Issuer nor any member of the Group has received any notice or is otherwise aware of any infringement of or conflict in any jurisdiction with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect the interest of the Issuer or any member of the Group therein, except where any such infringement or conflict would not, individually or in the aggregate, have a Material Adverse Effect;
24. **Environmental laws:**
- 24.1 the Issuer and each member of the Group (a) has received, is in compliance with and will comply with, all permits, licences or other approvals required of them, under applicable Environmental Laws (as defined below) to conduct their respective businesses; (b) has not received notice of any actual or potential liability under applicable Environmental Laws; and (c) (A) is not the subject of any investigation; (B) is not a party to or affected by any pending or, to its best knowledge after due enquiry, threatened action, suit or proceeding; (C) is not bound by any judgment, decree or order; and (D) has not entered into any agreement, in each of (A) through (D) above relating to any alleged violation of any Environmental Laws or any actual or alleged release or threatened release or clean up at any location of any Hazardous Materials (as defined below), except where any of (a) through (c) above would not, individually or in the aggregate, have a Material Adverse Effect;
- 24.2 there are no costs or liabilities, and, to the best of the Issuer's knowledge (after due enquiry), there are no known circumstances that could give rise to any costs or liabilities, associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, licence or approval, any related constraints on operating activities and any potential liabilities to third parties) except where any such costs or liabilities or known circumstances that could give rise to any costs or liabilities, associated with Environmental Laws would not, individually or in the aggregate, have a Material Adverse Effect; and

for the purpose of this Clause, "**Environmental Laws**" means any and all supra-national, national, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licences, agreements or other governmental restrictions relating to the protection of the environment (including, without limitation, human, animal and plant life, ambient air, surface water, ground water, or land), the protection of property and proprietary rights or for the compensation of harm to the environment whether by clean-up, remediation, containment or other treatment or the payment of monies to any competent authority, including those relating to the distribution, processing, generation, treatment, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials, and

for the purpose of this Clause, “**Hazardous Materials**” means any material (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) that is regulated by or may give rise to liability under any Environmental Laws;

25. **Events of Default:** no event has occurred or circumstance arisen which, had the Bonds already been issued, could reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under “Events of Default” in the Terms and Conditions of the Bonds;
26. **Labour Disputes:** no labour dispute with the employees of the Group exists or, to the Issuer’s knowledge (after due and careful enquiry) is imminent which individually or in aggregate would have a Material Adverse Effect;
27. **Information:** all information supplied or disclosed in writing or orally including, without limitation, the answers and documents provided at due diligence meetings (and any new or additional information serving to update or amend such information supplied or disclosed by the Issuer to the Placing Agent or the legal and other professional advisers to the Placing Agent) is in every material particular true and accurate and not misleading in the context of the Placement and the Exchange Offer and all forecasts, opinions and estimates relating to it and each member of the Group so supplied or disclosed have been made after due, careful and proper consideration, are based on reasonable assumptions and represent reasonable and fair expectations honestly held based on facts known to such persons (or any of them); there has been no development or occurrence relating to the Issuer’s financial or business condition or prospects (including, without limitation, with respect to any corporate event, acquisition, disposal or related matter) which is not in the public domain and which would reasonably be expected to be material to potential purchasers of the Bonds (including, without limitation, significant effect on the price or value of the Existing Bonds, the Bonds or the Exchange Offer, as the case may be); and the Issuer has disclosed all information regarding its financial or business condition or prospects, which is relevant and material in relation to it and the Group;
28. **No Fiduciary Relationship:** the Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds and the Exchange Offer pursuant to this Agreement, including the determination of the issue of the Bonds and any related discounts and commissions, is an arm’s-length commercial transaction between the Issuer, on the one hand, and the Placing Agent, on the other hand; (ii) in connection with the Placement and the Exchange Offer, the Placing Agent is and has been acting solely as principal and is not the agent or fiduciary of the Issuer or any of its stockholders, creditors, employees or any other party;
- (iii) the Placing Agent has not assumed nor will they assume an advisory or fiduciary responsibility in favour of the Issuer with respect to the Placement, the Exchange Offer or the processes leading thereto (irrespective of whether the Placing Agent has advised or is currently advising the Issuer on other matters) and the Placing Agent has no obligation to the Issuer with respect to the Placement or the Exchange Offer except the obligations expressly set forth in this Agreement; (iv) the Placing Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Issuer; and
- (v) the Placing Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Placement and the Exchange Offer and the Issuer has consulted its own legal, accounting, regulatory and tax advisers to the extent they deemed appropriate. This Agreement supersedes any prior agreement or understanding (whether written or oral) between the Issuer and the Placing Agent with respect to the subject matter of this Clause;
29. **Relevant Public Information:**
- 29.1 There is no information relating to the Group which any member of the Group is required to publish or make available to the public (including under applicable listing requirements), whether to correct a misleading impression or otherwise to avoid behaviour which would constitute market misconduct (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) which has not been published; and
- 29.2 the Issuer and its respective directors or officers are not aware of any non-public fact or circumstance that, if made public, could be expected to have a material adverse effect upon the market price of the its Shares;
30. **Announcements:** with respect to all announcements issued by the Issuer (the “**Announcements**”): (i) all statements contained therein were in every material particular true and accurate and not misleading; (ii) all opinions and intentions expressed in them were honestly held, were reached after considering all

relevant circumstances and were based on reasonable assumptions; and (iii) there were no other facts omitted so as to make any such statement or expression in any of the announcements misleading in any material respect or which would or might have been material in the context in which the announcements were made;

31. **Immunity:** none of the Issuer or any other member of the Group or any of its respective assets or properties has any immunity in respect of its obligations under the Issue Documents or the Bonds, as applicable, or from the jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment or attachment in aid of execution or otherwise) under the laws of the Cayman Islands, Hong Kong or the PRC;
32. **Anti-Money Laundering and Anti-terrorism:** the operations of the Issuer and each member of the Group are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable anti-money laundering and anti-terrorism statutes of all jurisdictions where the Issuer or any member of the Group conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency (collectively, the “**Anti-Money Laundering and Anti-Terrorism Laws**”) and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Issuer or any member of the Group with respect to the Anti-Money Laundering and Anti-Terrorism Laws is pending or, to the knowledge of the Issuer and each member of the Group (after due and careful enquiry), threatened;
33. **No Unlawful Payments:** neither the Issuer nor any member of the Group nor any director, officer, or to the knowledge of the Issuer and each member of the Group (after due and careful inquiry), employee of the Issuer or any member of the Group nor, any agent, affiliate or other person associated with or acting on behalf of the Issuer or any member of the Group has (i) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government- owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti- corruption laws; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Issuer and each member of the Group have instituted, and maintain and enforce, policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws;
34. **No prohibition on payment of dividends:** no Subsidiary of the Issuer is currently prohibited, directly or indirectly, from paying any dividends to the Issuer, from making any other distribution on such Subsidiary’s capital stock, from repaying to the Issuer any loans or advances to such Subsidiary from the Issuer or from transferring any of such Subsidiary’s property or assets to the Issuer;
35. **Sanctions:** neither the Issuer nor any member of the Group, directors, officers or to the knowledge of the Issuer and each member of the Group (after due and careful enquiry), employees, nor, any agent, or affiliate or other person associated with or acting on behalf of the Issuer or any member of the Group is an individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership or entity (a “**Person**”) that is, or is owned or controlled by Persons that are, currently the subject or the target of any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“**OFAC**”) or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council (“**UNSC**”), the European Union, His Majesty’s Treasury (“**HMT**”), or other relevant sanctions authority (collectively, “**Sanctions**”), nor is the Issuer nor any member of the Group located, organized or resident in a country, region or territory that is the subject or the target of Sanctions, including, without limitation, the Crimea region, Cuba, Iran, North Korea, Sudan and Syria (each, a “**Sanctioned Country**”); For the past 5 years, the Issuer and each member of the Group have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing

or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country;

36. **Foreign Issuer and U.S. Market Interest:** the Issuer is a “foreign issuer” (as such term is defined in Regulation S) which reasonably believes that there is no “substantial U.S. market interest” (as defined in Regulation S) in its “debt securities” (as defined in Rule 902 under the Securities Act);
37. **Directed Selling Efforts:** neither the Issuer nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on behalf of any of them has engaged in any “directed selling efforts” (as defined in Regulation S) with respect to the Bonds; and
38. **No Registration:** no registration of the Bonds under the Securities Act will be required for the offer, sale and delivery of the Bonds by the Placing Agent in the manner contemplated by this Agreement (including without limitation complying with the provisions in Schedule 1 (*Representations and Warranties*)).

**SCHEDULE 2**  
**TERMS AND CONDITIONS OF THE BONDS**

*The following are the terms and conditions of the Bonds substantially in the form in which they (other than the text in italics) will be endorsed on the definitive Certificates and referred to in the Global Certificate.*

The CNY360,000,000.00 4.25 per cent. bonds due 2024 (the “**Bonds**”, which expression, unless the context requires otherwise, includes any further securities issued pursuant to Condition 15 and to be consolidated and forming a single series therewith) of Fang Holdings Limited (房天下控股有限公司) (the “**Issuer**”) are constituted by a trust deed (as amended, stated, replaced and/or supplemented from time to time, the “**Trust Deed**”) dated on 13 October 2023 (the “**Issue Date**”) made between the Issuer and China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as trustee (in such capacity, the “**Trustee**”, which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Trust Deed) for itself and the Holders (as defined below). The statements in these terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed.

The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer dated 28 September 2023.

Copies of the Trust Deed and the agency agreement (as amended, restated, replaced and/or supplemented from time to time, the “**Agency Agreement**”) dated on or about 13 October 2023 made between the Issuer, the Trustee, China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successors appointed under the Agency Agreement), China Construction Bank (Asia) Corporation Limited (中國建設銀行(亞洲)股份有限公司) as registrar (the “**Registrar**”, which expression shall include any successors appointed under the Agency Agreement) and as transfer agent (the “**Transfer Agent**”, which expression shall include any successors appointed under the Agency Agreement) and any other Agents appointed thereunder are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) by the Holders at the specified office of the Principal Paying Agent (being as at the date of issue of the Bonds at 3/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong) following prior written request and proof of holding to the satisfaction of the Principal Paying Agent. References herein to “**Paying Agents**” includes the Principal Paying Agent, and “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time under the Agency Agreement with respect to the Bonds. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these terms and conditions (these “**Conditions**”) will have the meanings given to them in the Trust Deed.

## **1 FORM, SPECIFIED DENOMINATION AND TITLE**

The Bonds are issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each an “**Authorised Denomination**”). The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 3(b), each Certificate shall represent the entire holding of Bonds by the same Holder.

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, “**Bondholder**” or, in respect of any Bond, “**Holder**” means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name*

*of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. These Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds evidenced by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.*

## **2 STATUS**

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law, at all times rank at least equally with all its other present and future unsubordinated obligations.

## **3 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES**

### **(a) Register**

The Issuer will cause the register (the “**Register**”) to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names and addresses of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds. Each Holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

### **(b) Transfer**

Subject to the Agency Agreement and Conditions 3(e) and 3(f) herein, a Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of the Registrar or any Transfer Agent and with any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer.

In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in an Authorised Denomination) and a further new Certificate in respect of the balance of the holding not transferred (which shall be in an Authorised Denomination) shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

### **(c) Delivery of New Certificates**

Each new Certificate to be issued upon transfer of Bonds pursuant to Condition 3(b) shall be made available for delivery within seven business days of receipt by the Registrar or the Transfer Agent of a duly completed form of transfer and surrender of the existing Certificate(s) and provision of any other evidence required by the Registrar or the relevant Transfer Agent as provided in Condition 3(b). Delivery of the new Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate and evidence shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c), “**business day**” means a day, other than a Saturday, Sunday or public holiday, on which banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

### **(d) Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any Agent may require) in respect of any taxes, duties or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

**(e) Closed Periods**

No Holder may require the transfer of a Bond to be registered (i) during the period of seven business days ending on (but excluding) the due date for any payment of principal (or premium) in respect of that Bond; or (ii) during the period of seven business days ending on (and including) any Record Date (as defined in Condition 7(a)); or (iii) during the period of seven days prior to (and including) any date on which Bonds may be called for redemption by the Issuer pursuant to Condition 6(b).

**(f) Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available (free of charge to the Holders and at the Issuer's expense) by the Registrar to any Holder who requests one in writing and provides proof of holding and identity to the satisfaction of the Registrar.

**4 COVENANTS**

**(a) Negative Pledge**

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of its Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

**(b) Compliance Certificate**

So long as any Bond remains outstanding (as defined in the Trust Deed) the Issuer will furnish the Trustee with a Compliance Certificate of the Issuer (on which the Trustee may rely conclusively as to such compliance) within 150 days of the end of each period of twelve months ending on the last day of the Issuer's financial year (being 31 December of that financial year) and within 14 days of any request therefor from the Trustee.

**(c) Definitions**

In these Conditions:

“**Authorised Signatory**” means any director or any other officer of the Issuer who has been duly authorised by the board of directors of the Issuer to sign any certificate or document required in connection with the Bonds on behalf of, and so as to bind, the Issuer and which the Issuer has notified in writing to the Trustee and the Agents as provided in the Agency Agreement;

“**CNY**” or “**Renminbi**” denotes the lawful currency of the PRC;

“**Compliance Certificate**” means a certificate in English of the Issuer substantially in the form scheduled to the Trust Deed signed by an Authorised Signatory of the Issuer that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (i) no Event of Default (as defined in Condition 9) or Potential Event of Default (as defined in the Trust

Deed) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it and the action which the Issuer proposes to take with respect thereto; and

(ii) the Issuer has complied with all its obligations under the Trust Deed and the Bonds or, if any non-compliance had occurred, giving details of it;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**person**” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

“**PRC**” means the People’s Republic of China, which shall for the purpose of these Conditions only, exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**Relevant Indebtedness**” means any indebtedness outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“**Subsidiary**” means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person and one or more other Subsidiaries of such person; or (b) any corporation, association and other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person; and

“**Voting Stock**” means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

## 5 INTEREST

### (a) Interest Rate and Interest Payment Dates

The Bonds bear interest on their outstanding principal amount from and including 13 October 2023 at the rate of 4.25 per cent. per annum, payable in arrear on 11 October 2024 (the “**Interest Payment Date**”, as may be adjusted according to the following sentence). If the Interest Payment Date would otherwise fall on a day which is not a business day (as defined below), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Holders, and (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Conditions).

In these Conditions, the period beginning on and including 13 October 2023 and ending on but excluding the Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per CNY10,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the actual number of days in the relevant Interest Period (or such other period) divided by 365, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

In this Condition 5, the expression “**business day**” means a day (other than a Saturday, Sunday or public holiday)

upon which commercial banks are generally open for business and settlement of Renminbi payments in Hong Kong and Beijing.

## **6 REDEMPTION AND PURCHASE**

### **(a) Final Redemption**

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 11 October 2024 (the “**Maturity Date**”). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

### **(b) Redemption for Taxation Reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount (together with any interest accrued to (but excluding) the date fixed for redemption) if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations (including but not limited to any decision by a court of competent jurisdiction), which change or amendment becomes effective on or after 10 October 2023, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (A) a certificate in English signed by an Authorised Signatory of the Issuer stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer taking reasonable measures available to it, and (B) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments and opinion. The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively upon (without further investigation or enquiry) such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b), in which event they shall be conclusive and binding on the Bondholders and the Trustee shall be protected and shall have no liability to any Bondholder or any other person for so accepting and relying on such certificate or opinion.

### **(c) Purchase**

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

### **(d) Notice of Redemption**

All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption and shall not be liable to Holders, the Issuer or any other person for not doing so.

### **(e) Cancellation**

All Certificates representing Bonds purchased by or on behalf of the Issuer and its Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

## 7 PAYMENTS

### (a) Method of Payment:

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the Principal Paying Agent or any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii) below.

(ii) Interest on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in Renminbi by transfer to the registered account of the relevant Bondholder. For the purposes of this Condition 7(a), a Bondholder's "**registered account**" means the Renminbi account maintained by or on behalf of such Bondholder with a bank in Hong Kong that processes payments in Renminbi, details of which appear on the Register at the close of business on the Record Date.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A. or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(b) **Payments Subject to Fiscal Laws:** Payments will be subject in all cases to (i) any fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation:** Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that is not a Payment Business Day, on the following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Payment Business Day on which the Principal Paying Agent is open for business and on or following which the relevant Certificate is surrendered.

(d) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and (to the extent provided for in the Trust Deed and/or the Agency Agreement) the Trustee and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a

Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any stock exchange on which the Bonds may be listed.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders.

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, if the Bondholder is late in surrendering or cannot surrender its Certificate.

(f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Beijing, Hong Kong and the place in which the specified office of the Principal Paying Agent is located.

## 8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds or the Trust Deed shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the PRC or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levies, collected or withheld or assessed by or within the PRC at the rate of up to and including the aggregate rate applicable on 10 October 2023 (the “**Applicable Rate**”), the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (i) **Other connection:** to a Holder (or to a third party on behalf of a Holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond; or
- (ii) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented (where presentation is required) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days.

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional Tax Amounts which may be payable under this Condition 8 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed and the Bonds.

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other

payment referred to in this Condition 8 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Bondholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent or any person that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## **9 EVENTS OF DEFAULT**

If an Event of Default (as defined below) occurs, the Trustee at its discretion may, and if so requested in writing by Holders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall have first been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest.

An “**Event of Default**” occurs if:

- (a) **Non-Payment:** there has been a failure to pay (i) the principal of the Bonds when due or (ii) any interest on the Bonds when due and such failure continues for a period of seven days; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds, the Agency Agreement or the Trust Deed, which default (i) is in the opinion of the Trustee incapable of remedy or, (ii) if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after the Trustee has given written notice thereof to the Issuer.

## **10 PRESCRIPTION**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8) in respect of them.

## **11 REPLACEMENT OF CERTIFICATES**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## **12 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER, AUTHORISATION, DETERMINATION AND ENTITLEMENT OF TRUSTEE**

### **(a) Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of the Bondholders (and of passing Written Resolutions (as defined in the Trust Deed) or Electronic Resolutions) to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee, upon request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever

the principal amount of the Bonds held or represented unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, including consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution; (ii) a resolution in writing signed by or on behalf of the Bondholders of not less than 80 per cent. in aggregate principal amount of the Bonds for the time being outstanding; and (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Holders of not less than 80 per cent. in aggregate principal amount of the Bonds for the time being outstanding shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. Any Extraordinary Resolution duly passed shall be binding on all Bondholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

The Trust Deed provides that, for so long as the Bonds are represented by the Global Certificate, any Extraordinary Resolution (including where passed by a Written Resolution) may be passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the relevant number of required Bondholders for such Extraordinary Resolution.

“**Electronic Resolution**” means any Extraordinary Resolution of the Bondholders passed by way of consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee), as described in this Condition 12 and as further described in, and as defined in, the Trust Deed.

**(b) Modification, Waiver, Authorisation and Determination**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Bonds, as applicable, is not materially prejudicial to the interest of the Bondholders, or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law. Any such modification, waiver or authorisation shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16. The Trustee may request and conclusively rely upon a certificate signed by an Authorised Signatory and/or an opinion of counsel concerning the compliance with the above conditions in respect of any modification, waiver and/or authorisation.

**(c) Entitlement of the Trustee**

In connection with the exercise of its functions, duties, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require on behalf of the Trustee, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

At any time after the Bonds become due and payable, the Trustee may, at its absolute discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and/or the Bonds, but it need not take any such actions and/or steps and/or institute any proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**14 INDEMNIFICATION OF THE TRUSTEE AND THE AGENTS**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps, actions or proceedings or other actions to enforce its rights under the Trust Deed, the Agency Agreement and in respect of the Bonds and to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction.

Each of the Trustee and its affiliates is entitled to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Bondholders. The Trustee and its affiliates are entitled (i) to enter into business transactions with the Issuer and/or any related entity without accounting for any profit, (ii) to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and any entity related to the Issuer and its affiliates,

(iii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and (iv) to retain and not to be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and each Agent may rely conclusively without liability to Holders or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept and shall be entitled to rely conclusively on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer and the Holders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking or refraining from any such action, making any such decision or giving any such direction or certification, to seek directions from the Bondholders by way of Extraordinary Resolution or clarification of any directions, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision or giving such direction or clarification of any directions as a result of seeking such direction or clarification from the Bondholders or in the event that no direction or clarification is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer and any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee and the Agents shall be entitled to rely conclusively on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of

Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed or by way of Written Resolution or Electronic Resolution.

None of the Trustee or any of the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor whether an Event of Default or a Potential Event of Default has occurred, and shall not be responsible or liable to the Issuer, the Holders or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **15 FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bondholders and in accordance with the Trust Deed, create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects save for the first payment of interest on them) and so that the same shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further securities issued pursuant to this Condition 15. Any further securities forming a single series with the outstanding Bonds will be constituted by a deed supplemental to the Trust Deed.

## **16 NOTICES**

All notices to the Holders will be valid if mailed to them by uninsured mail at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV or Clearstream Banking S.A. or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the Holders shall be validly given by the delivery of the relevant notice to Euroclear Bank SA/NV or Clearstream Banking S.A. or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by these Conditions.*

## **17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

## **18 GOVERNING LAW AND JURISDICTION**

### **(a) Governing Law**

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

### **(b) Jurisdiction**

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed, irrevocably submitted to the exclusive jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

### **(c) Agent for Service of Process**

The Issuer has irrevocably appointed in the Trust Deed an agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds. If for any reason the Issuer ceases to have such an agent in Hong Kong, it will promptly appoint a substitute process agent and will notify the Trustee of such appointment within 14 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**(d) Waiver of Immunity**

The Issuer has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) or any order or judgment made or given in connection with any Proceedings.

**SCHEDULE 3  
FORM OF CLOSING CERTIFICATE**

**CNCB (Hong Kong) Capital Limited**  
(信銀 (香港) 資本有限公司)  
2001-2005, 20/F and 10/F, AIA Central,  
1 Connaught Road Central, Central, Hong Kong

(the “**Placing Agent**”)

13 October 2023

Dear Sirs

**CNY360,000,000.00 4.25 per cent. Bonds due 2024  
(the “**Bonds**”)**

We, the “**Issuer**”, refer to the placing agreement dated 10 October 2023 (the “**Placing Agreement**”) in respect of the Bonds entered into between each of you and us. Expressions which are given defined meanings in the Placing Agreement have the same meanings herein.

As required by Clause 9.3.10 (*Conditions Precedent - Closing Certificates*) of the Placing Agreement, we hereby certify that:

- (a) there has, since the date of the Placing Agreement up to and including today’s date, been no change, or any development reasonably likely to involve a change, which has a material adverse effect on the condition (financial or otherwise), prospects, results of operations, business or general affairs of the Issuer or the Group or on the ability of the Issuer to perform its obligations under the relevant Issue Documents or the Bonds or which is material and adverse in the context of the Exchange Offer or the issue, offering or distribution of the Bonds;
- (b) the representations and warranties in Schedule 1 (*Representations and Warranties*) of the Placing Agreement are true and correct as though they had been made and given today with references to the facts and circumstances now subsisting; and
- (c) the Issuer has performed all of its obligations under the Placing Agreement to be performed on or before today’s date.

Yours faithfully,

**FANG HOLDINGS LIMITED (房天下控股有限公司)**

By: \_\_\_\_\_

Name:

Title:

**PRC**

*The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as (a) non-PRC Bondholders, or (b) beneficial owners who are entities or individuals located outside of the PRC in this “Taxation - PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.*

**Enterprise Income Tax**

The EIT Law and its implementation regulations, an enterprise established under the laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) with “de facto management bodies” within the territory of the PRC is considered a “PRC tax resident enterprise” for PRC enterprise income tax purposes and must pay PRC enterprise income tax at the rate of 25 per cent, in respect of their taxable income. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purpose of the EIT Law and be subject to PRC enterprise income tax at the rate of 25 per cent, on its taxable income.

As at the Closing Date, the Issuer confirmed that it has not received any notice or been informed by the PRC tax authority that they are considered as PRC resident enterprise for the purpose of the EIT Law.

However, there is no assurance that the Issuer will not be treated as a PRC resident enterprise under the EIT Law and related implementation regulation in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer acting as a withholding agent, who must withhold the tax amount from each payment. Accordingly, in the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer may be required to withhold income tax from the payments of interest in respect of the Bonds to any non-PRC Bondholder, and gain from the disposition of the Bonds may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent, for non-resident enterprise Bondholders without an establishment within the PRC or whose incomes have no connection to its establishment inside the PRC and 20 per cent. In the case of non-resident individuals, unless a lower rate is available under an applicable tax treaty.

**Value Added Tax**

On 23 March 2016, the MOF and the State Administration of Taxation (the “SAT”) issued the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業稅改徵增值稅試點的通知, Caishui [2016] No. 36, “Circular 36”), which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by and be subject to VAT.

According to Circular 36, entities and individuals providing services within the PRC are subject to VAT. The services potentially subject to VAT include the provision of financial services such as the provision of loans. Although the issuance of the Bonds is likely to be treated as financial services for VAT purposes, Circular 36 stipulates that services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. In connection with the issue of the Bonds, none of the Issuer and/or the Bondholders is located in the PRC.

However, Circular 36 and laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties, and the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

No PRC stamp duty will be imposed on non-PRC Bondholders either upon issuance of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of holders of the Bonds is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC.

## **Hong Kong**

### ***Withholding tax***

No withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Bonds or in respect of any capital gains arising from the sale of Bonds.

### ***Profits tax***

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the “**Inland Revenue Ordinance**”) as it is currently applied by the Inland Revenue Department, interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried in Hong Kong in the following circumstances:

- (a) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation (other than a financial institution) carrying on a trade, profession or business in Hong Kong; or
- (c) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Bonds will be subject to profits tax.

### ***Stamp duty***

No Hong Kong stamp duty will be chargeable for the issue and transfer of the Bonds.

### ***Estate duty***

No Hong Kong estate duty is payable in respect of the Bonds.

## **Cayman Islands**

Under the existing laws of the Cayman Islands, payments of interest, principal or premium on the Bonds will not be subject to taxation and no withholding will be required on the payment of interest, principal or premium to any holder of the Bonds, as the case may be, nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands are not party to any double taxation treaties.

No stamp duty is payable in respect of the issue of the Bonds. The holder of any Bonds (or a legal personal representative of such holder) whose Bonds are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Bonds. Certificates evidencing registered Bonds, to which title is not transferable by delivery, will be subject to Cayman Islands stamp duty. However, an instrument transferring title to a registered Bond, if brought to or executed in the Cayman Islands, would be subject to nominal Cayman Islands stamp duty. Stamp duty will be payable on any documents executed by the Issuer if any such documents are executed in or brought into the Cayman Islands or produced before the courts of the Cayman Islands.

**SCHEDULE 5  
SELLING RESTRICTIONS**

**1. General**

The Placing Agent will comply to the best of their knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession, in all cases at its own expense. The Issuer and the Placing Agent will have no responsibility for, and the Placing Agent will obtain any consent, approval or permission required by them for, the acquisition, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery of the Bonds. No Placing Agent is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds.

**2. United States**

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Placing Agent represents and warrants that it has not offered or sold, and agrees that it will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, neither the Placing Agent, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. Terms used in this paragraph have the meanings given to them by Regulation S.

The Placing Agent represents and warrants that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

**3. United Kingdom**

The Placing Agent represents, warrants and agrees that:

- (a) The Placing Agent has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) The Placing Agent has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

**4. Hong Kong**

The Placing Agent represents, warrants and agrees that (i) the Placing Agent has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) the Placing Agent has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

**5. The People’s Republic of China**

The Placing Agent represents, warrants and agrees that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

**6. Singapore**

The Placing Agent represents, warrants and agrees that the Placing Agent has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will the Placing Agent circulate or distribute any document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

**7. Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, the Placing Agent represents, warrants and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**8. Cayman Islands**

The Placing Agent represents, warrants and agrees that the Bonds will not be offered or sold to the public in the Cayman Islands.

SIGNATURES

*The Issuer*

FANG HOLDINGS LIMITED (房天下控股有限公司)

By: /s/ Jiangong Dai

Name: Jiangong Dai

Title: Director of the Board

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Signature page – Placing Agreement

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**CNCB (HONG KONG) CAPITAL LIMITED**

By: /s/ Luo Xuan

Name: Luo Xuan

Title: General Manager

By: /s/ ZHANG Dingfang

Name: ZHANG Dingfang

Title: Head of DCM

Signature page – Placing Agreement

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<b>Name</b>	<b>Place of Formation</b>	<b>Relationship</b>
Beijing Hong An Tu Sheng Network Technology Co., Ltd. (“Beijing Hong An”)	China	Wholly-owned subsidiary
Beijing Li Man Wan Jia Network Technology Co., Ltd. (“Beijing Li Man Wan Jia”)	China	Wholly-owned subsidiary
Beijing SouFun Network Technology Co., Ltd. (“Soufun Network”)	China	Wholly-owned subsidiary
Nanning Tian Xia Dai Microfinance Co., Ltd. (“Nanning Tian Xia Dai Microfinance”, (previously known as Beihai Tian Xia Dai Microfinance Co., Ltd.)	China	Wholly-owned subsidiary
Beijing Tuo Shi Huan Yu Network Technology Co., Ltd. (“Beijing Tuo Shi”)	China	Wholly-owned subsidiary
Best Work Holdings (New York) LLC	United States	Wholly-owned subsidiary
Best Fang Holdings LLC	United States	Wholly-owned subsidiary
Chongqing Tian Xia Dai Microfinance Co., Ltd. (“Chongqing Tian Xia Dai Microfinance”)	China	Wholly-owned subsidiary
Hangzhou SouFun Network Technology Co., Ltd. (“Hangzhou SouFun Network”)	China	Wholly-owned subsidiary
Hong Kong Property Network Limited	Hong Kong	Wholly-owned subsidiary
Shanghai BaoAn Enterprise Co., Ltd. (“Shanghai BaoAn Enterprise”)	China	Wholly-owned subsidiary
Shanghai BaoAn Hotel Co., Ltd. (“Shanghai BaoAn Hotel”)	China	Wholly-owned subsidiary
Shanghai SouFun Microfinance Co., Ltd. (“Shanghai SouFun Microfinance”)	China	Wholly-owned subsidiary
SouFun Media Technology (Beijing) Co., Ltd. (“SouFun Media”)	China	Wholly-owned subsidiary
Shanghai SouFun Fang Tian Xia Broking Co., Ltd. (“Shanghai Fang Tian Xia”)	China	
Tianjin Jia Tian Xia Microfinance Co., Ltd. (“Tianjin Jia Tian Xia Microfinance”)	China	Wholly-owned subsidiary
Beijing Hua Ju Tian Xia Network Technology Co., Ltd. (“Beijing Hua Ju Tian Xia”)	China	Consolidated controlled subsidiary
Beijing SouFun Science and Technology Development Co., Ltd. (“Beijing Technology”)	China	Consolidated controlled subsidiary
Beijing Yi Ran Ju Ke Technology Development Co., Ltd. (“Beijing Yi Ran Ju Ke”)	China	Consolidated controlled subsidiary
Beijing FTX Digital Technology Service Co., Ltd. (previously known as Fang Tian Xia Financial Information Service(Beijing) Ltd. )	China	Consolidated controlled subsidiary

<b>Name</b>	<b>Place of Formation</b>	<b>Relationship</b>
Shanghai Jia Biao Tang Real Estate Broking Co., Ltd. ("Shanghai JBT Real Estate Broking")	China	Consolidated controlled subsidiary
Wuhan SouFun Yi Ran Ju Ke Real Estate Agents Co., Ltd. ("Wuhan Yi Ran Ju Ke")	China	Consolidated controlled subsidiary

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**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: May 7, 2025

By: /s/ Jian Liu

Name: Jian Liu

Title: Chief Executive Officer

(principal executive officer)

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**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: May 7, 2025

By: /s/ Lili Chen

Name: Lili Chen

Title: Deputy Chief Financial Officer

(principal financial and accounting officer)

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**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, 2023 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: May 7, 2025

By: /s/ Jian Liu

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Name: Jian Liu

Title: Chief Executive Officer  
(principal executive officer)

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**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, 2023 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: May 7, 2025

By: /s/ Lili Chen

Name: Lili Chen

Title: Deputy Chief Financial Officer  
(principal financial and accounting officer)

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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

May 7, 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, 2023 (the “Annual Report”), which is filed with the Securities and Exchange Commission (the “SEC”) on May 7, 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

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**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 May 7, 2025, relating to the consolidated balance sheets of the Company as of December 31, 2022 and 2023, 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, 2023, and the related notes, which was included in the Company’s Annual Report on Form 20-F for the year ended December 31, 2023.

/s/ GGF CPA LTD

Guang Zhou, People’s Republic of China  
May 7, 2025

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## FANG HOLDINGS LIMITED

## CLAWBACK POLICY

**Introduction**

The Board of Directors (the “**Board**”) of Fang Holdings Limited (the “**Company**”) believes that it is in the best interests of the Company and its stockholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company’s pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation received in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the “**Policy**”). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the “**Exchange Act**”), the rules and amendments adopted by the Securities and Exchange Commission (the “**SEC**”) to implement the aforementioned legislation, and the listing standards of the national securities exchange on which the Company’s securities are listed.

**Administration**

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

**Covered Executives**

This Policy applies to the Company’s current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company’s securities are listed, and such other senior executives/employees who may from time to time be deemed subject to the Policy by the Board (“**Covered Executives**”).

**Recoupment; Accounting Restatement**

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, the Board will require reimbursement or forfeiture of any excess Incentive Compensation (as defined below) received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

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### **Incentive Compensation**

For purposes of this Policy, Incentive Compensation means any of the following; provided that such compensation is granted, earned, or vested based wholly or in part on the attainment of a financial reporting measure:

- Annual cash bonuses and other short- and long-term cash incentives
- Stock options
- Stock appreciation rights
- Restricted stock
- Restricted stock units
- Performance shares
- Performance units

Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures and may include, among other things, any of the following:

- Company stock price
- Total stockholder return
- Revenues
- Net income
- Earnings before interest, taxes, depreciation, and amortization (EBITDA)
- Liquidity measures such as working capital or operating cash flow
- Earnings measures such as earnings per share
- "Non-GAAP financial measures" for purposes of Exchange Act Regulation G and 17CFR 229.10

### **Excess Incentive Compensation: Amount Subject to Recovery.**

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Board.

If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement on the applicable measure.

### **Method of Recoupment**

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- requiring reimbursement of cash Incentive Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding vested or unvested equity awards; and/or
- taking any other remedial and recovery action permitted by law, as determined by the Board.

### **No Indemnification**

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

### **Interpretation**

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

### **Effective Date**

This Policy shall be effective as of the date it is approved by the Board (the "**Effective Date**") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date. This Policy shall apply to any excess Incentive Compensation received by Covered Executives during the three immediately completed fiscal years preceding the date on which a company is required to prepare an accounting restatement.

### **Amendment; Termination**

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with the rules and standards adopted by the SEC and the listing standards of any national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

### **Other Recoupment Rights**

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

### **Impracticability**

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and any applicable rules or standards adopted by the SEC and the listing standards of any national securities exchange on which the Company's securities are listed.

### **Successors**

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.