

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 20-F**

(Mark One)

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(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, 2020.

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal 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: **001-36396**

**Leju Holdings Limited**

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

Level G, Building G, No.8 Dongfeng South Road,  
Chaoyang District, Beijing 100016  
The People's Republic of China

(Address of principal executive offices)

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(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person) Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
American Depositary Shares, each representing one ordinary share, par value \$0.001 per share	LEJU	New York Stock Exchange
Ordinary shares, par value \$0.001 per share*		New York Stock Exchange

\* Not for trading but only in connection with the listing on the New York Stock Exchange of American depositary shares

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

None

(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.

136,326,020 ordinary shares (excluding the 3,726,733 ordinary shares issued to our depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan), par value \$0.001 per share, as of December 31, 2020.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No x

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 o No x

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 o No x

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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

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

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

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<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act o

<sup>†</sup>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. o

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

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

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 o Item 18 o

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 o No x

(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 o No o

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## INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, references in this annual report on Form 20-F to:

- “Leju”, “we”, “us”, “our company” and “our” are to Leju Holdings Limited, its subsidiaries and its consolidated variable interest entities;
- “ADSs” are to our American depositary shares, each of which represents one ordinary share;
- “Alibaba” are to Alibaba Group Holding Limited;
- “Beijing Leju” are to Beijing Yisheng Leju Information Services Co., Ltd.;
- “Beijing Jiajujiu” are to Beijing Jiajujiu E-Commerce Co., Ltd.;
- “Beijing Maiteng” are to Beijing Maiteng Fengshun Science and Technology Co., Ltd.;
- “China” or the “PRC” are to the People’s Republic of China, excluding, for the purposes of this annual report only, Hong Kong, Macau and Taiwan;
- “consolidated variable interest entity” are to each of our consolidated variable interest entities, namely each of Beijing Leju, Leju Hao Fang and Beijing Jiajujiu;
- “Exchange Act” are to the Securities Exchange Act of 1934, as amended;
- “E-House” are to E-House (China) Holdings Limited, a Cayman Islands exempted company with limited liability, and its predecessor entities;
- “E-House Enterprise” are to E-House (China) Enterprise Holdings Limited, a company registered in the Cayman Islands with limited liability and listed on the main board of the Hong Kong Stock Exchange (stock code: 2048);
- “O2O services” are to online to offline services, including in connection with the marketing of new residential properties by developers;
- “ordinary shares” to our ordinary shares, par value \$0.001 per share;
- “RMB” and “Renminbi” are to the legal currency of China;
- “Shanghai SINA Leju” are to Shanghai SINA Leju Information Technology Co., Ltd.;
- “Leju Hao Fang” are to Shanghai Leju Hao Fang Information Service Co., Ltd. (formerly known as Shanghai Yi Xin E-Commerce Co., Ltd.);
- “Shanghai Yi Yue” are to Shanghai Yi Yue Information Technology Co., Ltd.;
- “SINA” are to SINA Corporation;
- “Tencent” are to Tencent Holdings Limited or certain of its affiliates which have entered into agreements with us as described under “Item 7. Major Shareholders and Related Party Transactions—Related Party Transactions—Transactions and Agreements with Tencent”, as applicable;
- “U.S. dollars”, “\$”, and “dollars” are to the legal currency of the United States;
- “Weibo” are to SINA’s microblog; and
- “Weixin” are to Tencent’s social communication platform “wechat”.

## FORWARD-LOOKING STATEMENTS

This annual report on Form 20-F contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. 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”, “anticipate”, “aim”, “estimate”, “intend”, “plan”, “believe”, “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:

- our anticipated growth strategies;
- our future business development, results of operations and financial condition;
- expected changes in our revenues and certain cost or expense items;
- the impact of the COVID-19 on our business operations, the industries we are operating in and the economy of China and elsewhere generally;
- our ability to attract clients and further enhance our brand recognition; and
- trends and competition in the real estate services industry.

You should read thoroughly this annual report and the documents that we refer to in this annual report 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 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. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**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****A. Selected Financial Data****Selected Consolidated Financial Data**

The following selected consolidated statements of operations data for the years ended December 31, 2018, 2019 and 2020 and selected consolidated balance sheet data as of December 31, 2019 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this annual report. The selected consolidated financial data should be read 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 consolidated financial statements are prepared and presented in accordance with U.S. GAAP.

Our selected consolidated statement of operations data for the fiscal years ended December 31, 2016 and 2017 and our consolidated balance sheet data as of December 31, 2016, 2017 and 2018 have been derived from our audited consolidated financial statements not included in this annual report.

Our selected consolidated financial data also includes certain non-GAAP measures, which are not required by, or presented in accordance with U.S. GAAP, but are included because we believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry.

Our historical results do not necessarily indicate results expected for any future periods.

Selected Consolidated Statement of Operations Data	Year Ended December 31,				
	2016	2017	2018	2019	2020
	(in thousands of \$, except share and per share data)				
Revenues					
E-commerce	419,024	234,836	320,271	547,184	547,895
Online advertising	117,949	113,235	138,372	143,779	170,783
Listing	22,538	14,461	3,388	1,642	848
Total net revenues	559,511	362,532	462,031	692,605	719,526
Cost of revenues	(57,492)	(74,054)	(72,910)	(68,298)	(73,762)
Selling, general and administrative expenses	(521,797)	(434,276)	(402,258)	(607,165)	(622,026)
Goodwill impairment	—	(41,223)	—	—	—
Other operating income, net	4,587	3,072	2,163	598	381
Income (loss) from operations	(15,191)	(183,949)	(10,974)	17,740	24,119
Income (loss) before income taxes and income (loss) from equity in affiliates	(13,444)	(182,155)	(14,107)	19,871	31,687
Net income (loss)	(11,601)	(162,043)	(12,852)	10,872	20,998
Net income (loss) attributable to Leju Holdings Limited shareholders	(9,789)	(160,901)	(13,481)	11,522	19,302
Income (loss) per share:					
Basic	(0.07)	(1.19)	(0.10)	0.08	0.14
Diluted	(0.07)	(1.19)	(0.10)	0.08	0.14
Weighted average numbers of shares used in computation:					
Basic	135,220,210	135,708,350	135,763,962	135,770,793	136,070,785
Diluted	135,220,210	135,708,350	135,763,962	135,811,751	137,564,567

Selected Consolidated Balance Sheet Data	As of December 31,				
	2016	2017	2018	2019	2020
			(in thousands of \$)		
Cash and cash equivalents	274,338	150,968	147,263	159,012	284,489
Accounts receivable and contract assets, net of allowance for doubtful accounts	71,390	80,606	104,834	148,467	204,586
Total current assets	406,386	284,833	280,552	383,201	522,707
Intangible assets, net	78,374	70,631	57,401	45,581	34,213
Total assets	575,867	438,944	416,727	524,480	641,961
Amounts due to related parties	1,581	3,093	3,477	4,407	7,106
Total current liabilities	150,638	163,891	160,381	237,513	316,890
Total liabilities	169,507	181,907	175,161	272,121	347,176
Total Leju Holdings Limited shareholders' equity	408,469	260,303	244,089	255,401	295,927

### Non-GAAP financial Measures

The following table sets forth, for the periods specified, our adjusted income (loss) from operations, our adjusted net income (loss), and our adjusted net income (loss) attributable to Leju Holdings Limited shareholders. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance, formulate business plans, and make strategic decisions on capital allocation. These non-GAAP financial measures enable our management to assess our operating results without considering the impact of non-cash charges, including share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment. We also believe they are indicative of our operating performance and are used by investors and analysts to evaluate companies in our industry. These non-GAAP measures of our performance are not required by, or presented in accordance with, U.S. GAAP. Such measures are not a measurement of financial performance or liquidity under U.S. GAAP and should not be considered as an alternative to income from operations, net income or any other performance measures derived in accordance with U.S. GAAP or an alternative to cash flows from operating activities as a measure of liquidity. Our presentation of such measures may not be comparable to similarly titled measures presented by other companies. You should not compare such measures as presented by us with the presentation of such measures by other companies because not all companies use the same definition.

We define adjusted income (loss) from operations as income (loss) from operations before share-based compensation expense, amortization of intangible assets resulting from business combinations and goodwill impairment.

We define adjusted net income (loss) as net income (loss) before share-based compensation expense, amortization of intangible assets resulting from business combinations, goodwill impairment, and income tax impact on the share-based compensation expense, amortization of intangible assets resulting from business combinations, and goodwill impairment.

We define adjusted net income (loss) attributable to Leju Holdings Limited shareholders as net income (loss) before share-based compensation expense (net of non-controlling interests), amortization of intangible assets resulting from business combinations (net of non-controlling interests), goodwill impairment (net of non-controlling interests) and income tax impact on the share-based compensation expense, amortization of intangible assets resulting from business combinations, and goodwill impairment.

We determine the tax effect of the items excluded from adjusted net income (loss) and adjusted net income (loss) attributable to Leju Holdings Limited shareholders based upon evaluation of the statutory tax treatment and the applicable tax rate of the jurisdiction in which the pre-tax items were incurred, and for which realization of the resulting tax benefit, if any, is expected. In certain jurisdictions where we do not expect to realize a tax benefit (due to a history of operating losses or other factors resulting in a valuation allowance related to deferred tax assets), a 0% tax rate is applied. The tax rates reflected are appropriate based on the non-GAAP income reflected in the reconciliation table.

The use of the above non-GAAP financial measures has material limitations as an analytical tool, as they do not include all items that impact our income (loss) from operations, net income (loss), and net income (loss) attributable to Leju Holdings Limited shareholders for the period. We compensate for these limitations by providing the relevant disclosure of our share-based compensation expense, amortization of intangible assets resulting from business acquisitions and goodwill impairment in our reconciliations to the financial measures under U.S. GAAP, and in our consolidated financial statements, all of which should be considered when evaluating our performance.

The following table reconciles our adjusted income (loss) from operations, adjusted net income (loss) and adjusted net income (loss) attributable to Leju Holdings Limited shareholders in the periods presented to the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP:

	Year Ended December 31,				
	2016	2017	2018	2019	2020
	(in thousands of \$)				
Income (loss) from operations	(15,191)	(183,949)	(10,974)	17,740	24,119
Share-based compensation expense <sup>(1)</sup>	11,910	3,525	4,058	3,597	2,978
Amortization of intangible assets resulting from business acquisitions	12,329	13,333	13,064	12,611	11,180
Goodwill impairment	—	41,223	—	—	—
<b>Adjusted income (loss) from operations</b>	<b>9,048</b>	<b>(125,868)</b>	<b>6,148</b>	<b>33,948</b>	<b>38,277</b>
Net income (loss)	(11,601)	(162,043)	(12,852)	10,872	20,998
Share-based compensation expense <sup>(1)</sup>	11,910	3,525	4,058	3,597	2,978
Amortization of intangible assets resulting from business acquisitions	12,329	13,333	13,064	12,611	11,180
Goodwill impairment	—	41,223	—	—	—
Income tax benefits:					
Current	—	—	—	—	—
Deferred <sup>(2)</sup>	(4,272)	(2,144)	(3,266)	(3,153)	(2,795)
<b>Adjusted net income (loss)</b>	<b>8,366</b>	<b>(106,106)</b>	<b>1,004</b>	<b>23,927</b>	<b>32,361</b>
Net income (loss)	(9,789)	(160,901)	(13,481)	11,522	19,302
Share-based compensation expense <sup>(1)</sup>	11,877	3,491	4,038	3,597	2,978
Amortization of intangible assets resulting from business acquisitions	12,329	13,333	13,064	12,611	11,180
Goodwill impairment	—	41,223	—	—	—
Income tax benefits:					
Current	—	—	—	—	—
Deferred <sup>(2)</sup>	(4,272)	(2,144)	(3,266)	(3,153)	(2,795)
<b>Adjusted net income (loss) attributable to Leju Holdings Limited shareholders</b>	<b>10,145</b>	<b>(104,998)</b>	<b>355</b>	<b>24,577</b>	<b>30,665</b>

Note:

- (1) Share-based compensation expense includes share-based compensation expenses recorded by us for our own plans and options granted to our employees under E-House's share incentive plan.
- (2) Represents the realization of deferred tax liabilities recognized for the temporary difference between the tax basis of intangible assets recognized from acquisitions and their reported amounts in the financial statements. The income tax impact on the share-based compensation expense and goodwill impairment are nil.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

**D. Risk Factors****Risks Related to Our Business**

***Our business is susceptible to fluctuations in China's real estate industry, which may materially and adversely affect our results of operations.***

We conduct our real estate services business primarily in China. Our business depends substantially on conditions in China's real estate industry and more particularly on the volume of new property transactions in China. Demand for private residential real estate in China has grown rapidly in recent years but such growth is often coupled with volatility and fluctuations in real estate transaction volume and prices. Fluctuations of supply and demand in China's real estate industry are caused by economic, social, political and other factors. Over the years, governments at both national and local levels have announced and implemented various policies and measures aimed to regulate the real estate market, in some cases to stimulate further development and more purchase of residential real estate units and in other cases to restrict these activities from growing too rapidly. These measures can affect real estate buyers' eligibility to purchase additional units, their down payment requirements and financing, as well as availability of land to developers and their ability to obtain financing. These measures have affected and continue to affect the conditions of China's real estate market and cause fluctuations in real estate pricing and transaction volume. See "—Our business may be materially and adversely affected by government measures aimed at China's real estate industry". Furthermore, there may be situations in which China's real estate industry is so active that real estate developers see a reduced need for marketing initiatives and reduce their spending on such initiatives, which could potentially adversely affect our result of operations. To the extent fluctuations in China's real estate industry adversely affect spending on real estate marketing, our financial condition and results of operations may be materially and adversely affected.

***Our business may be materially and adversely affected by government measures aimed at China's real estate industry.***

The real estate industry in China is subject to government regulations, including measures that are intended to control real estate prices. The regulations at both central government level and local government level change from time to time, to either stimulate or depress the real estate market, and it is difficult to foresee the timing or direction of regulatory changes. In the fourth quarter of 2016, local governments in more than 20 cities issued notices to restrict purchases of houses, including Beijing, Shanghai, Shenzhen, Guangzhou and Tianjin. The restrictive measures include, but are not limited to, an adjustment to the percentage of required down payment, more restrictive eligibility requirement imposed on purchasers and a limit on the maximum number of houses one may purchase. During the first quarter of 2017, a new round of restrictive measures at national level has permeated into more than 30 cities, including both first-tier and second-tier cities. For example, first-tier cities such as Beijing and Guangzhou further increased the percentage of required down payment. Meanwhile, a number of second-tier cities such as Hangzhou, Fuzhou, Nanjing, Changsha and Shijiazhuang have set a series of restrictions, including the maximum number of houses one may purchase, the maximum amount of mortgage loan(s) one may borrow, and the percentage of required down payment. In 2017, local governments of both first-tier and second-tier cities have also promulgated various policies to impose restrictions or eligibility requirements on buyers purchasing real estate. In the first three quarters of 2018, central and local governments emphasized the general administrative policy that "housing is for living, not for speculation", and continuously implemented restrictive policies to curb significant increase of housing price. Furthermore, as a practical method to curb the housing price in China, local governments in certain areas of China have been reviewing the upper price limit of new residential properties for sale with increased scrutiny. If the local government determines, at its own discretion, that the upper price limit of a new residential property in its real estate sale plan is too high, the local government may refuse to approve such sale plan. In 2019, central government reiterated its insistence on the general administrative policy that "housing is for living, not for speculation," and clearly put forward that real estate should not be used as a short-term tool for stimulating economy. In April 2019, Ministry of Housing and Urban-Rural Development of the People's Republic of China gave warnings to four cities, Foshan, Suzhou, Dalian and Nanning, where the price index of newly built commercial housing and second-hand housing increased significantly. In December 2019, National Conference on Housing and Urban-rural Development emphasized that land prices and housing prices should remain stable in 2020, and restrictive measures should be continuously adopted. Since 2020, local governments in several cities have implemented control measures for housing price. For example, the Municipal Bureau of Housing and Urban Rural Development of Shenzhen promulgated regulations that families and adult singles (including divorced persons) who are willing to purchase commercial houses must have settled in the Shenzhen for three years, and shall provide a continuous payment certificate of personal income tax or social insurance for at least 36 months. Shanghai Housing and Urban Rural Construction Management Committee, together with other seven municipal bureaus, promulgated regulations that prioritize the needs of families without houses and adopt a scoring system for the purchase of first-hand houses. Under this scoring system, each purchaser will be scored based on the marital status, registered residence location, number of houses owned by the purchaser and purchase records of commercial houses within five years. However, it is uncertain for how long these measures will remain in effect, and whether the central or local governments will further tighten their policies or adopt new measures that are less restrictive. Frequent changes in government policies may also create uncertainty that could discourage investment in real estate. Our business may be materially and adversely affected as a result of decreased transaction volumes or real estate prices that may result from government policies.

***We may fail to compete effectively, which could significantly reduce our market share and materially and adversely affect our business, financial condition and results of operations.***

We face competition in each of our primary business activities. We face various competitors with whom we may compete on one or more lines of business. For example, we compete with *fang.com*, formerly *soufun.com*, a leading real estate internet portal in China and compete with *anjike.com*, which is operated by *58.com*, a major online real estate listing platform in China. In addition, we also compete with mobile-based providers of news, such as *toutiao.com*, for our online advertising business. 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.

The business of providing online real estate services in China has become increasingly competitive. The barriers to entry for establishing internet-based businesses are low, thereby allowing new entrants to emerge rapidly. The new competitive landscape has placed additional demands on us to increase the amount of resources we provide to customers and increase the quality of our services in order to retain customers. As the online real estate services industry in China is constantly evolving, our current or future competitors may be able to better position themselves to attract funding and to compete as the industry matures.

We also face competition from companies in other media that offer e-commerce, advertising, 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 services 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 revenues or an increase in our costs and expenses to conduct business.

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 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 a company providing online services, we participate in an industry characterized by rapidly changing technology and new products and services. We rely in part on attracting customers to our platform by providing attractive and helpful content and tools on our websites and mobile devices to assist customers seeking to purchase residential properties and home furnishings. In addition, our ability to continue to generate and maintain online advertising service revenues depends on our ability to innovate. 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 our mobile applications. 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. New internet-related products, services and technologies developed by competitors could render our products and services obsolete if we are unable to update or modify our own technology. 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. If we are not successful in incorporating new internet technologies, our business, results of operations and growth prospects could be materially and adversely affected.

***Failure to attract and retain qualified personnel at a reasonable cost 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 compete with other companies engaged in online real estate services and internet-related businesses and with print media for qualified personnel. 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. There may be a limited supply of qualified individuals in some of the cities in China where we have operations and other cities into which we intend to expand. We must hire and train qualified managerial and other employees on a timely basis to keep pace with our rapid growth while maintaining consistent quality of services across our operations in various geographic locations. We must also provide continued training to our managerial and other employees so that they are equipped with up-to-date knowledge of various aspects of our operations and can meet our demand for high-quality services. If we fail to do so, the quality of our services may decline in one or more of the markets where we operate, which in turn, may cause a negative perception of our brand and adversely affect our business. We cannot assure you we will be able to attract or retain the quality personnel that we need to achieve our business objectives.

In addition, we place substantial reliance on the real estate industry experience and knowledge of our senior management team as well as their relationships with other industry participants. For example, Mr. Xin Zhou, our chairman, and Mr. Yinyu He, our chief executive officer, are both particularly important to our future success. We do not carry key person insurance on any member of our senior management team. The loss of one or more members of our senior management team could hinder our ability to effectively manage our business and implement our growth strategies. Finding suitable replacements for our current senior management could be difficult as competition for such talent is intense.

If we fail to successfully attract new personnel, retain and motivate our current personnel, or retain our senior management, we may lose competitiveness and our business and results of operations could be materially and adversely affected.

Our business faces risks associated with the application of the e-commerce business model to the real estate industry and our new products and services may not perform as expected.

Our e-commerce business was established in 2011 and experienced rapid growth to become an important part of our online real estate service operations. Although we generally have been able to effectively manage the growth of this product and maintain contractual arrangements with third-party property developers who allow us to sell discount coupons to prospective real estate purchasers on acceptable terms, there can be no assurance that we will continue to be able to do so in the future. Customer complaints or negative publicity about our services could diminish consumer confidence in and use of our services. We may also explore new real estate e-commerce products or other product offerings. Development of new products or initiatives may involve various risks and there can be no assurance that such products or initiatives may be successfully developed, will perform as expected, or be well-received by customers. Failure to successfully develop or launch new products could materially and adversely affect our business, results of operations and revenue growth prospects.

***We derive a substantial portion of our revenues from several major urban centers in China, and we face market risk due to our concentration in these major urban areas.***

We derive a substantial portion of our revenues from major urban centers in China, including Beijing, Hainan, Guangzhou and Ningbo. In the year ended December 31, 2020, approximately 38% of our revenues was derived from Beijing, Hainan, Guangzhou and Ningbo. We expect these four urban centers to continue to be important sources of revenues. If any of these major urban centers experiences an event that negatively impacts the local 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 growth prospects could be materially and adversely impacted.

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

COVID-19 had a severe and negative impact on the Chinese and the global economy in 2020. Whether this will lead to a prolonged downturn in the economy is still unknown. Even before the COVID-19 pandemic, 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 has been adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. 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.

***Failure to maintain or enhance our brands could have a material and adverse effect on our business and results of operations.***

We believe the “Leju” brand is associated with a leading real estate online platform in China, and it is important for the continued success of our business. The brand is integral to our sales and marketing efforts. Our continued success in maintaining and enhancing our brands and image depends to a large extent on our ability to satisfy customer needs by further developing and maintaining quality of services across our operations, as well as our ability to respond to competitive pressures.

***If we cannot manage our growth effectively and efficiently, our results of operations or profitability could be adversely affected.***

We intend to continue to grow our operations primarily in our current markets. This growth has placed, and will continue to place, substantial demands on our managerial, operational, technological and other resources. Our planned growth will also place significant demands on us to maintain the quality of our services. In order to manage and support our growth, we must continue to improve our existing operational, administrative and technological systems and our financial and management controls, and recruit, train and retain additional qualified real estate service professionals as well as other administrative and sales and marketing personnel, particularly as we expand into new markets. We may not be able to effectively and efficiently manage the growth of our operations, recruit and retain qualified personnel and integrate new expansion into our operations. As a result, our quality of service may deteriorate and our results of operations or profitability could be adversely affected.

***Our results of operations may fluctuate or otherwise be materially and adversely affected due to seasonal variations.***

Our operating income and earnings have historically been substantially lower during the first quarter than other quarters. The first quarter of each year generally contributes the smallest portion of our annual revenues due to reduced real estate transactions, advertising and marketing activities of our customers in the PRC real estate industry during and around the Chinese New Year holiday, which generally occurs in January or February of each year and due to the cold winter weather in northern China. In contrast, the third and fourth quarters of each year generally contribute a larger portion of our annual revenues due to increased real estate transactions, advertising and marketing activities during the months of September and October. For this reason, our results of operations may not be comparable from quarter to quarter.

***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 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;
- 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 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. We maintain most of our servers and backup servers in Beijing and Guangzhou, and all information on our websites is backed up weekly. Any hacking, security breach or other system disruption or failure that occurs in between our weekly backup procedures 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.

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. Future security breaches, if any, may result in a material adverse effect on our business, financial condition and results of operations.

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 to mirror our online resources, either of which could increase our expenses and reduce our net income.

***Any failure to protect our trademarks, copyrights and other intellectual property rights could have a negative impact on our business.***

We believe our trademarks, copyrights and other intellectual property rights are critical to our success. Any unauthorized use of our trademarks and other intellectual property rights could harm our business. Historically, China's track record for protection of intellectual property rights has been poor, and infringement of intellectual property rights continues to pose a serious risk of doing business in China. Monitoring and preventing unauthorized use is difficult and the measures we take to protect our intellectual property rights may not be adequate. We have registered the software copyrights of substantially all of our mobile applications and software copyrights are still enforceable absent registration in China, but registration by itself may not be adequate protection from potential misuse, infringement or other challenges from third parties claiming rights on our intellectual property.

Furthermore, the application of laws governing intellectual property rights in China and abroad is uncertain and evolving, and could expose us to risks. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially. We typically impose contractual obligations on employees and consultants and have taken other precautionary measures to maintain the confidentiality of our proprietary information and restricted the use of the proprietary information other than for our company's benefit. However, if our employees and consultants do not honor their contractual obligations or misappropriate our database and other proprietary information, our business would suffer as a result.

As internet domain name rights are not rigorously regulated or enforced in China, other companies have incorporated in their domain names elements similar in writing or pronunciation to the "Leju" trademark or its Chinese equivalent. This may result in confusion between those companies and our company and may lead to the dilution of our brand value, which could adversely affect our business.

***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.***

Some of our competitors may own copyrights, trademarks, trade secrets and internet content, which they may use to assert claims against us. We provide training to our staff with respect to procedures designed to reduce the likelihood that we may use, develop or make available any content or applications without the proper licenses or necessary third party consents. However, these procedures may not be effective in completely preventing the unauthorized posting or use of copyrighted material or the infringement of other rights of third parties.

The validity, enforceability and scope of protection of intellectual property rights in internet-related industries, particularly in China, is uncertain and still evolving. For example, as we face increasing competition and as litigation becomes a more common way to resolve disputes in China, we face a higher risk of being the subject of intellectual property infringement claims. Pursuant to relevant laws and regulations, internet service providers may be held liable for damages if such providers have reason to know that the works uploaded or linked infringe the copyrights of others. In cases involving the unauthorized posting of copyrighted content by users on websites in China, there have been court proceedings but no settled court practice as to when and how hosting providers and administrators of a website can be held liable for the unauthorized posting by third parties of copyrighted material. Any such proceeding could result in significant costs to us and divert our management's time and attention from the operation of our business, as well as potentially adversely impact our reputation, even if we are ultimately absolved of all liability.

In addition, we cannot assure you that we will not become subject to intellectual property laws in other jurisdictions, such as the United States, by virtue of our ADSs being listed on the New York Stock Exchange, or NYSE, the ability of users to access, download and use our products and services in the United States and other jurisdictions, the ownership of our ADSs by investors in the United States and other jurisdictions, or the extraterritorial application of foreign law by foreign courts or otherwise, among other reasons. If a claim of infringement brought against us in the United States or other jurisdictions is successful, we may be required to pay substantial penalties or other damages and fines, remove relevant content or enter into license agreements which may not be available on commercially reasonable terms or at all. Even though the allegations or claims could be baseless, defense against any of these allegations or claims would be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

***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 Ministry of Industry and Information Technology (formerly the Ministry of Information Industry), or MIIT, the General Administration of Press, Publication, Radio, Film and Television (established in March 2013 as a result of institutional reform integrating the former State Administration of Radio, Film and Television, and the former General Administration of Press and Publication), or GAPPRFT, Cyberspace Administration of China 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: (i) opposes the fundamental principles of the PRC constitution; (ii) compromises state security, divulges state secrets, subverts state power or damages national unity; (iii) disseminates rumors, disturbs social order or disrupts social stability; (iv) propagates obscenity, pornography, gambling, violence, murder or fear or incites the commission of crimes; or (v) insults or slanders a third party or infringes upon the lawful right of a third party. In addition, according to the Provisions of Ecological Governance of Network Information Content, internet information content platform shall (i) set up the censorship and management mechanism of network information content and develop relevant detailed rules; (ii) set up the person in charge, equip itself with the professional personnel commensurate with the business scope and service scale, strengthen training and examination, and improve the quality of practitioners; (iii) set up convenient channels for filing complaints and reports in prominent places and publish the ways of filing complaints and reports, and compile an annual report.

If any internet content we offer or will offer through our consolidated variable interest entities were deemed by the PRC governmental authorities 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 in China. If any internet information content platform we operate through our consolidated variable interest entities fails to comply with any of such provisions, we may be subject to interviews held by cyberspace authorities, warnings, information update suspension, and we may also be restricted from engaging in network information services and be imposed online behavior restrictions and industry bans.

***If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions.***

The internet and online advertising industries in China are highly regulated by the PRC government. Various regulatory authorities of the PRC government, such as the State Council, the MIIT, the State Administration for Market Regulation, or SAMR, the GAPPRFT, 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.

Each of our consolidated variable interest entities, including Beijing Leju, Leju Hao Fang and Beijing Jiajujiu, as well as their respective subsidiaries, is required to obtain and maintain a value-added telecommunications service operating license, or ICP license, from the MIIT or its local counterpart in order to provide internet information services and a business license from the SAMR or its local branches which specifically includes operating advertising business in order to engage in advertising activities in China, to the extent applicable to their respective business. Beijing Leju, Beijing Yisheng Leju Internet Technology Co., Ltd., a subsidiary of Beijing Jiajujiu, and Leju Hao Fang, each hold a valid ICP license issued by the local provincial branch of the MIIT for the operation of our value-added telecommunication business. The business scope of the business licenses of Beijing Leju and its subsidiaries which engage in the advertising business includes operating advertising business. These licenses are essential to the operation of our online real estate business. The ICP licenses are subject to annual review by the relevant government authorities. The annual review of ICP licenses and business licenses is for the government authorities to conduct an annual inspection of the status of compliance of the license-holding entity. We have submitted the application documents for the annual review of the ICP licenses. At the time of and for the purpose of the annual review of these licenses, the relevant government authorities did not ask for disclosure of our full corporate structure and thus we did not provide such information. They have not so far expressed any opinion with respect to our corporate structure in connection with these annual reviews. Moreover, the regulations relating to ICP licenses also provide that an ICP license holder must first obtain approvals from, or make filings with, competent counterparts of the MIIT in connection with subsequent updates to its shareholding structure or certain other matters relating to such ICP license holder. We cannot assure you that we will be able to successfully pass the annual review of our ICP licenses, or complete the updating and renewal of the filing records of our ICP licenses with local MIIT counterparts on a timely basis.

In addition, Beijing Leju, Leju Hao Fang and/or Beijing Jiajujiu and their respective subsidiaries may be required to obtain additional licenses. For example, the release, broadcasting and transmission of graphics, video and audio programs or weblinks to such programs, other websites or data on the websites may be deemed as providing internet publication services as well as transmission of video and audio programs on the internet, which could require internet publication licenses and licenses for online transmission of audio-visual programs. During operation of our e-commerce business, we post information, including graphics, weblinks to videos, live-broadcasting, other websites or data on websites operated by us. Our consolidated variable interest entities and their subsidiaries do not have internet publication licenses and licenses for online transmission of audio-visual programs, and are not applying for these licenses. For those video/audio programs and certain other forms of content that we believe are subject to the requirements of these licenses, such programs and content are hosted by SINA through our contractual arrangement with SINA. In the case that SINA does not possess the necessary licenses and permits, our video/audio programs and other content hosted by SINA are subject to the risk of being suspended by government authorities. Moreover, we cannot assure you that government would not require us to obtain these licenses separately for operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content may be provided by a qualified third party. If we are required to apply for such licenses, we can provide no assurance that we will procure and maintain such additional licenses.

Under applicable PRC laws, rules and regulations, the failure to obtain and/or maintain the licenses and permits required to conduct our business may subject our affected consolidated variable interest entities to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on their business operations, or the discontinuation of their operations. Any such disruption in the business operations of our consolidated variable interest entities could materially and adversely affect our business, financial condition and results of operations.

***The E-Commerce Law may have an adverse impact on our business, financial conditions and results of operations.***

In August 2018, the Standing Committee of the National People's Congress promulgated the E-Commerce Law, which became effective on January 1, 2019. The E-Commerce Law generally provides that e-commerce operators must obtain administrative licenses if business activities conducted by the e-commerce operators are subject to administrative licensing requirements under applicable laws and regulations. In addition, the E-Commerce Law imposes a number of new obligations on e-commerce platform operators, including the obligations: (i) to verify and register platform merchants, (ii) to ensure platform cybersecurity, including, but not limited to, data privacy, (iii) to ensure fair dealing and the legitimate rights and interests of consumers on the platform, (iv) to publicize transaction information preservation and transaction rules, and (v) to protect intellectual properties. See "Regulation—Regulations Relating to E-Commerce" for further details. These regulatory requirements may have an adverse impact on our business and results of operations. As no detailed interpretation and implementation rules have been promulgated, it remains uncertain how the E-Commerce Law will be interpreted and implemented. We cannot assure you that our current business operations satisfy the obligations provided under the E-Commerce Law in all respects. If the PRC governmental authorities determine that we are not in compliance with all the requirements proposed under the E-Commerce Law, we may be subject to fines and/or other sanctions.

***We are exposed to potential liability for information on our websites and for products and services sold over the internet and we may incur significant costs and damage to our reputation as a result of defending against such potential liability and could be subject to penalties or other severe consequences from PRC regulatory authorities as a result of such information.***

We provide third-party content on our websites such as real estate listings, contractor information listings, links to third-party websites, advertisements and content provided by customers and users of our community-oriented services. In addition, our website, [jiju.com](http://jiju.com), is a platform for third-party home furnishing distributors to offer their products and services to consumers. We could be exposed to liability with respect to such third-party information or the goods and services sold through our website. 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 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. Moreover, our relevant consolidated variable interest entities, as internet advertising service providers, are obligated under PRC laws and regulations to monitor the advertising content shown on our websites 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 could be used as a platform for fraudulent transactions. The measures we take to guard against liability for third-party content or information 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. Our general liability insurance may not cover all potential claims to which we are exposed to and may not be adequate to indemnify us for all liability that may be imposed.

***Failure to maintain effective internal controls over financial reporting could cause us to inaccurately report our financial result or fail to prevent fraud and have a material and adverse effect on our business, results of operations and the trading price of our ADSs.***

We are subject to the reporting obligations under U.S. securities laws. Section 404 of the Sarbanes-Oxley Act of 2002 and related rules require public companies to include a report of management on their internal control over financial reporting in their annual reports. This report must contain an assessment by management of the effectiveness of a public company's internal control over financial reporting. We sometimes hire a professional consultant to assist us in such efforts. Our efforts to implement standardized internal control procedures and develop the internal tests necessary to verify the proper application of the internal control procedures and their effectiveness are a key area of focus for our board of directors, our audit committee and senior management.

We had been an "emerging growth company", as defined in the JOBS Act, and ceased to be one as of the end of the fiscal year ended December 31, 2019. For so long as we were an "emerging growth company", we took advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404. Although we ceased to be an "emerging growth company", as a "non-accelerated filer" as defined under Rule 12b-2 of the Exchange Act, we are still not required to have an attestation report on internal control over financial reporting from our external auditors.

Our management has concluded that our internal control over financial reporting was effective as of December 31, 2020. See "Item 15. Controls and Procedures". However, if we fail to maintain effective internal control over financial reporting in the future, our management may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level.

Furthermore, our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. It is possible that, had our independent registered public accounting firm conducted an audit of our internal control over financial reporting, such accountant might have identified material weaknesses and deficiencies or might issue a qualified report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.

In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. We may not be able to anticipate and identify accounting issues, or other risks critical to financial reporting that could materially impact the consolidated financial statements. Generally, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions.

***Increases in labor costs in China may adversely affect our business and our profitability.***

China's economy has experienced increases in labor costs in recent years. China's overall economy and the average wage in China are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our customers by increasing prices for our products or services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. Besides, pursuant to the PRC Labor Contract Law, dispatched employees are intended to be a supplementary form of employment and the fundamental form should be direct employment by enterprises and organizations that require employees. Further, it is expressly stated in the Interim Provisions on Labor Dispatch that the number of seconded employees an employer uses may not exceed 10% of its total labor force and the employer has a two-year transition period to comply with such requirement. Some of our PRC subsidiaries, consolidated variable interest entities and their subsidiaries use seconded employees for their principal business activities. The transition period ended on February 29, 2016, and those PRC subsidiaries, consolidated variable interest entities and their subsidiaries have completed reducing the percentage of seconded employees to less than 10% as required. If the relevant PRC companies are deemed to have violated the limitation on the use of seconded employees under the relevant labor laws and regulations, we may be subject to fines and incur other costs to make required changes to our current employment practices.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practice does not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

***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 the 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 websites through which a domestic user can connect to the internet. We cannot assure you that a 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 continued growth in internet usage.

We also rely on China Unicom and China Telecom 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 Unicom or China Telecom, or if China Unicom or China Telecom 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 Unicom and China Telecom. 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.

***We are subject to changing law and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.***

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

***Any natural or other disasters, including outbreaks of health epidemics, and other extraordinary events could severely disrupt our business operations.***

Our operations are vulnerable to interruption and damage from natural and other types of disasters, including earthquakes, fire, floods, environmental accidents, power loss, communication failures and similar events. If any natural disaster or other extraordinary events were to occur in the area where we operate, our ability to operate our business could be seriously impaired. Our business could also be materially and adversely affected by the outbreak of health epidemics, including H7N9 bird flu, H1N1 swine influenza, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, COVID-19 or another epidemic. Any such occurrence in China could severely disrupt our business operations and adversely affect our results of operations. For example, in December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced, and subsequently the COVID-19 spread throughout China and worldwide. Our business operations could be disrupted if any of our employees are suspected of having the COVID-19, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our results of operations could be adversely affected to the extent that the pandemic harms the Chinese economy in general.

***The COVID-19 pandemic has had and may continue to have a material adverse impact on our business, operating results and financial condition.***

In recent years, there have been outbreaks of epidemics in China and globally. Starting from early 2020, in response to intensifying efforts to contain the spread of COVID-19, the Chinese government took a number of actions, which included extending the Chinese New Year holiday, quarantining individuals infected with or suspected of having COVID-19, restricting residents from travel, encouraging employees of enterprises to work remotely from home and cancelling public activities, among others. The pandemic resulted in a general slowdown in China's economy and a significant reduction in real estate transaction volumes as many of our developer clients had to close their project sales centers and show rooms for an extended period, adversely affecting our e-commerce services. Many real estate developers also scaled back online advertising expenditures.

As a result of the above, our results of operations have been adversely affected in the first half of 2020. The extent to which COVID-19 may continue to impact our results of operations will depend on the continuing developments of the pandemic, including potential recurrence of the pandemic in China and measures to contain it, new information concerning the global pandemic and its impact on China, all of which are highly uncertain and unpredictable and mostly beyond our control. While many of the restrictions on movement within China have been relaxed as of the date of this annual report, there is great uncertainty as to the future progress of the disease. Relaxation of restrictions on economic and social life may lead to new cases which may lead to the reintroduction of restrictions. We will continue to monitor and evaluate the impacts of COVID-19 to our business, financial condition, results of operations and cash flows for the remainder of fiscal year 2020. Because of the uncertainty surrounding the COVID-19 pandemic, including the effectiveness of any vaccine program or anti-viral treatment, such impacts cannot be reasonably estimated at this time.

***Potential strategic investments, acquisitions or new business initiatives may disrupt our ability to manage our business effectively.***

Strategic investments, acquisitions or new business initiatives and any subsequent integration of new companies or businesses will require significant attention from our management, in particular to ensure that such changes do not disrupt any existing collaborations, or affect our users' opinion and perception of our services and customer support. In addition, in the case of acquisitions or new business initiatives our management will need to ensure that the acquired or new 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, strategic investments, acquisitions or new business initiatives 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 the transaction; and
- potential loss of, or harm to, relationships with employees, customers and users as a result of the integration of new businesses or investment.

***Certain of our leased office premises contain defects in the leasehold interests and if we are forced to relocate operations affected by such defects, our operations may be adversely affected.***

As of March 31, 2021, we had leased 61 office premises in 56 cities in China, in addition to a branch office in Hong Kong, and our principal executive offices in Beijing, China. A number of these leased properties contain defects in the leasehold interests. Such defects include the lack of proper title or right to lease with respect to 13 leased premises, the landlords' failure to duly register the leases with the relevant PRC government authority with respect to 56 leased premises and the failure to renew lease agreements before the expiration date with respect to one leased premise.

Under PRC regulations, 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 and may also be subject to challenge by third parties. In addition, under PRC laws and regulations, while the failure to register the lease agreement does not affect its effectiveness between the tenant and the landlord, such lease agreement may be subject to challenge by and unenforceable against a third party who leases the same property from the landlord and the lease agreement entered into by such third party has been duly registered with the competent PRC government authority. This risk may be mitigated if we continue to occupy the leased premises under our lease. Furthermore, the landlord and the tenant may be subject to administrative fines for such failure to register the lease.

We have taken steps to cause our landlords to procure valid evidence as to the title or right to lease, to complete the lease registration procedures, as well as to renew lease agreements. However, we cannot assure you that such defects will be cured in a timely manner or at all. Our operations may be interrupted and additional relocation costs may be incurred if we are required to relocate operations affected by such defects.

***We have limited business insurance coverage.***

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 have conflicts of interest with E-House Enterprise and its affiliates; because of E-House Enterprise's controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us.***

E-House Enterprise has been our controlling shareholder since November 2020. E-House Enterprise may from time to time make strategic decisions that it believes are in the best interests of its business and its shareholders. These decisions may be different from the decisions that we would have made on our own. E-House Enterprise's decisions with respect to us or our business may be resolved in ways that favor E-House Enterprise and therefore E-House Enterprise's own shareholders, which may not coincide with the interests of our other shareholders. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with an unaffiliated shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved among unaffiliated parties, this may not succeed in practice.

Potential conflicts of interest between E-House Enterprise and us also include the following:

- *Our board members or executive officers may have conflicts of interest.* Mr. Xin Zhou, our chairman, is currently also serving as E-House Enterprise's chairman and executive director. Some of our board members and executive officers are also board members and executive officers of E-House Enterprise, and/or also own shares or options in E-House Enterprise. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for E-House Enterprise and us.
- *Sale of shares in our company.* E-House Enterprise may decide to sell or otherwise dispose of all or a portion of our shares that it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of certain of our shareholders, including our employees or our public shareholders.
- *Allocation of business opportunities.* Business opportunities may arise that both we and E-House Enterprise find attractive, and which would complement our respective businesses. E-House Enterprise may decide to take the opportunities itself, which would prevent us from taking advantage of the opportunity.

Conflicts of interest may also arise between the affiliates of E-House Enterprise and us, such as E-House. We have entered into agreements with E-House with respect to various ongoing relationships between us, which may give rise to conflicts of interests. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions— Transactions and Agreements with E-House".

***We derive a significant amount of revenue from our operation of SINA websites and there can be no assurance that our relationship with SINA will continue on satisfactory terms.***

Through an agreement in 2009 entered into between SINA and E-House, we own SINA's real estate operations. To a large extent, the operations and revenues of our business rely on SINA's cooperation with us. The domain names of some major websites of our business are owned by SINA and licensed to us through agreements which we initially entered into with SINA in 2009 with terms through 2019 and which we amended and restated in 2014 to extend through 2024. A significant number of users of these websites are linked through other SINA websites. Pursuant to an advertising inventory agency agreement with SINA, we are the exclusive agent of SINA for selling advertising to the real estate advertisers through 2024. To a certain extent, we rely on SINA's continued cooperation on an ongoing basis to enjoy our rights pursuant to our agreements with SINA. SINA could at any time reduce its support for our business. In addition, SINA's dual role as our principal shareholder and contractual counterparty could result in conflicts of interest. If for any reason SINA does not fulfill its obligations in accordance with the advertising inventory agency agreement or any of the other agreements or otherwise reduces its support for our online real estate operations, our business may be materially and adversely affected.

***Any negative development with respect to E-House Enterprise or SINA may materially and adversely affect our business and brand.***

We benefit from our relationship with E-House Enterprise, our controlling shareholder, and its affiliates such as E-House in marketing our services, including providing services to their clients. Our business and brand continue to be closely connected with those of E-House Enterprise and its affiliates. We derive a significant amount of revenue from our operation of SINA websites, and SINA is a principal shareholder of ours. The success of the websites we operate on the platform of SINA is also dependent on the brands and images of SINA. If either E-House Enterprise or SINA loses its market position or suffers any negative publicity, it could have an adverse impact on our business, our marketing efforts, our relationships with strategic partners and customers, our reputation and brand.

## Risks Related to Our Corporate Structure

***If the PRC government finds that the agreements that establish the structure for operating our advertising services business and real estate online business in China do not comply with PRC governmental restrictions on foreign investment in the advertising industry or the internet information service industry, we could be subject to severe penalties.***

Leju Holdings Limited is a Cayman Islands exempted company and a foreign person under PRC law. Due to PRC government restrictions on foreign investment in the internet industry and the uncertainty over administrative practice in advertising industries, we conduct part of our business through contractual arrangements with our affiliated PRC entities. Our e-commerce business with respect to new residential properties is operated through our contractual arrangements with Leju Hao Fang and its shareholders. Our e-commerce business with respect to home furnishing is operated through our contractual arrangements with Beijing Jiajujiu and its shareholders. Our online advertising business for new residential properties websites and our secondary listings business are operated through our contractual arrangements with Beijing Leju and its subsidiaries, Beijing Leju and its subsidiaries, Leju Hao Fang, and Beijing Jiajujiu and its subsidiaries and branches hold the licenses and approvals that are essential for our business operations.

We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their respective shareholders. These contractual arrangements enable us to (i) direct the activities that most significantly affect the economic performance of Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their subsidiaries and branches; (ii) receive substantially all of the economic benefits from the three consolidated variable interest entities and their subsidiaries in consideration for the services provided by our PRC subsidiaries; and (iii) have an exclusive option to purchase all or part of the equity interests in the consolidated variable interest entities, when and to the extent permitted by PRC law, or request any existing shareholder of the consolidated variable interest entities to transfer all or part of the equity interest in the consolidated variable interest entities to another PRC person or entity designated by us at any time in our discretion. These agreements make us their “primary beneficiary” for accounting purposes under U.S. GAAP. For descriptions of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure”.

If the PRC government finds that these contractual arrangements do not comply with its restrictions on foreign investment in the internet business or advertising industry, or if the PRC government otherwise finds that we, Beijing Leju, Leju Hao Fang or Beijing Jiajujiu, or any of their subsidiaries and branches is in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including the State Administration for Industry and Commerce, which regulates advertising companies, and the MIIT, which regulates internet information service companies, would have broad discretion in dealing with such violations, including:

- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or our PRC subsidiaries and affiliates may not be able to comply;
- requiring us or our PRC subsidiaries and affiliates to restructure the relevant ownership structure or operations; or
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of these penalties could have a material and adverse effect on our business, financial condition and results of operations. If any of these penalties results in our inability to direct the activities of any of Beijing Leju, Leju Hao Fang or Beijing Jiajujiu that most significantly impact its economic performance, and/or our failure to receive the economic benefits from any of Beijing Leju, Leju Hao Fang or Beijing Jiajujiu, we may not be able to consolidate the entity in our consolidated financial statements in accordance with U.S. GAAP.

***We rely on contractual arrangements with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu and their respective shareholders for a portion of our operations, which may not be as effective as direct ownership in providing operational control.***

We rely on contractual arrangements with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu and their respective shareholders to operate our online real estate 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 Beijing Leju, Leju Hao Fang or Beijing Jiajujiu. 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 Beijing Leju, Leju Hao Fang and Beijing Jiajujiu, and our ability to conduct our business may be negatively affected.

In 2018, 2019 and 2020, Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their respective subsidiaries and branches contributed in aggregate 99.5%, 99.9% and 99.9% 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 Leju, Leju Hao Fang, Beijing Jiajujiu 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 Leju, Leju Hao Fang, Beijing Jiajujiu and their respective subsidiaries and branches into our consolidated financial statements in accordance with U.S. GAAP.

***The shareholders of our consolidated variable interest 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 have designated individuals who are PRC nationals to be the shareholders of our consolidated variable interest entities in China. These individuals may have conflicts of interest with us. We cannot assure you that when conflicts of interest arise, they will act in the best interests of our company or that conflicts of interests will be resolved in our favor. In addition, they may breach or cause our variable interest entities and their subsidiaries to breach or refuse to renew the existing contractual arrangements that allow us to effectively control our consolidated variable interest entities and their subsidiaries and receive economic benefits from them. Currently, we do not have arrangements to address potential conflicts of interest between the shareholders of our consolidated variable interest entities and our company. We rely on them to abide by the laws of the Cayman Islands and China, which provide that directors and/or officers owe a fiduciary duty to our company, which requires them to act in good faith and in the best interests of our company and not to use their positions for personal gain. If we cannot resolve any potential conflicts of interest or disputes between us and the individual shareholders of our consolidated variable interest entities which may arise, we would have to rely on legal proceedings to enforce our rights, which could be costly and unsuccessful.

***Our ability to enforce the equity pledge agreements between us and the shareholders of Beijing Leju, Leju Hao Fang or Beijing Jiajujiu may be subject to limitations based on PRC laws and regulations.***

Pursuant to the equity pledge agreements relating to our consolidated variable interest entities, Beijing Leju, Leju Hao Fang and Beijing Jiajujiu, the shareholders of the consolidated variable interest entities pledge their equity interest in the consolidated variable interest entities to our subsidiaries to secure their and the relevant consolidated variable interest entities' performance of the obligations under the relevant contractual arrangements. The equity pledges under these equity pledge agreements have been registered with the relevant local branch of the SAMR. According to the Civil Code of the PRC, which was issued by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, the pledgee and the pledgor are prohibited from making an agreement prior to the expiration of the debt performance period to transfer the ownership of the pledged equity to the pledgee when the obligor fails to pay the debt due. However, under the Civil Code of the PRC, when an obligor fails to pay its debt when due, the pledgee may choose to either conclude an agreement with the pledgor to obtain the pledged equity or seek payments from the proceeds of the auction or sell-off of the pledged equity. If any of the consolidated variable interest entities or its shareholders fails to perform its obligations secured by the pledges under the equity pledge agreements, one remedy in the event of default under the agreements is to require the pledgor to sell the equity interests in the relevant consolidated variable interest entity in an auction or private sale and remit the proceeds to our subsidiaries in China, net of related taxes and expenses. Such an auction or private sale may not result in our receipt of the full value of the equity interests in the relevant consolidated variable interest entity. We consider it very unlikely that the public auction process would be undertaken since, in an event of default, our preferred approach would be to ask our PRC subsidiary that is a party to the exclusive call option agreement with the consolidated variable interest entity's shareholder, to designate another PRC person or entity to acquire the equity interest in the consolidated variable interest entity and replace the existing shareholder pursuant to the exclusive call option agreement.

In addition, in the registration forms of the local branch of SAMR for the pledges over the equity interests under the equity pledge agreements, the amount of registered equity interests pledged to our PRC subsidiaries was stated as the pledgor's portion of the registered capital of the consolidated variable interest entity. The equity pledge agreements with the shareholders of the consolidated variable interest entities provide that the pledged equity interest constitutes continuing security for any and all of the indebtedness, obligations and liabilities under the relevant contractual arrangements, and therefore the scope of pledge should not be limited by the amount of the registered capital of the consolidated variable interest entities. However, there is no guarantee that a PRC court will not 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 pledge agreements in excess of the amount listed on the equity pledge registration forms could be determined by the PRC court to be unsecured debt, which takes last priority among creditors and often does not have to be paid back at all. We do not have agreements that pledge the assets of the consolidated variable interest entities and their subsidiaries for the benefit of us or our PRC subsidiaries, although the consolidated variable interest entities grant our PRC subsidiaries options to purchase the assets of the consolidated variable interest entities and their equity interests in their subsidiaries under the exclusive call option agreement.

***Contractual arrangements we have entered into with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu may be subject to scrutiny by the PRC tax authorities and a finding that we, Beijing Leju, Leju Hao Fang or Beijing Jiajujiu owe additional taxes could reduce our net income and the value of your investment***

Under PRC laws and regulations, arrangements and transactions among related parties may be audited or challenged by the PRC tax authorities. We could face material and adverse consequences if the PRC tax authorities determine that the contractual arrangements we have entered into with Beijing Leju, Leju Hao Fang or Beijing Jiajujiu do not represent an arm's-length price and adjust the taxable income of Beijing Leju, Leju Hao Fang, Beijing Jiajujiu or their subsidiaries and branches in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by Beijing Leju, Leju Hao Fang, Beijing Jiajujiu or their subsidiaries and branches, which could in turn increase their PRC tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties on our consolidated variable interest entities for underpayment of taxes. Our consolidated net income may be materially and adversely affected if our consolidated variable interest entities' tax liabilities increase or if they are found to be subject to late payment fees or other penalties.

## **Risks Related to Doing Business in China**

***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 PRC legal system 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. 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, China has not developed a fully integrated legal system and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new, the interpretation and enforcement of these laws and regulations involve uncertainties. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

***Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.***

The “variable interest entity” structure has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See “—Risks Related to Our Corporate Structure” and “Item 4. Information on the Company—C. Organizational Structure.” On March 15, 2019, the PRC National People’s Congress approved 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, together with their implementation rules and ancillary regulations. 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. For instance, under the Foreign Investment Law, “foreign investment” refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors 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. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. Furthermore, 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. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance and business operations.

***Governmental control of currency conversion may affect the value of your investment.***

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. Restrictions on currency exchanges between the Renminbi and other currencies may limit our ability to utilize our revenues and funds, in particular in relation to capital account transactions such as investments and loans. We receive substantially all of our revenues in Renminbi. Under our current structure, our income will be primarily derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries and our consolidated variable interest entities to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under current PRC regulations, the Renminbi is convertible for “current account transactions”, which include among other things dividend payments and payments for the import of goods and services, subject to compliance with certain procedural requirements. Although the Renminbi has been fully convertible for current account transactions since 1996, we cannot assure you that the relevant PRC government authorities will not limit or eliminate our ability to purchase and retain foreign currencies for current account transactions in the future.

Conversion of the Renminbi into foreign currencies and of foreign currencies into the Renminbi, for payments relating to “capital account transactions”, which principally include investments and loans, generally requires the approval of the State Administration of Foreign Exchange, or SAFE, and other relevant PRC governmental authorities.

In response to the persistent capital outflow from China and the depreciation of Renminbi against U.S. dollar in the fourth quarter of 2016, the People’s Bank of China and SAFE have implemented a series of capital control measures over recent months, including stricter vetting procedures for PRC-based companies’ outbound remittance of foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, on January 26, 2017, SAFE issued the a SAFE Circular 3, which stipulates several capital control measures on the outbound remittance of profit from domestic entities to offshore entities, including: (i) under the principle of genuine transaction, banks must check board resolutions regarding profit distribution, original version of tax filing records and audited financial statements; and (ii) domestic entities must hold income to account for previous years’ losses before remitting the profits. The PRC government may continue to strengthen its capital controls, and SAFE may adopt more restrictions and substantial vetting processes for both current account and capital account cross-border transactions. Restrictions on the convertibility of the Renminbi for capital account transactions could affect the ability of our PRC subsidiaries and affiliated PRC operating companies to make investments overseas or to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us.

***Fluctuation in the value of the Renminbi may have a material and adverse effect on your investment.***

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that 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 Renminbi and the U.S. dollar in the future.

As our costs and expenses are mostly denominated in Renminbi, the appreciation of the Renminbi against the U.S. dollar would increase our costs in U.S. dollar terms. In addition, as our operating subsidiaries and variable interest entities in China receive revenues in Renminbi, any significant depreciation of the Renminbi against the U.S. dollar may have a material and adverse effect on our revenues in U.S. dollar terms and financial condition, and the value of, and any dividends payable on, our ordinary shares. For example, to the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us. These and other effects on our financial data resulting from fluctuations in the value of the Renminbi against the U.S. dollar could have a material and adverse effect on the market price of our ADSs and your investment.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort 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 hedges may be limited and we may not be able to adequately hedge our exposure or 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. As a result, fluctuations in exchange rates may have a material adverse effect on your investment. See "Item 11. Quantitative and Qualitative Disclosures about Market Risk—Foreign Exchange Risk."

***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. 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. While the "Phase One" agreement was signed between the United States and China on trade matters, it remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade, tax policy related to international commerce, or other trade matters. The situation is further complicated by the political tensions between the United States and China that escalated during the COVID-19 pandemic and in the wake of the PRC National People's Congress' decision on Hong Kong national security legislation and sanctions and restrictions imposed by the U.S. government on Chinese companies and citizens. 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 initiated by the U.S. government. For example, the Ministry of Commerce of China published the Measures for Security Review of Foreign Investment in December 2020 to counter restrictions imposed by foreign countries on Chinese citizens and 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.

***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 Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, or SAFE Circular 75, requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. 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, or SAFE Circular 37, in July 2014, which replaced SAFE Circular 75. 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". The term "control" under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or 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. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

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. Furthermore, pursuant to our agreements with Tencent, our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng are restricted from paying dividends to us until each of our individual beneficial shareholders who are PRC residents and subject to SAFE registration as described above submits its application to SAFE and each of such PRC subsidiaries submits an application with SAFE as required.

As it is uncertain how the SAFE regulations will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, including the remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

***Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.***

Under the applicable regulations and SAFE rules, PRC citizens who participate in an employee stock ownership plan or a stock option plan in an overseas publicly listed company are required to register with SAFE and complete certain other procedures. In February 2012, SAFE promulgated the Notices on Issues concerning the Foreign Exchange Administration for Stock Incentive Plan of Overseas Publicly-Listed Company, or the Stock Option Rules, which terminated the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plan or Stock Option Plan of Overseas Publicly-Listed Company issued by SAFE in March 2007. Pursuant to the Stock Option Rules, if a PRC resident participates in any stock incentive plan of an overseas publicly-listed company, a qualified PRC domestic agent must, among other things, file on behalf of such participant an application with SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the exercise or sale of stock options or stock such participant holds. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC employees who have been granted stock options are subject to this rule, and we have registered our existing employee stock ownership plan and stock option plan with the local SAFE branch in Shanghai. However, if there is any change to our existing employee stock ownership plan or stock option plan, we cannot assure you that we and our PRC optionees will be able to amend such registration in a timely manner, or at all. If we or our PRC optionees fail to comply with these regulations, we or our PRC optionees may be subject to fines and legal sanctions. See "Item 4. Information on the Company— B. Business Overview—Regulation—Foreign Exchange Registration of Employee Stock Incentive Plans".

***PRC regulations relating to acquisitions in China require us to obtain certain approvals from the MOC and the failure to obtain such approvals could have a material and adverse effect on our business, results of operations, reputation and the trading price of our ADSs.***

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, jointly issued by six PRC regulatory agencies and amended by the MOC in 2009, include provisions that purport to require the MOC's approval for acquisitions by offshore entities established or controlled by domestic companies, enterprises or natural persons of onshore entities that are related to such domestic companies, enterprises or natural persons. However, the interpretation and implementation of the M&A Rules remain unclear with no consensus currently existing regarding the scope and applicability of the MOC approval requirement on foreign acquisitions among related parties.

We have entered into contractual arrangements with each of Beijing Leju, Leju Hao Fang and Beijing Jiajujiu and their respective shareholders, which provide us with substantial ability to control each of these entities. See "Item 4. Information on the Company—C. Organizational Structure".

If the MOC subsequently determines that their approval was required for such contractual arrangements, we may need to apply for a remedial approval. There can be no assurance that we will be able to obtain such approval or waiver of such approval from the MOC. Inability to obtain such approval or waiver from the MOC may have a material and adverse effect on our business. Further, we may be subject to certain administrative punishments or other sanctions from the MOC. The MOC or other regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the repatriation of U.S. dollars into China, or take other actions that could have further material and adverse effects on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our ADSs.

***The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.***

The M&A Rules and recently adopted 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 the MOC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the MOC when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council in August 2008 is triggered. In addition, the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, issued by the MOC in August 2011, specify that mergers and acquisitions by foreign investors involved in “an industry related to national security” are subject to strict review by the MOC, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOC or its local counterparts may delay or inhibit our ability to complete such transactions. We believe that our business is not in an industry related to national security but we cannot preclude the possibility that the MOC or other government agencies may publish explanations contrary to our understanding or broaden the scope of such security reviews in the future, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

***Our PRC subsidiaries and consolidated variable interest entities are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.***

We are a holding company registered in the Cayman Islands. We rely on dividends from our PRC subsidiaries as well as service and other fees paid to our PRC subsidiaries by our consolidated variable interest entities for our cash and financing requirements, such as the funds necessary to pay dividends and other cash distributions to our shareholders, including holders of our ADSs, and service any debt we may incur.

Our consolidated variable interest entities are directly held by certain PRC individuals designated by us and thus are not able to make dividend payments to our PRC subsidiaries and holding companies outside China. We have the right to charge our consolidated variable interest entities service fees through our relevant PRC subsidiaries pursuant to the exclusive business cooperation agreements entered into with our consolidated variable interest entities, which together with the other agreements with our consolidated variable interest entities and their respective shareholders, enable us to enjoy substantially all of the economic benefits of our consolidated variable interest entities. These contractual arrangements we have entered into with our consolidated variable interest entities may be subject to scrutiny by the PRC tax authorities. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—Contractual arrangements we have entered into with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu may be subject to scrutiny by the PRC tax authorities and a finding that we, Beijing Leju, Leju Hao Fang or Beijing Jiajujiu owe additional taxes could reduce our net income and the value of your investment”. Our consolidated variable interest entities have paid and will continue to pay the service fees to our relevant PRC subsidiaries pursuant to the exclusive technical support agreements between them.

Current PRC regulations permit our PRC subsidiaries to pay dividends to us only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries is required to set aside a certain amount of its after-tax profits each year, if any, to fund certain statutory reserves. These reserves are not distributable as cash dividends. In addition, the PRC Enterprise Income Tax Law, or the EIT Law, and its implementation rules provide that withholding tax rate of 10% will be applicable to dividends payable by PRC companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated. We have not received any dividend payments or other distributions from our PRC subsidiaries, and as we currently intend to retain all of the available funds and any future earnings of our PRC subsidiaries to fund the development and growth of our business, we do not expect to receive any dividend payments or other distributions from our PRC subsidiaries in the foreseeable future.

Furthermore, if our PRC subsidiaries and consolidated variable interest entities incur debt on their own behalf in the future, the instruments governing the debt may restrict the ability of our consolidated variable interest entities to pay service fees to our PRC subsidiaries or the ability of our PRC subsidiaries to pay dividends to us, which may restrict our ability to satisfy our liquidity requirements. Our contractual arrangements with our consolidated variable interest entities enable us to prevent them from entering into debt arrangements that may be detrimental to us because these contractual arrangements provide us with the ability to direct the activities that most significantly affect the economic performance of our consolidated variable interest entities. In addition, the exclusive call option agreements among our PRC subsidiaries, consolidated variable interest entities and their respective shareholders specifically provide that the applicable consolidated variable interest entity shall not, and its shareholders shall ensure that the consolidated variable interest entity does not, incur any loan or offer any guarantee without the prior written consent of our applicable PRC subsidiary. However, any limitation on the ability of our PRC subsidiaries or consolidated variable interest entities to pay dividends or make other payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

***PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries.***

As an offshore holding company of our PRC operating subsidiaries, we may make loans to our PRC subsidiaries and consolidated variable interest entities, or may make additional capital contributions to our PRC subsidiaries, subject to satisfaction of applicable governmental registration and approval requirements.

Any loans we extend to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC law, cannot exceed the statutory limit and must be registered with the local counterpart of SAFE. The statutory limit for the total amount of foreign debt of a foreign-invested company was the difference between the amount of total investment and the amount of registered capital of such foreign-invested company as approved by the MOC or its local counterpart. According to a notice issued by the People's Bank of China regarding foreign debt on January 11, 2017, the total amount of foreign debt of our PRC subsidiaries or consolidated variable interest entities or other PRC domestic entities shall not exceed two times of their respective net assets. Pursuant to the above notice and other PRC law regarding foreign debt, within a one-year grace period starting from January 11, 2017, the statutory limit for the total amount of foreign debt of a foreign-invested company, which is subject to its own choice, is either the difference between the amount of total investment and the amount of registered capital as approved by the MOC or its local counterpart, or two times of their respective net assets. It is very likely that our PRC subsidiaries will elect to apply two times of their respective net assets as the limit for foreign debt if any of them needs to borrow any foreign debt during the grace period. We may extend loans to the relevant PRC subsidiary in an amount that does not exceed the difference between the amount of its total investment and the amount of its registered capital or two times of its net assets referenced above. With respect to our consolidated variable interest entities or other domestic PRC entities, the limit for the total amount of foreign amount is two times of their respective net assets pursuant to the above notice. According to Notice of the National Development and Reform Commission on Promoting the Administrative Reform of the Recordation and Registration System for Enterprises' Issuance of Foreign Debts issued by the National Development and Reform Commission in September 2015, any loans we extend to our consolidated variable interest entities or other PRC operating companies that are domestic PRC entities for more than one year must be filed with the National Development and Reform Commission or its local counterpart and must also be registered with SAFE or its local branches.

We may also decide to finance our PRC subsidiaries by means of capital contributions. According to the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Funded Enterprises issued by the MOC on October 8, 2016, these capital contributions shall be filed with the MOC or its local counterpart. On December 30, 2019, MOC and SAMR jointly promulgated Measures for the Reporting of Foreign Investment Information, which came into effect on January 1, 2020 and replaced the Interim Measures for the Recordation Administration of the Formation and Modification of Foreign-Funded Enterprises. According to the Measures for the Reporting of Foreign Investment Information, foreign investors or foreign-invested enterprises shall report investment information to commerce departments through the enterprise registration system and the National Enterprise Credit Information Publicity System, and market regulatory departments shall forward such investment information reported by foreign investors or foreign-invested enterprises to commerce departments in a timely manner. SAFE has also issued a few circulars with respect to the conversion by a foreign-invested enterprise of foreign currency registered capital into Renminbi and the flow and use of such Renminbi fund. Capital contributions are currently required to be filed in the Foreign Investment Comprehensive Management Information System. In March 2015, SAFE issued the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, effective June 2015, or SAFE Circular 19. Under SAFE Circular 19, a foreign-invested enterprise may choose to convert its registered capital from foreign currency to Renminbi on a self-discretionary basis, and the Renminbi capital converted can be used for equity investments within China, which will be regarded as the reinvestment of foreign-invested enterprise.

SAFE also promulgated a circular in November 2011, which prohibits a foreign-invested enterprise from using Renminbi funds converted from its foreign currency registered capital to provide entrustment loans or repay loans borrowed from non-financial enterprises. Violation of these circulars could result in severe monetary or other penalties. These circulars may limit our ability to transfer funds to our consolidated variable interest entities and the subsidiaries of our PRC subsidiaries, and we may not be able to convert funds into Renminbi to invest in or acquire any other PRC companies, or establish other consolidated variable interest entities in China. Despite the restrictions under these SAFE circulars, our PRC subsidiaries may use their income in Renminbi generated from their operations to finance the relevant consolidated variable interest entities through entrustment loans to the consolidated variable interest entities or loans to such variable interest entities' shareholders for the purpose of making capital contributions to such variable interest entities. In addition, our PRC subsidiaries can use Renminbi funds converted from foreign currency registered capital to carry out any activities within their normal course of business and business scope, including to purchase or lease servers and other relevant equipment and fund other operational needs in connection with their provision of services to the relevant consolidated variable interest entities under the applicable exclusive technical support agreements.

In light of the various requirements imposed by PRC regulations on loans to, and direct investment in, PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or any consolidated variable interest entity or future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

***The discontinuation of any of the preferential tax treatments currently available to us in China or imposition of any additional PRC taxes on us could adversely affect our financial condition and results of operations.***

Pursuant to a Circular on Enterprise Income Tax Preferential Treatments issued by the State Administration of Taxation, or SAT, and the Ministry of Finance effective February 2008, as partially amended by a Circular on Enterprise Income Tax Policies for Further Encouraging the Development of the Software Industry and the Integrated Circuit Industry, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years, followed by a 50% reduction in income tax, to a rate of 12.5%, for the subsequent three years. Shanghai Fangxin, a wholly owned subsidiary of ours, was recognized as a qualified software enterprise and was further approved by the local tax authority in October 2012 to become eligible for being exempted from income tax for 2012 and 2013, followed by a 50% reduction in income tax from 2014 through 2016. Shanghai Fangxin has ceased to enjoy preferential tax treatment starting from 2017. Shanghai SINA Leju was entitled to enjoy a favorable statutory tax rate of 15% for 2013 through 2017 as a "high and new technology enterprise". Shanghai SINA Leju renewed its qualification of "high and new technology enterprise" in 2018 and is entitled to enjoy a favorable statutory tax rate of 15% from 2018 through 2020. If Shanghai SINA Leju fails to maintain "high and new technology enterprise" status, its applicable enterprise income tax rate may increase to up to 25%. The loss or potential loss of preferential tax treatments enjoyed by Shanghai SINA Leju could have a material and adverse effect on our financial condition and results of operations. Shanghai SINA Leju renewed its qualification of software enterprise in October 2020. In 2021, Shanghai SINA Leju will renew its qualification of "high and new technology enterprise" to enjoy the favorable statutory tax rate of 15% for the following three years.

Various local governments in China have also provided discretionary preferential tax treatments to us. However, at any time, these local governments may decide to reduce or eliminate these preferential tax treatments. Furthermore, these local implementations of tax laws may be found in violation of national laws or regulations, and as a consequence, we may be subject to retroactive imposition of higher taxes as a result. We are required under U.S. GAAP to accrue taxes for these contingencies. The change in accounting requirement for reporting tax contingencies, any reduction or elimination of these preferential tax treatments and any retroactive imposition of higher taxes could have an adverse effect on our results of operations.

***We face uncertainty with respect to indirect transfer of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non-PRC company, or immovable properties located in China owned by their non-PRC holding companies.***

We face uncertainties on the reporting and consequences on private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors who are non-PRC resident enterprises.

In February 2015, the SAT issued the Notice on Several Issues Concerning Enterprise Income Tax for Indirect Share Transfer by Non-PRC Resident Enterprises, or the SAT Bulletin 7, which replaced previous rules under the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or the SAT Circular 698, issued by the SAT in 2009. Pursuant to the SAT Bulletin 7, an “indirect transfer” of assets of a PRC resident enterprise, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such transaction arrangement lacks a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to the SAT Bulletin 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity interests in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. In respect of an indirect transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. If the underlying transfer relates to immovable properties located in China or to equity interests in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to preferential tax treatment under applicable tax treaties or similar arrangements, if any, and the party who is obligated to make payments for the transfer has a withholding obligation. Although the SAT Bulletin 7 does not apply to share transfers of publicly traded companies, there is uncertainty as to the application of the SAT Bulletin 7 or previous rules under the SAT Circular 698. We and our non-PRC resident investors may be at risk of being subject to tax filing or withholding obligations under the SAT Bulletin 7 and we may be required to expend valuable resources to comply with the SAT Bulletin 7 or to establish that we should not be taxed under the SAT Bulletin 7.

We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing and withholding or tax payment obligations on the transferors and transferees, while our PRC subsidiaries may be requested to assist in the filing. Any PRC tax imposed on a transfer of our shares or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

***Dividends payable to us by our PRC subsidiaries may be subject to PRC withholding taxes or we may be subject to PRC taxation on our worldwide income, and dividends distributed to our investors may be subject to PRC withholding taxes under the EIT Law and our investors may be subject to PRC withholding tax on the transfer of our ordinary shares or ADSs.***

Under the EIT Law and its implementation rules, all domestic and foreign invested companies would be subject to a uniform enterprise income tax at the rate of 25% and dividends from a PRC subsidiary to its foreign parent company will be 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, or the tax is otherwise exempted or reduced pursuant to PRC tax laws.

Under the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements, effective November 2015, our Hong Kong subsidiaries need to obtain approval from the relevant local branch of the SAT in order to enjoy the preferential withholding tax rate of 5% in accordance with the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income. The SAT further clarified in a circular that tax treaty benefits will be denied to "conduit" or shell companies without business substance and that a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant the tax treaty benefits. It is unclear at this stage whether this circular applies to dividends from our PRC subsidiaries paid to us through our Hong Kong subsidiaries. However, it is possible that our Hong Kong subsidiaries might not be considered as "beneficial owners" of any dividends from their PRC subsidiaries and as a result would be subject to withholding tax at the rate of 10%. As a result, there is no assurance that our Hong Kong subsidiaries will be able to enjoy the preferential withholding tax rate.

In addition, under the EIT Law, enterprises organized under the laws of jurisdictions outside China with their "de facto management bodies" located within China may be considered PRC resident enterprises and therefore be subject to PRC enterprise income tax at the rate of 25% on their worldwide income. Under the implementation rules of the EIT Law, "de facto management bodies" are defined as the bodies that have material and overall management and control over the business, personnel, accounts and properties of the enterprise. A subsequent circular issued by the SAT provides that a foreign enterprise controlled by a PRC company or a PRC company group will be classified as a "resident enterprise" with its "de facto management bodies" located within China if the following requirements are satisfied: (i) the senior management and core management departments in charge of its daily operations function mainly in China; (ii) its financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) its major assets, accounting books, company seals, and minutes and files of its board and shareholders' meetings are located or kept in China; and (iv) more than half of the enterprise's directors or senior management with voting rights reside in China.

The EIT Law and its implementation rules are relatively new and ambiguities exist with respect to the interpretation of the provisions relating to resident enterprise issues. Although our offshore holding companies are not controlled by any PRC company or company group, we cannot assure you that we will not be deemed to be a PRC resident enterprise under the EIT Law and its implementation rules. If we were considered a PRC resident enterprise, we would be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income; dividend income we receive from the PRC subsidiaries, however, may be exempt from PRC tax since such income is exempted under the EIT Law to a PRC resident recipient. However, as there is still uncertainty as to how the EIT Law and its implementation rules will be interpreted and implemented, and the PRC foreign exchange control authorities have not yet issued guidance with respect to the processing of outbound remittances to entities that are treated as PRC resident enterprises, we cannot assure you that we are eligible for such PRC enterprise income tax exemptions or reductions. In addition, ambiguities also exist with respect to the interpretation of the provisions relating to identification of PRC-sourced income. If we were considered a PRC resident enterprise, any dividends payable to non-resident holders of our ordinary shares or ADSs, and the gains such investors may realize from the transfer of our ordinary shares or ADSs, may be treated as PRC-sourced income and therefore be subject to a 10% PRC withholding tax (or 20% in the case of non-resident individual holders), unless otherwise exempted or reduced pursuant to treaties or applicable PRC law.

If we became a PRC resident enterprise under the new PRC tax system and received income other than dividends, our profitability and cash flows would be adversely affected due to our worldwide income being taxed in China under the EIT Law. Additionally, we would incur an incremental PRC dividend withholding tax cost if we distributed our profits to our ultimate shareholders. There is, however, not necessarily an incremental PRC dividend withholding tax on the piece of the profits distributed from our PRC subsidiaries, since they would have been subject to PRC dividend withholding tax even if we were not a PRC tax resident.

***Failure to obtain the approvals or complete the filings required for our real estate agency and brokerage business in China may limit our ability to provide real estate agency and brokerage services or establish new PRC operating entities.***

Currently, we mainly use City Rehouse, and its subsidiaries to provide support for our e-commerce business. Certain of the support services provided by City Rehouse and its subsidiaries may be regarded as real estate agency and brokerage services under PRC law. Pursuant to the previous Foreign Investment Industrial Guidance Catalogue issued in 2011, foreign ownership of the real estate agency and brokerage business in China is subject to government approval. Accordingly, the establishment of, or investment in any company with a registered business scope of, real estate agency and brokerage services in China by our PRC subsidiaries directly is, and by our PRC subsidiaries indirectly through their subsidiaries may be, subject to approval of the MOC or its relevant local counterparts which should be obtained before registering such company with the SAMR or its local counterparts. Although City Rehouse has not obtained approval from the competent local branch of the MOC in connection with its establishment of, or investment in, its subsidiaries with a registered business scope of real estate brokerage business, each subsidiary of City Rehouse has obtained and maintained a business license with such business scope, and none of such subsidiaries has received any notice of warning or penalties from the competent authorities for lacking such approval.

The Foreign Investment Industrial Guidance Catalogue, effective April 2015, loosens the restrictions on foreign ownership of the real estate agency and brokerage business in China by removing it from the restricted category for foreign investment. Under the new catalogue, City Rehouse no longer needs the approval of the MOC or its relevant local counterparts for the establishment of, or investment in any new PRC subsidiary with a registered business scope of real estate agency and brokerage services. However, we cannot assure you that the historical non-compliance of City Rehouse not obtaining the requisite government approval would not be found as a violation by relevant PRC government authorities. If the historical non-compliance were found and determined by the relevant PRC government authorities as a violation, our relevant subsidiaries would be subject to warnings, fines or even revocation of its licenses.

In addition, pursuant to the relevant regulations regarding real estate agency and brokerage businesses, a real estate broker must conduct a filing with the real estate administrative authority within 30 days after issuance of its business license. We have completed the filing with the competent local real estate administrative authorities for our 46 PRC operating entities which currently provide support services considered to be real estate agency and brokerage services under the PRC law. In addition, we are in the process of making such filings with the relevant local real estate administrative authorities for four entities. For the remaining entities, 12 entities are in the process of being liquidated, and 14 entities are not qualified to make such filings with the relevant local real estate administrative authorities. The requirements of the local real estate administrative authority for such filing may vary in different cities and we cannot assure you that we will be able to complete such filing in a timely manner or at all. If we fail to properly complete such filings, it may limit the ability of the relevant PRC operating entities to provide similar support service to our e-commerce business.

***Our predecessor auditor is not inspected by the Public Company Accounting Oversight Board and, as such, you are deprived of the benefits of such inspection.***

Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm, was our predecessor auditor and audited our consolidated financial statements for the fiscal years ended December 31 between 2012 and 2018. In May 2020, we have appointed Yu Certified Public Accountant, P.C., or Yu CPA, as our independent registered public accounting firm for the fiscal year ended December 31, 2019. Since then Yu CPA has been our principal external auditors.

Auditors of companies that are registered with the SEC and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, and are required by the laws of the United States to undergo regular inspections by the PCAOB to assess their compliance with the laws of the United States and professional standards. Yu CPA is registered with the PCAOB and operating in New York of the United States, and is currently subject to PCAOB rules regarding periodically inspection. However, because we have substantial operations within the People's Republic of China and the PCAOB is currently unable to conduct inspections of the work of the auditors who are based in China as it relates to those operations without the approval of the PRC authorities, our predecessor auditor's work related to our operations in China was not inspected by the PCAOB.

This lack of the PCAOB inspections in China prevents the PCAOB from fully evaluating audits and quality control procedures of our independent registered public accounting firm. As a result, we and investors in our ordinary shares are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections, which could cause investors and potential investors in our ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

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 an issuer 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 its shares or ADSs 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. An issuer 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. This legislation and any additional rulemaking efforts to increase U.S. regulatory access to audit information in China could cause investor uncertainty for affected SEC registrants, including us, the market price of our ADSs could be materially adversely affected, and our securities could be delisted or prohibited from being traded "over-the-counter" if we are unable to meet the PCAOB inspection requirement in time.

## **Risks Related to Our ADSs**

### ***The market price for our ADSs has been and may continue to be highly volatile.***

In 2020, the closing price of our ADSs on the NYSE, varied from a high of \$3.98 to a low of \$1.30. The market price for our ADSs has been and may continue to be highly volatile and subject to wide fluctuations due to factors beyond our control, such as broad market and industry factors. The securities markets in the United States, China and elsewhere have experienced significant price and volume fluctuations that are not related to the operating performance of particular companies, particularly in recent years. The securities of some PRC-based companies that have listed their securities in the United States have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of these PRC companies' securities after their offerings may affect the attitudes of investors toward PRC companies listed in the United States, which consequently may impact the trading performance of our ADSs, regardless of our actual operating performance. Since 2011, some PRC-based companies became targets of short sellers. Any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of other PRC companies may also negatively affect the attitudes of investors towards PRC companies in general, including us, regardless of whether we have conducted any inappropriate activities. Although we have confidence in our corporate governance practice and internal control over financial reporting, we cannot assure you that we will not be subject to such attack. Any negative news or perceptions about our corporate governance or accounting practice in the future, regardless of its merits, will negatively affect the trading performance of our ADSs. In addition, the global financial crisis and the ensuing economic recessions in many countries have contributed and may continue to contribute to extreme volatility in the global stock markets.

In addition to the broad market and industry fluctuations, factors specific to our own operations may adversely affect the market price of our ADSs, including the following:

- variations in our net revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships, or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;

- fluctuations in our operating metrics;
- additions or departures of key personnel;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- detrimental negative publicity about us, our competitors or our industry;
- regulatory developments affecting us or our industry; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

***We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.***

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC, of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the NYSE. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely as compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

***We are a “controlled company” within the meaning of the NYSE Listed Company Manual and, as a result, has relied and may continue to rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.***

Since November 2020, we have been a “controlled company” as defined under the NYSE Listed Company Manual because more than 50% of the voting power of our company has been held by E-House Enterprise since November 2020. For so long as we remain a “controlled company” under that definition, we are permitted to elect to rely on exemptions from certain corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors or that we have to establish a nominating committee and a compensation committee composed entirely of independent directors. If we elect to rely on one or more of the exemptions, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. Currently, we do not have a majority of independent directors on our board.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for 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 for 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 sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our ADSs could adversely affect their market price.***

Sales of our ADSs in the public market, or the perception that these sales could occur, could cause the market price of our ADSs to decline. As of March 31, 2021, we had 136,412,604 ordinary shares outstanding (excluding the 3,640,149 ordinary shares issued to our depository bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan). E-House Enterprise, SINA and Tencent held an aggregate of approximately 84.5% of our ordinary shares outstanding as of March 31, 2021. The sale or perceived sale of a substantial amount of our ADSs by any of these principal shareholders could adversely affect the prevailing market price for our ADSs. Such sales or perceived sales also might make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. In addition, if we pay for our future acquisitions in whole or in part with additionally issued ordinary shares, your ownership interests in our company would be diluted and this, in turn, could have an adverse effect on the price of our ADSs.

***Our articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.***

Our memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS, or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

***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, shareholders of 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 corporate records (except for the memorandum and articles of association and our register of mortgages and charges) or to obtain copies of lists of shareholders of these companies. 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. Currently, we do not plan to rely on home country practice with respect to any corporate governance matter. However, 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.

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.

There is no statutory enforcement 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 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, 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, (iv) is not in respect of taxes, a fine or a penalty, and (v) 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. Because such determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

***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, or Article 177, 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 Article 177 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. See also “—Risks Related to Our ADSs—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” for risks associated with investing in us as a Cayman Islands company.

***You, as holders of ADSs, may have fewer rights than holders of our ordinary shares and must act through the depositary to exercise those rights.***

Holders of ADSs do not have the same rights of our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under our memorandum and articles of association, the minimum notice period required to convene a general meeting is seven calendar days. When a general meeting is convened, you may not receive sufficient notice of a shareholders’ meeting to permit you to withdraw the underlying ordinary shares represented by your ADSs to allow you to cast your vote with respect to any specific matter. In addition, the depositary 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 depositary 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 depositary to vote the underlying ordinary shares represented by your ADSs. Furthermore, the depositary 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 ordinary shares represented by your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders’ meeting.

***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 dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.***

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no 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 distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

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

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. 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 provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable 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 our rights offerings and may experience dilution of their holdings as a result.

***You may be subject to limitations on transfer of your ADSs.***

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deem it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

*We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. holders.*

We will be classified as a “passive foreign investment company”, or “PFIC” for U.S. federal income tax purposes for any taxable year, if either (i) 75% or more of our gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income (“the asset test”). Although the law in this regard is unclear, we treat our consolidated variable interest entities as being owned by us for U.S. federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements.

Assuming that we are the owner of our consolidated variable interest entities for U.S. federal income tax purposes, and based upon our current and expected income and assets, we believe we were not a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2020 and do not expect to be a PFIC for the current taxable year and the foreseeable future. However, no assurance can be given in this regard because the determination of whether we will be or become a PFIC is a factual determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of our ADSs and ordinary shares may cause us to become a PFIC for the current taxable year or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and other unbooked intangibles, may be determined by reference to the market price of our ADSs or ordinary shares from time to time (which may be volatile). Furthermore, the determination of whether we will be or become a PFIC will also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increase relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes our risk of being classified as a PFIC may substantially increase. In addition, there can be no assurance our business plans will not change in a manner that will affect our PFIC status.

If we are classified as a PFIC in any taxable year, a U.S. holder (as defined in “Taxation—U.S. Federal Income Tax Considerations”) may incur significantly increased U.S. federal income tax on gain recognized on the sale or other disposition of the ADSs or ordinary shares and on the receipt of distributions on the ADSs or ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under the U.S. federal income tax rules. Further, if we are classified as a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares. Each U.S. holder is urged to consult its tax advisor concerning the U.S. federal income tax consequences of an investment in our ADSs or ordinary shares if we are treated as a PFIC for any taxable year, including the possibility of making a “mark-to-market” election.

See the discussion under “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules” concerning the U.S. federal income tax consequences of an investment in the ADSs or ordinary shares if we are or become classified as a PFIC, including the possibility of making a “mark-to-market” election.

#### **ITEM 4. INFORMATION ON THE COMPANY**

##### **A. History and Development of the Company.**

Leju Holdings Limited was incorporated as our holding company in November 2013 by E-House, a leading real estate services company in China listed on the NYSE at the time. E-House had remained our parent company and controlling shareholder after our initial public offering in April 2014 until December 30, 2016. Substantially all of our operations are conducted through the PRC subsidiaries and consolidated variable interest entities under China Online Housing Technology Corporation, or China Online Housing, Omnigold Holdings Limited, or Omnigold, China E-Real Estate Holdings Limited, or E-Real, and E-House China (Tianjin) Holdings Limited, or E-House Tianjin, each of which became our subsidiary in December 2013 as part of a restructuring by E-House. China Online Housing was incorporated as a joint venture of SINA and E-House in 2008 to operate the SINA real estate and home furnishing website and related business, including online advertising services. China Online Housing became a consolidated subsidiary of E-House in 2009 and a wholly owned subsidiary of E-House in 2012. Omnigold was incorporated by E-House in October 2010 to operate the home furnishing services business and is currently 84% owned by us. E-Real and E-House Tianjin were incorporated by E-House in June 2011 and March 2012, respectively, and are wholly owned by us. E-Real was incorporated to operate the real estate e-commerce business. E-House Tianjin supports our real estate e-commerce business.

Due to PRC legal restrictions on foreign ownership and investment in the internet information services and advertising businesses, we conduct such activities through contractual arrangements with our consolidated variable interest entities in China. Our e-commerce business with respect to new residential properties is operated through our contractual arrangements with Leju Hao Fang, formerly known as Shanghai Yi Xin E-Commerce Co., Ltd., and its shareholders. Our e-commerce business with respect to home furnishing is operated through our contractual arrangements with Beijing Jiajujiu and its shareholders. Our online advertising business for new residential properties websites and our secondary listings business are operated through our contractual arrangements with Beijing Leju and its shareholders. We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their respective shareholders. As a result of these contractual arrangements, Leju Holdings Limited, through PRC subsidiaries, is the primary beneficiary of these PRC entities and accounts for them as variable interest entities, and consolidates the financial results of these entities into our financial statements in accordance with U.S. GAAP. For a description of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure”.

On April 17, 2014, our ADSs commenced trading on the NYSE under the symbol “LEJU”. We raised from our initial public offering approximately \$101.4 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us. Concurrently with our initial public offering, we also raised from Tencent in a private placement \$18.9 million in net proceeds after deducting estimated fees and expenses payable by us.

## **Our Relationship with E-House Enterprise**

On November 4, 2020, E-House Enterprise completed the acquisition of a controlling stake in our company. E-House Enterprise purchased (i) 51,925,996 ordinary shares from Mr. Xin Zhou and certain of his affiliated entities (the “Zhou Parties”) by issuing to the Zhou Parties 166,918,440 of its ordinary shares (“E-House Enterprise Shares”), and (ii) 24,475,251 ordinary shares of Leju from SINA Corporation and an affiliated entity thereof (the “SINA Parties”) by issuing to the SINA Parties 78,676,790 E-House Enterprise Shares. Upon completion of these transactions, E-House Enterprise acquired the beneficial ownership of 76,401,247 ordinary shares of us, and we became a subsidiary of E-House Enterprise and our financial results have been consolidated into the accounts of E-House Enterprise since then. As of March 31, 2021, E-House Enterprise owned 76,401,247 ordinary shares of us, representing approximately 56% of our total outstanding ordinary shares.

In July 2020, E-House Enterprise entered into a business cooperation agreement with a subsidiary of Alibaba, and the two parties have agreed to cooperate in areas including online-offline real estate transaction, digital marketing and after-sale services with the goal of enhancing the digital and intellectual capabilities of the real estate service industry. Alibaba will closely collaborate with E-House Enterprise and us to build an online real estate marketing platform and digital transaction network, with E-House Enterprise being the operator of online transaction services on the platform and we being the operator of digital marketing services. To our knowledge, Alibaba beneficially owned over 5% of E-House Enterprise’s outstanding shares as of March 31, 2021.

We also have ongoing relationship with E-House, an affiliate of E-House Enterprise. Our agreements with E-House include a master transaction agreement, an offshore transitional services agreement (as amended), an onshore transitional services agreement (as amended), a non-competition agreement and an onshore cooperation agreement. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions and Agreements with E-House.”

## **Our Relationship with SINA**

Through an agreement entered into between SINA and E-House in 2009, we own SINA’s real estate operations. To a large extent, the operations and revenues of our business rely on SINA’s cooperation with us. The domain names of some major websites of our business are owned by SINA and licensed to us through agreements which we initially entered into with SINA in 2009 with terms through 2019 and which we amended and restated in 2014 to extend through 2024. A significant number of users of these websites are linked through other SINA websites. Pursuant to an advertising inventory agency agreement with SINA, we are the exclusive agent of SINA for selling advertising to the real estate advertisers through 2024.

On March 21, 2017, we entered into a registration rights agreement with SINA, which grants SINA the same registration rights with respect to our ordinary shares as those granted to E-House and Tencent under an investor rights agreement dated March 31, 2014.

See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions and Agreements with SINA” for more information.

## **Our Relationship with Tencent**

In March 2014, pursuant to a share purchase and subscription agreement we entered into with E-House and Tencent, Tencent acquired from E-House 19,201,800 of our ordinary shares, or 15% of our total outstanding shares on a fully diluted basis, including all options and restricted shares and any other rights to acquire our shares that were granted and outstanding, for \$180 million in cash. Concurrent with the consummation of our initial public offering, Tencent purchased 2,029,420 ordinary shares from us at a price per ordinary share equal to the initial public offering price per ordinary shares to maintain a 15% equity interest in us on a fully diluted basis as of the consummation of our initial public offering. In connection with the sale of shares to Tencent, we have entered into an investor rights agreement on March 31, 2014 with E-House and Tencent, which grants E-House and Tencent certain registration rights with respect to our ordinary shares owned by them, grants certain board representation rights to Tencent and places certain restrictions on the transfer of our ordinary shares by E-House or Tencent.

In January 2019, we entered into a series of exclusive advertising agency agreements with Tencent. Pursuant to the exclusive advertising agency agreements, we are the exclusive real property advertising agent of Tencent for selling advertising to real estate advertisers in certain areas of China, including, Tianjin and Sichuan, Anhui, Shanxi, Guangxi and Fujian provinces. In March 2019, we entered into an advertising agency agreement with Tencent, pursuant to which we are the real property advertising agent of Tencent in certain other areas of China. In January 2020, we renewed and entered into advertising agency agreements with Tencent, pursuant to which we are the real property advertising agent of Tencent in many areas of China. Pursuant to the exclusive advertising agency agreements signed in April 2020, such areas of China were Heilongjiang, Shanxi, Tianjin, Fujian, Guangxi, Guizhou, Chongqing, Sichuan and some cities in Jiangsu Province. In early 2021, we renewed our advertising agency agreements with Tencent, and the cooperative areas remain the same as those in 2020.

See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions and Agreements with Tencent” for more information.

## **Corporate Information**

Our principal executive offices are located at Level G, Building G, No.8 Dongfeng South Road, Chaoyang District, Beijing 100016, People’s Republic of China. Our telephone number at this address is +86 10 5895 1000. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. In addition, we have 61 branch offices in mainland China and a branch office in Hong Kong. Our agent for service of process in the United States is Law Debenture Corporate Services Inc., located at 400 Madison Avenue, 4th Floor, New York, New York 10017.

### **B. Business Overview**

#### **Overview**

We are a leading O2O real estate services provider in China. We offer real estate e-commerce, online advertising and online listing services through our online platform, which comprises local websites covering 391 cities and various mobile applications. We integrate our online platform with complementary offline services to facilitate residential property transactions and home renovation transactions. In addition to our own websites, we also operate various real estate and home furnishing websites of SINA. Moreover, we operate official accounts on Weixin and Weibo for new real estate projects.

*E-Commerce.* We offer e-commerce services primarily in connection with new residential property sales. Our O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits, marketing events and pre-sale customer support. We earn revenue primarily from the sale of discount coupons used for property purchases. We also facilitate transactions on our platform for home furnishing business and earn commissions from merchants based on the value of merchandise sold by them generally.

**Online Advertising.** In respect of the online advertising services, we mainly provide comprehensive advertisement placement services to advertisers, mainly property developers, through a packaged online cross-media and cross-platform product portfolio, including those owned by us and other independent outlets. We currently sell advertising primarily on the SINA new residential properties and home furnishing websites, which are operated by us. In addition, we are the exclusive advertising agent for the SINA home page and non-real estate websites with respect to advertising sold to advertisers, including real estate developers and home furnishing suppliers. We also purchased advertising resources from Tencent and other independent media outlets. In late 2017, we launched Leju Finance, an online platform that provides information and news on the real estate industry, market, and developers featuring their financial performances. We earn revenue primarily from advertising sales and brand promotion services provided to advertisers, including real estate developers and home furnishing suppliers.

**Listing.** We offer fee-based online property listing services to real estate agents and free services to individual property sellers. We currently operate the SINA real estate websites for listings of existing residential properties for sale or lease.

We generated total revenues of \$462.0 million, \$692.6 million and \$719.5 million in 2018, 2019 and 2020, respectively. We incurred net loss of \$12.9 million, net income of \$10.9 million and \$21.0 million in 2018, 2019 and 2020, respectively.

## **Our O2O Platform**

We offer multiple online and offline access points for consumers. We reach consumers through our own websites, various real estate and home furnishing related websites on *sina.com.cn* that are operated by us, Weibo, Weixin, and various mobile applications. These websites and mobile applications enable us to better reach potential purchasers for whom we are then able to provide our offline services. We also provide complementary offline services to cultivate customer loyalty and ensure superior customer experience.

### **Websites**

Our internet presence includes local real estate websites across China that we either operate directly or outsource to local outsourcing partners. These local websites provide region-specific real estate news, information, property data and access to online communities to real estate consumers and participants. We believe our local presence in each of these cities enables us to provide services that are tailored to local conditions, enhancing the attractiveness of our websites to consumer and to advertisers who seek targeted advertising opportunities.

Through our direct operations and outsourcing to local partners we operate websites in every province of China. We operate the following websites:

- new residential property websites, including *house.sina.com.cn* and *leju.com*, where viewers are automatically directed to a local website with localized information and services, covering 391 cities; on *house.sina.com.cn* and *leju.com*, we offer customers the ability to purchase discount coupons for property purchases;
- existing residential property focused websites, including *esf.sina.com.cn* and *esf.leju.com*, where viewers are automatically directed to a local website with localized information and services, covering over 299 cities;
- home furnishings websites, including *jiaju.com*, which is a platform for distributors to offer home furnishings to consumers, *jiaju.sina.com.cn*, which offers information with respect to home furnishing, and *7gz.com* (formerly *qianggongzhang.com*), which is a platform connecting customers with professional contractors; viewers have access to localized information on home furnishing information, offerings and listings of contractors across China through our home furnishing websites; and
- real estate media website, including *news.leju.com*, a B2B platform, which provides information and news on the real estate industry, market and developers featuring their financial performances.

We sell online advertising on each of our direct-operated local websites covering 78 cities. We also outsource 313 local websites to third parties that pay us fixed fees for the right to operate the websites. The amount of user traffic on the websites that we own or operate, our ability to achieve user demographic characteristics that are attractive to advertisers, and our ability to demonstrate such user traffic and demographic characteristics through website traffic tracking tools and reporting systems are important factors in maintaining our advertising revenue from websites that we operate directly and fixed fees from websites that we outsource to third parties. We track such data internally and identify cities to convert to direct operations on an ongoing basis.

### **Mobile Applications**

Our major mobile applications include “Leju Home Purchase” (an upgraded version of “Pocket Leju”), “Leju Er Shou Fang”, “Qianggongzhang”, contractor version of “Qianggongzhang”, “Lai Ke” and “Leju Finance”, each of which has version for the iOS and Android operating systems.

- *Leju Home Purchase*, an upgraded version of Pocket Leju, is a comprehensive and professional real estate e-commerce platform. It provides personalized services to consumers and potential buyers of new and existing homes, and potential residential renters. These services include local market news, scheduling home visits, selection, access to purchase discounts, special offer recommendations, local housing price interpretations, purchase guides, property assessment, tax calculation, housing loan calculation and others.
- *Leju Er Shou Fang* provides services to potential home buyers of existing homes and potential residential renters with housing information provided by brokers, as well as housing loan calculation and chat tools.
- *Qianggongzhang* is a national mobile platform connecting consumers with professional home furnishing and renovation contractors. It provides personalized renovation information to consumers, including localized information on home furnishing, and offerings and listings of contractors across China.
- Contractor version of “Qianggongzhang” is jointly developed by our renovation team and Qianggongzhang platform. It provides a user-friendly means for contractors to effectively monitor and manage renovation projects and construction sites.
- *Lai Ke* is a communication tool between property consultants and potential home buyers. It pushes information to potential home buyers through real-time big data analytics and helps property consultants reach out to targeted clients.
- *Leju Finance* is a mobile app, which provides information and news on the real estate industry, market and developers featuring their financial performances.

In March 2014, we launched our mobile e-commerce platform based on (i) existing mobile applications developed by our company, including “Leju Home Purchase” (an upgraded version of “Pocket Leju”), and (ii) Weibo and Weixin, two of China’s leading social media platforms. Our mobile platform aims to connect home buyers and developers and real estate agents through mobile devices to allow potential buyers to view detailed information about real estate projects, conduct live chats with sales agents, make appointments for property viewing, reserve individual units, and purchase discount coupons. Our mobile e-commerce platform will also connect real estate sales personnel and agents with potential home buyers and sellers, including through live chat services, in addition to providing updated customer data and analysis and a facility for making appointments for site visits.

In June 2014, we officially launched the first “Weixin Home Promotion”, using the Weixin platform as an integral part of our mobile e-commerce platform. In July 2014, we upgraded our mobile e-commerce platform to consolidate all of our mobile resources to provide developers with three unique groups of mobile promotional tools, including media channels, communication tools and e-commerce tools, to further enhance mobile marketing for our clients. Since then we have continually added new product offerings on our mobile platform, including various interactive marketing games.

In July 2015, we launched an innovative mobile product in cooperation with Didi Chuxing, a leading mobile transportation platform in China, to arrange individual site visits for customers using private cars.

### ***Complementary Offline Services***

Our offline services include physical property visits and a call center, which enables our website viewers to contact us or representatives of property developers for information on new residential properties and our services. Our services are also available at developers’ show rooms and through real estate brokers. We also organize and conduct offline marketing events for property developers to promote their new resident properties.

### **Our Services**

We offer e-commerce services in connection with new residential property sales and home furnishing; online advertising services in connection with new residential property sales and home furnishing; and online listing services for existing residential properties.

### ***E-Commerce***

Our e-commerce revenue is primarily derived from the sale of discount coupons for new residential properties that are promoted by developers. We commenced the sale of discount coupons from the first quarter of 2012. Our revenues generated from e-commerce services in 2018, 2019 and 2020 were \$320.3 million, \$547.2 million and \$547.9 million, respectively, representing 69.3%, 79.0% and 76.2%, respectively, of our total revenues for those periods.

### ***O2O Services for New Residential Properties***

Our O2O offering includes selling discount coupons for new residential properties. Our O2O services can be accessed by prospective purchasers through the real estate website of SINA which we operate and our website, *leju.com*, as well as through our mobile applications. Prospective purchasers can also access our services at show houses for new residential properties and through real estate developers.

**Discount Coupons.** A discount coupon entitles a purchaser to purchase a property from the property developer at a particular development at a discount from the advertised price. Discount coupons can be purchased by prospective property purchasers online at *leju.com* and *house.sina.com.cn*, and their respective local websites as well as offline in showrooms for new property developments. We enter into arrangements with developers whereby we offer O2O services, including the sale of discount coupons, to promote and facilitate property sales. Each such arrangement is specific to a particular development. The arrangement may terminate at a pre-agreed date or continue until all properties at the development have been sold, as agreed in advance by the developer and us. Coupons may expire on a stated expiry date, typically at the end of a promotional period, or when all properties at the development to which the coupon relates have been sold. When a prospective property purchaser purchases a discount coupon as part of our O2O services, the purchaser remits the payment for the coupon to an account maintained by the purchaser with an independent payment platform provider or to Leju’s Alipay or Weixin pay accounts directly. Upon confirmation from a purchaser that a discount coupon is redeemed to purchase property, the payment for the discount coupon is transferred to us. However, if for any reason the coupon is not redeemed, the payment is refunded to the purchaser and we do not earn revenue from the transaction.

The following table sets forth certain operating metrics with respect to our sales of discount coupons for the periods specified.

	Three months ended March 31, 2020	Three months ended June 30, 2020	Three months ended September 30, 2020	Three months ended December 31, 2020
Number of discount coupons issued to prospective purchasers (number of transactions)	29,691	64,524	66,415	83,206
Number of discount coupons redeemed (number of transactions) <sup>(1)</sup>	22,862	44,406	57,934	67,514

Note:

- (1) The number of discount coupons issued to prospective purchasers that were used by the purchaser to obtain a discount in connection with a property purchase during the period. We recognize revenue from the sale of discount coupons that are redeemed. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Critical Accounting Policies”.

We have entered into arrangements with China Unionpay to use its payment platform to collect payments for discount coupons. The term of this agreement has been extended to 2022. Either party may terminate the agreement upon 30 days written notice to the other party. Under the agreement, China Unionpay provides customers with the ability to make online or on-site payments.

### Online Advertising

The majority of our online advertising revenues are generated from sale of advertising on real estate and home furnishing websites to advertisers including real estate developers and home furnishing suppliers. Since the second quarter of 2016, we started to generate advertising revenues from our contractor platform 7gz. com. Our revenues generated from advertising services in 2018, 2019 and 2020 were \$138.4 million, \$143.8 million and \$170.8 million, respectively, representing 30.0%, 20.8% and 23.7%, respectively, of our total revenues for those periods.

We operate the SINA real estate website, *house.sina.com.cn*, and the SINA home furnishings website, *jiaju.sina.com.cn*, and we are entitled to all advertising revenues from these websites. In addition, pursuant to an agency agreement with SINA, we are the exclusive advertising agent of the SINA homepage and non-real estate websites, for advertising sold to advertisers, including real estate developers and home furnishing suppliers. We are entitled to 85% of the revenue derived from advertising on these other websites. Leveraging SINA’s strong brand recognition, market influence in China’s online space and its large user base, we help real estate advertisers reach their target audiences in many of China’s major cities. Real estate advertisers primarily include real estate developers, agents and brokers as well as suppliers and providers of home furnishing and improvement products and services.

Furthermore, as the exclusive real estate advertising agency for SINA non-real estate websites, we facilitate advertising by our real estate advertising clients on the SINA real estate websites as well as non-real estate websites. Real estate advertising offerings on SINA websites include online advertising and sponsorship arrangements. Online advertising arrangements allow advertisers to place advertisements on particular areas of SINA websites, in particular formats, such as banners and text links, and over particular periods of time. Sponsorship arrangements allow advertisers to sponsor a particular area on SINA websites in exchange for a fixed payment over the contract period. Real estate advertising on SINA websites also includes revenue from outsourcing arrangements with local business partners. Revenues from outsourcing arrangements are on a fixed fee and recognized ratably over the term of the contract.

We and SINA have entered into a number of agreements governing our relationship with SINA, including an advertising inventory agency agreement, an amended and restated domain name and content license agreement, an amended and restated trademark license agreement and an amended and restated software license and support services agreement. For descriptions of these agreements, see “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Transactions and Agreements with SINA”.

In 2019, we entered into a series of advertising agency agreements with Tencent, pursuant to which we are the real property advertising agent of Tencent, including having exclusive advertising rights in certain areas of China. We also generated advertising revenues from various other websites and mobile applications such as Weixin, Weibo, Toutiao and UC Web from 2018 to 2020. We earn revenue from the sale of online advertising on each of these websites. Revenues for online advertising are typically based on a fixed fee for the period of the advertising and are recognized ratably.

In July 2014, we launched *qianggongzhang.com* (now *7gz.com*), an online platform for independent contractors who serve home purchasers in the home renovation and decoration process, by working with city-level operators who aggregate the contractors. Home purchasers in each city can use the website to choose and compare up to three free quotes from individual contractors before selecting a contractor and can rely on third-party inspection companies engaged by us to ensure quality control during and after the renovation and decoration process. We generate revenue from independent contractors and home purchasers.

### *Listing*

We offer online residential listing services for sales and leases of existing residential properties. Our listing services are currently offered in 4 cities where we maintain a local sales force and in an additional 295 cities where we allow real estate agents to use our platform to post their listings. Our revenues generated from online listing services in 2018, 2019 and 2020 were \$3.4 million, \$1.6 million and \$0.8 million, respectively, representing 0.7%, 0.2% and 0.1%, respectively, of our total revenues for those periods. Real estate brokers use our listing services. Payment of the listing fees entitles them to post multiple listings for properties over the subscription period. Our listing subscription contracts are typically for a term of up to one year with fixed fees payable on a monthly basis. The subscription fees are generally fixed and vary from city to city. Our listing customers submit property listings by logging on to our platform directly. Once a listing has been uploaded to our website, it can be viewed for free by visitors to our website. All visitors to our website have access to listing information free of charge, 24-hours a day. With respect to listings submitted by agents or brokers, the name of the agent or broker appears as a link, offering viewers access to additional listings promoted by the same agent or broker.

### **Brand Promotion**

We employ a variety of marketing and brand promotion methods to enhance our brand recognition and attract developer clients and real estate purchasers, including advertising arrangements and the Leju Membership Club. Membership in the Leju Membership Club is free. Users can sign up to join the Leju Membership Club online at our website, *leju.com*, and become members following email or phone number confirmation through text message.

We conduct advertising activities in 78 cities where we directly operate local websites through promotional events for developers and other industry participants, including industry award ceremonies, panel discussions and similar events.

## Sales and Marketing

Most of our new home advertising revenue and home furnishing advertising revenue is derived from our direct sales force. We also derive new home and home furnishing advertising revenue from sales through third party advertising agencies.

We have built a sales and marketing team that is experienced in the online advertising, internet and real estate industries. Our sales and marketing team comprised 556 personnel as of December 31, 2020. Our sales and marketing personnel 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 help us set our prices and strategies for each locality.

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. In addition, we have adopted a merit-based promotion system to motivate our sales personnel.

## 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 real estate transactions, advertising and marketing activities of our customers in the PRC real estate industry during and around the Chinese New Year holiday, which generally occurs in January or February of each year and due to the cold winter weather in northern China. In contrast, the third and fourth quarters of each year generally contribute a larger portion of our annual revenues due to increased real estate transaction, advertising and marketing activity during the months of September and October.

## 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 consumers to our websites. We compete for consumers principally on the basis of the quality and quantity of real estate listings and other information content and services. We also compete for developers' business on the basis on website traffic volume, consumer 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. We face various competitors with whom we may compete on one or more lines of business. For example, we compete with *fang.com*, formerly *soufun.com*, a leading real estate internet portal in China and compete with *anjike.com*, which is operated by *58.com*, a major online real estate listing platform in China. In addition, we also compete with mobile-based providers of news, such as *toutiao.com*, for our online advertising business. 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. We also compete with traditional advertising media such as general-purpose and real estate-focused newspapers, magazines, television and outdoor advertising that compete for spending on real estate advertising and listings.

Some of our competitors may have greater access to capital markets, more financial and other resources and a longer operating history than us. For instance, major general-purpose websites, which provide real estate and real estate-related information services, may have an advantage over us due to their more established brand name, larger user base and extensive internet distribution channels.

## Technology

To better serve our customers, we have utilized our key proprietary technologies and developed a technology infrastructure that is specifically used for our real estate and home related internet website services. The key components of our technology platform include:

- *Search platform.* Our search platform is designed to support targeted searches of our listing databases. Besides the key word search function, our search platform provides additional search functions that improve search accuracy with various search criteria, including searches based on the location, price and type of the property. In addition, our search engine is able to refine the search by conditional filtering and aggregation of the search results.

- *Large-scale system infrastructure.* With a combination of proprietary in-house and third-party solutions, we have designed our system to handle large amounts of data flow with a high degree of scalability and reliability. We use 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 anti-fraud technology incorporated in our IT systems with a view to addressing the potential for non-compliant activities at our local branch offices. We maintain advertising price and discount data in our customer relationship management master file. Our system automatically triggers a risk alert for any deviation from pre-set discounts, in which case, a pre-approval email from our headquarters is required. Our system also generates a weekly report of any such exceptions for review by our headquarters. We also have an anti-spam system through which we are able to detect identify and filter spam messages with a view to protecting our staff. We attempt to continuously improve the accuracy and effectiveness of our technology through machine-learning capability and customizable rules.

We maintain our servers and backup servers in Beijing and Guangzhou. We believe our server hosting partners provide significant operating advantages, including high-quality bandwidth, constant room temperature and an enhanced ability to protect our systems from power loss, break-ins and other external causes of service interruption. We have not experienced any material system failures.

## **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 laws, rules and regulations. We do not maintain insurance policies covering losses relating to our systems and do not have business interruption insurance.

## **Regulation**

We are subject to a number of laws and regulations in China relating to real estate service companies. This section summarizes the principal PRC laws and regulations that are currently applicable to our business and operations.

### **General**

The telecommunications industry, including internet information services, is highly regulated by the PRC government. Regulations issued or implemented by the State Council, the 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, tariff policy and foreign investment.

The 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 operators.

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, which was amended in October 2018. In addition, the SAMR and other ministries and agencies have issued regulations that further regulate our advertising business, as discussed below.

### ***Restrictions on Foreign Investment in the Value-Added Telecommunication Industry and Advertising Industry***

#### ***Restrictions on Foreign Investment in the Value-Added Telecommunication Industry***

In September 2000, the State Council promulgated the Telecommunications Regulations, as amended in July 2014 and February 2016, which categorize all telecommunications businesses in China as either basic telecommunications businesses or value-added telecommunications businesses. According to the Classification of Telecommunications Business effective March 1, 2016 and amended on June 6, 2019, internet information services are classified as value-added telecommunications businesses.

The State Council promulgated the Administrative Rules on Foreign-invested Telecommunications Enterprises in December 2001, as amended in September 2008 and February 2016, or the FITE Regulations. The FITE Regulations 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 the Access of Foreign Investment (Edition 2019) promulgated by the National Development and Reform Commission (the "NDRC") and the MOC on June 30, 2019, the Special Administrative Measures (Negative List) for the Access of Foreign Investment (Edition 2020) promulgated by the NDRC and the MOC on June 23, 2020 and the Catalog of Industries for Encouraging Foreign Investment (2020 Version) which was promulgated on December 27, 2020 and became effective on January 27, 2021, other than E-commerce, domestic multiparty communication, store and forward, and call center services, the permitted foreign investment in value-added telecommunications service providers may not be more than 50%. However, for a foreign investor to acquire any equity interest in a value-added telecommunications business in China, it must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating a value-added telecommunications business overseas. Moreover, foreign investors that meet these requirements must obtain approvals from the MIIT or its authorized local counterparts, which retain considerable discretion in granting approvals.

In July 2006, the MIIT publicly released the Notice on Strengthening the Administration of Foreign Investment in Operating Value-added Telecommunications Business, or the MIIT Notice, which reiterates certain provisions under the FITE Regulations. 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 are prohibited from renting, transferring or selling a telecommunications license to foreign investors in any form, and from providing any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China.

### ***Regulation relating to Our Business***

#### ***Internet Information Services***

##### *General*

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 the MIIT and the SAMR. Under the applicable regulations, internet information services are classified as value-added telecommunications businesses, and a commercial operator must obtain an ICP license from the MIIT or its relevant provincial counterparts in order to carry out commercial internet information service operations in China. If an internet information service provider is not engaged in commercial internet information service, it is only required to file a record with the MIIT or its relevant provincial counterparts. 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.

In compliance with these laws and regulations, Beijing Leju, our consolidated variable interest entity, Beijing Yisheng Leju Internet Technology Co., Ltd., a subsidiary of our consolidated variable interest entity Beijing Jiajujiu, and Leju Hao Fang, our consolidated variable interest entity, each hold a valid ICP license issued by the local provincial branch of the MIIT for the operation of our value-added telecommunication business.

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, Beijing Leju, a consolidated variable interest entity, has been registered as the owner or is applying to be the owner of the Chinese and English dual-language “Leju” trademark in several categories and has obtained the domain names of *leju.com* and *leju.cn*. Beijing Yisheng Leju Online Technology Co., Ltd., a subsidiary of our consolidated variable interest entity Beijing Jiajujiu, has registered the domain name of *jiaju.com*.

#### *Network Publication Service License*

According to the Provisions on Network Publication Service Administration, jointly issued by the GAPPRT and the MIIT in February 2016, all entities that are engaged in network publication service in China must obtain the Network Publication Service License from the GAPPRT. Network publication service is broadly defined in the Provisions on Network Publication Service Administration Regulation as the use of information networks to provide the public with digital works that have characteristics of publication such as editing, creation or processing. Our consolidated variable interest entities and their subsidiaries do not have network publication licenses. For content which we believe are subject to the requirements of these licenses, such content is hosted by SINA through our contractual arrangement with SINA. In the case that SINA does not possess the necessary licenses and permits, our content hosted by SINA is subject to the risk of being suspended by government authorities. Moreover, we cannot assure you that government would not require us to obtain these licenses separately for operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content is provided by a qualified third party. See “Item 3. Key Information—D. Risk Factors—Risks related to Our Business—If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions”.

#### *Online Transmission of Audio-Visual Programs*

The GAPPRT and the MIIT jointly promulgated the Administrative Provisions on Internet Audio-visual Program Service, or the Audiovisual Program Provisions, effective January 2008 and amended in August 2015. The Audio-visual Program Provisions apply to the provision of audio-visual program services to the public via internet (including mobile network) within the territory of China. Providers of internet audio-visual program services are required to obtain a License for Online Transmission of Audio-visual Programs issued by the GAPPRT or complete certain registration procedures with the GAPPRT. Providers of internet audio-visual program services are generally required to be either state-owned or state-controlled by the PRC government, and the business to be carried out by such providers must satisfy the overall planning and guidance catalog for internet audio-visual program services determined by the GAPPRT. In May 2008, the GAPPRT issued a Notice on Relevant Issues Concerning Application and Approval of License for Online Transmission of Audio-visual Programs, as amended in August 2015, which further sets forth detailed provisions concerning the application and approval process regarding the License for Online Transmission of Audio-visual Programs. The notice also provides that providers of internet audio-visual program services who engaged in such services prior to the promulgation of the Audio-visual Program Provisions shall also be eligible to apply for the license so long as their violation of the laws and regulations (if any) is minor and can be rectified timely and they have no record of violation during the latest three months prior to the promulgation of the Audio-visual Program Provisions. In April 2010, the GAPPRT issued the Internet Audio/Visual Program Services Categories (Provisional), as amended in March 2017, which classified internet audio-visual programs into four categories. Our consolidated variable interest entities and their subsidiaries do not have Licenses for Online Transmission of Audio-visual Programs. For content which we believe are subject to the requirements of these licenses, such content is hosted by SINA through our contractual arrangement with SINA. In the case that SINA does not possess the necessary licenses and permits, our content hosted by SINA is subject to the risk of being suspended by government authorities. Moreover, we cannot assure you that government would not require us to obtain these licenses separately for operation of our own websites and those websites licensed to us even if the underlying hosting of the relevant content is provided by a qualified third party. See “Item 3. Key Information—D. Risk Factors—Risks related to Our Business—If we fail to obtain or keep licenses, permits or approvals applicable to the various online real estate services provided by us, we may incur significant financial penalties and other government sanctions”.

*Regulations relating to Mobile Internet Application Information Services*

According to the Provisions on Administration of Mobile Internet Application Information Services promulgated by the Cyberspace Administration of China on June 29, 2016, entities providing information services through mobile internet application shall obtain relevant qualifications according to laws and regulations. Mobile internet application provider shall not use mobile internet application program to carry out activities prohibited by laws and regulations, such as endangering national security, disturbing public orders, and infringing other's legal rights and interests, or use mobile internet applications to produce, copy, publish and spread illegal information prohibited by laws and regulations. The Cyberspace Administration of China shall be responsible for the supervision and administration of information on mobile internet applications. The local cyberspace administrations shall be responsible for the supervision and administration of information on mobile internet application program within the administrative regions.

On November 28, 2019, the Secretary Bureau of the Cyberspace Administration of China, the General Office of MIIT, the General Office of the Ministry of Public Security and the General Office of SAMR jointly promulgated the Measures for the Determination of the Collection and Use of Personal Information by Apps in Violation of Laws and Regulations, which came into effect on the same day. The Measures explicitly classify acts that may be determined as "failing to make public the collection and use rules", "failing to explicitly showing the purposes, methods and scope of the collection and use of personal information", "failing to collect and using personal information with a user's consent", "collecting personal information unrelated to the services it provides against the necessary principle" and "providing personal information to others without consent."

*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. Pursuant to the Decision Regarding the Protection of Internet Security 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 and its local counterparts have supervision and inspection powers in this regard, and we may be subject to the jurisdiction of the local security bureaus. If an internet information service provider violates these measures, the PRC government may revoke its license and shut down its website.

On December 15, 2019, the Cyberspace Administration of China promulgated the Provisions of Ecological Governance of Network Information Content, which came into effect on 1 March 2020. According to the Provisions, a network information content producer shall not make, copy or publish any illegal information containing: (i) violation the fundamental principles set forth in the Constitution; (ii) jeopardizing national security, divulging state secrets, subverting the state power, or undermining the national unity; (iii) damaging the reputation or interests of the state; (iv) infringing name, portrait, reputation or honor of a hero or a martyr; (v) advocating terrorism or extremism; (vi) inciting ethnic hatred or discrimination to undermine ethnic solidarity; (vii) detrimental to state religious policies, propagating heretical or superstitious ideas; (viii) spreading rumors to disturb economic and social order; (ix) disseminating obscenity, pornography, force, brutality and terror or crime-abetting; (x) humiliating or defaming others or infringing upon their reputation, privacy and other legitimate rights and interests. In addition, a network information content platform shall set up the censorship and management mechanism of network information content, and develop relevant detailed rule. The platform shall set up the person in charge, equip itself with the professional personnel commensurate with the business scope and service scale, strengthen training and examination and improve the quality of practitioners, set up convenient channels for filing complaints and reports in prominent places and publish the ways of filing complaints and reports, and compile an annual report. If a network information content producer violates the provisions, the network information content platform shall take disposal measures including warning for rectification, restricting functions, suspending updates and closing accounts, eliminate illegal information and contents in a timely manner, keep relevant records and report to the relevant competent authorities. If a network information content platform violates the provisions, the cyberspace authorities shall hold interviews, give warnings, order it to suspend information update, take measures including restricting it from engaging in network information services, and impose online behavior restrictions and industry bans. The Measures for Cyber Security Review was promulgated on April 13, 2020 and became effective on June 1, 2020, which repealed the Measures for Security Reviews of Network Products and Services. According to the Measures for Cyber Security Review, a critical information infrastructure operator, before purchasing network products and services, shall prejudge the national security risks that may arise after the products and services are put into use. If such products and services will or may affect national security, the operator shall apply to the cyber security review office for cyber security review.

To comply with these laws and regulations, we require our users to accept the user terms or service agreement for registration with, and use of, our websites, whereby they agree to comply with the applicable PRC laws and regulations in using our websites, and we also maintain constant surveillance and monitoring on the information posted on our websites. However, the measures we take may not be adequate to ensure that all the information posted on our websites are in compliance with these laws and regulations. See “Item 3. Key Information—D. Risk Factors—Risks related to Our Business—Regulation of the internet industry in China, including censorship of information distributed over the internet, may materially and adversely affect our business”.

The security and confidentiality of information on the identity of internet users are also regulated in China. The Internet Information Service Administrative Measures promulgated by the PRC State Council require internet information service providers to maintain an adequate system that protects the security of user information. In December 2005, 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. Moreover, the Rules for Regulating the Market Order of Internet Content Services enhance the protection of internet users’ personal information by prohibiting internet information service providers from unauthorized collection, disclosure or use of personal information of their users. In December 2012, the Standing Committee of the National People’s Congress passed the Decision on Strengthening Internet Information Protection, which provides that all internet service providers in China, including internet information service providers, should require their users to provide real identity information when entering into service agreements or providing services to the users. In July 2013, the MIIT issued Provisions on Protecting Personal Information of Telecommunication and Internet Users, under which Internet information service providers are subject to strict requirements to protect personal information of internet users. The internet information service providers are prohibited from collecting personal information of internet users without obtaining consent from the users. Personal information collected shall be used only in connection with the services to be provided by Internet information service providers to such users and shall be kept in strict confidence. To comply with these laws and regulations, we require our users to accept the user terms or service agreement for registration with and use of our websites whereby they agree to provide certain personal information to us and agree to our use of their provided personal information under certain agreed circumstances, and we have established information security systems to protect users’ privacy. In May 2017, the Supreme People’s Court and the Supreme People’s Procuratorate released the Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information, or the Interpretations, effective June 2017. The Interpretations provide more practical conviction and sentencing criteria for the infringement to citizens’ personal information. In August 2019, the spokesman of the Law Working Committee of the Standing Committee of the National People’s Congress disclosed that Personal Information Protection Law was included in the legislative plan of the Standing Committee of the National People’s Congress, and an independent chapter on privacy right and personal information was contained in the draft of Personality Right Part in Civil Code.

### ***Advertising Services***

The SAMR is responsible for regulating advertising activities in China. Pursuant to applicable regulations, companies that engage in advertising activities in China must obtain from the 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 the business licenses of Beijing Leju and its subsidiaries includes operating an advertising business, which allows them to engage in the advertising business.

PRC advertising laws and regulations also set forth certain content requirements for advertisements in China including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies, and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they prepare or distribute is true and in full compliance with applicable law. In providing advertising services, advertising operators and advertising distributors must review the supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval, advertising distributors are obligated to verify that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the SAMR or its local branches may revoke violators' licenses or permits for their advertising business operations. To comply with these laws and regulations, we maintain a task force to review the advertising materials to ensure the content does not violate the relevant laws and regulations before displaying such advertisements, and we also request relevant advertisers to provide proof of governmental approval if an advertisement is subject to special government review.

### ***Regulations relating to Real Estate Brokerage Business***

The principal regulations governing the real estate brokerage business in China include the Law on Administration of the Urban Real Estate issued by the Standing Committee of National People's Congress in July 1994 and revised in August 2009 and in August 2019, and the Administrative Measures for Real Estate Brokerage issued in January 2011 and amended in March 2016. Pursuant to these laws, a company must register with local offices of the SAMR in each locality where it does business in order to operate real estate brokerage business. In addition, a real estate brokerage company and its branches shall file with the local real estate administrative authority within 30 days after it obtains the business license.

The previous Foreign Investment Industrial Guidance Catalogue issued in 2011 classified the real estate agency and brokerage services within the restricted category for foreign investment. Accordingly, a wholly foreign-owned enterprise in China was required to obtain approval from the MOC or its local counterpart in order to establish or invest in any subsidiary to engage real estate agency and brokerage services. The NDRC and the MOC issued a new Foreign Investment Industrial Guidance Catalogue, effective April 2015. The new Foreign Investment Industrial Guidance Catalogue removed the real estate agency and brokerage services from the restricted category. Accordingly, the establishment of or the investment in a subsidiary to engage in real estate agency and brokerage services is no longer subject to the approval of the MOC or its local counterparts.

We mainly use City Rehouse and its subsidiaries to provide support for our e-commerce business. Each subsidiary of City Rehouse has obtained and maintained a business license with such business scope, and 46 of our PRC operating entities have completed the filing with the competent local real estate administrative authorities. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China —Failure to obtain the approvals or complete the filings required for our real estate agency and brokerage business in China may limit our ability to provide real estate agency and brokerage services or establish new PRC operating entities".

### ***Regulations relating to E-commerce***

On August 31, 2018, the Standing Committee of the National People's Congress promulgated the E-Commerce Law, which became effective on January 1, 2019. The E-Commerce Law sets forth a series of requirements on e-commerce platform operators. According to the E-Commerce Law, e-commerce platform operators shall verify and register platform merchants, and cooperate with the market regulatory administrative department and tax administrative department to conduct industry and commerce registrations and tax registrations for merchants. The e-commerce platform operators shall also prepare a contingency plan for cybersecurity events and take technological measures and other measures to prevent online illegal and criminal activities. The E-Commerce Law also expressly requires platform operators to take necessary actions to ensure fair dealing on their platforms to safeguard the legitimate rights and interests of consumers, including to prepare platform service agreements and transaction information record-keeping and transaction rules, to prominently display such documents on the platform's website, and to keep such information for no less than three years following the completion of a transaction. To legally handle intellectual property infringement disputes, upon receipt of the notice specifying preliminary evidence for alleged infringement, the platform operators are required to take necessary measures in a timely manner, such as deleting, blocking and disconnecting the hyperlinks, terminating transactions and services, and to forward notices to merchants on its platform. If an e-commerce platform operator fails to take necessary measures when it knows or should have known that a merchant on the platform infringes any third-party intellectual property rights, products or services provided by a merchant on its platform do not meet the requirements regarding personal or property safety, or any merchant otherwise impairs the lawful rights and interests of consumers, the e-commerce platform operator will be held jointly liable with the merchants on its platform.

Moreover, the E-Commerce Law imposes a requirement on operators of e-commerce platforms to assist in tax collection with respect to income generated by sellers from transactions conducted on e-commerce platforms, including among others, submitting to the tax authority information on the identities of sellers on e-commerce platforms and other information relating to tax payment. Failure to comply with the requirement may result in operators of e-commerce platform being subject to fines and, in severe circumstances, suspension of business operations of e-commerce platforms.

### ***Regulations relating to Trademarks***

Both the PRC Trademark Law and the Implementation Regulation of the PRC Trademark Law, as currently in effect, 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 ten years to registered trademarks. In addition, trademark license agreements must be filed with the PRC 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 ten-year period, unless otherwise revoked. As of March 31, 2021, we owned or licensed 319 registered trademarks in China, and had 12 trademark applications in various industry categories pending with the China Trademark Office.

### ***Regulations relating to Employment***

Under the PRC Labor Law, PRC Labor Contract Law and its implementing rules, employers must enter into written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. Employers in China are required to provide employees with welfare schemes covering pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing funds. Pursuant to the Reform Plan for Collection and Management System of National and Local Taxes released by General Office of the Communist Party of China and the State Council on July 20, 2018, all social insurance premiums, such as basic pension insurance premium, basic medical insurance premium, unemployment insurance premium, work-related injury insurance premium and maternity insurance premium, shall be collected uniformly by the relevant tax authorities starting from January 1, 2019. Employers in most cases are also required to provide a severance payment to their employees after their employment relationships are terminated. We have caused all of our full-time employees to enter into written labor contracts with us and provide our employees with the proper welfare and employment benefits.

Pursuant to the PRC Labor Contract Law and its amendments, dispatched employees are intended to be a supplementary form of employment and shall only apply to provisional, auxiliary or substitutive positions, and the fundamental form should be direct employment by enterprises and organizations that require employees. It is expressly stated that the number of dispatched employees an employer uses may not exceed a “certain percentage” of its total labor force. The Interim Provisions on Labor Dispatch effective March 2014, further set such percentage at 10% and provide a two-year transitional period for compliance with such requirement. Failure to comply with these requirements may result in orders of rectification and imposition of fines. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Increases in labor costs in China may adversely affect our business and our profitability”.

#### ***Regulations relating to Foreign Investment***

On March 15, 2019, the PRC National People’s Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020. Pursuant to the Foreign Investment Law of the PRC, China grants national treatment to foreign invested entities, except for those foreign-invested entities that operate in “restricted” or “prohibited” industries prescribed in the “negative list”, which shall be released by or approved by the State Council.

On December 30, 2019, MOC and SAMR jointly promulgated the Measures for Reporting of Foreign Investment Information, which became effective on January 1, 2020. According to the Measures for the Reporting of Foreign Investment Information, where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-invested enterprises shall report investment information to commerce departments in accordance with these Measures. A foreign investor who establishes a foreign-invested enterprise within China shall submit an initial report through the enterprise registration system when undergoing formation registration of the foreign-invested enterprise. In the case of any modification of the information in the initial report, which involves the enterprise’s modification registration (recordation), the foreign-invested enterprise shall submit the modification report through the enterprise registration system when undergoing the enterprise’s modification registration (recordation).

On December 19, 2020, the NDRC and the MOC promulgated Measures for Security Review of Foreign Investment, which became effective on January 18, 2021. The foreign investment security review mechanism, or the security review mechanism, in charge of organization, coordination and guidance of foreign investment security review is thereunder established. A working mechanism office shall be established under the NDRC and led by the NDRC and the MOC to undertake routine work on the security review of foreign investment. According to the Measures for Security Review of Foreign Investment, before making investment in important cultural products and services, important information technologies and Internet products and services, important financial services, key technologies or any other important field related to national security, resulting in the foreign investor’s acquisition of actual control of the enterprise invested in, the foreign investor or relevant parties shall proactively report to the working mechanism office.

#### ***Regulations relating to Foreign Exchange Control and Administration***

##### ***Foreign Exchange Administration***

The principal regulation governing foreign currency exchange in China is the Regulations of the PRC on Foreign Exchange Administration, as amended in August 2008. Under the Regulations of the PRC on Foreign Exchange Administration and other relevant PRC regulations and rules, the Renminbi is convertible into other currencies for the purpose of current account transactions, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions. The conversion of the Renminbi into other currencies and remittance of the converted foreign currency outside China for capital account transactions, such as capital injections, loans, repatriation of investments and investments in securities outside China, requires the prior approval from, or registration with, SAFE or its local branches.

As an offshore holding company with PRC subsidiaries, we may (i) make additional capital contributions to our PRC subsidiaries; (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries; (iii) make loans to our PRC subsidiaries or consolidated variable interest entities; or (iv) acquire offshore entities with business operations in China in an offshore transaction. However, most of these uses are subject to PRC regulations and approvals, such as:

- capital contributions to our PRC subsidiaries that operate in the industries that fall within the restricted category for foreign investment must be approved by the MOC or its local counterparts;
- loans by us to our PRC subsidiaries cannot exceed the statutory limit which is the difference between the amount of total investment and the amount of registered capital of such subsidiaries as approved by the MOC or its local counterpart or the limit calculated by the approach set forth in the Notice of Matters Concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing issued by the People's Bank of China in January 2017, and must be registered with SAFE or its local branches; and
- loans by us to our consolidated variable interest entities must be filed with the National Development and Reform Commission and must also be registered with SAFE or its local branches.

Under SAFE Circular 19, effective June 2015, a foreign-invested enterprise may choose to convert its registered capital from foreign currency to Renminbi on a self-discretionary basis, and the Renminbi capital converted can be used for equity investments within China, which will be regarded as the reinvestment of foreign-invested enterprise. In addition, SAFE Circular 19 prohibits a foreign-invested enterprise from using Renminbi funds converted from its foreign currency registered capital to provide entrustment loans or repay loans borrowed from nonfinancial enterprises. Violation of these circulars could result in severe penalties, including heavy fines. These circulars may limit our ability to transfer funds to our consolidated variable interest entities and the subsidiaries of our wholly foreign-owned subsidiaries in China, and we may not be able to convert foreign currency-denominated funds into Renminbi to invest in or acquire any other PRC companies, or establish other consolidated variable interest entities in China. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries".

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, or SAFE Circular 59, as amended in October 2018 and December 2019, which substantially amends and simplifies the then current foreign exchange procedures. Under SAFE Circular 59, the opening of various special purpose foreign exchange accounts (e.g. pre-establishment expenses account, foreign exchange capital account, guarantee account) no longer requires approval by SAFE. Reinvestment of Renminbi proceeds by foreign investors in China no longer requires SAFE approval or verification.

In May 2013, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents as amended in December 2019, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in China shall be conducted by way of registration. Institutions and individuals shall register with SAFE and/or its local branches for their direct investment in China. Banks shall process foreign exchange business relating to the direct investment in China based on the registration information provided by SAFE and its branches.

In February 2015, SAFE promulgated the Circular of Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment, or SAFE Circular 13, effective June 2015 and amended in December 2019. Under SAFE Circular 13, the current foreign exchange procedures will be further simplified, and foreign exchange registrations of direct investment will be handled by banks instead of SAFE and its branches.

In January 2017, SAFE promulgated SAFE Circular 3, which stipulates several capital control measures on the outbound remittance of profit from domestic entities to offshore entities, including: (i) under the principle of genuine transaction, banks must check board resolutions regarding profit distribution, original version of tax filing records and audited financial statements; and (ii) domestic entities must hold income to account for previous years' losses before remitting the profits.

On April 10, 2020, SAFE promulgated the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business, or SAFE Circular 8, which provides that under the condition that the use of the funds is genuine and compliant with current administrative provisions regarding the use of income relating to capital account, enterprises are allowed to use income under capital account such as capital funds, foreign debts and overseas listings for domestic payment, without submission of materials evidencing the veracity of such payment to the bank prior to each transaction.

#### ***Foreign Exchange Registration of Offshore Investments by PRC Residents***

SAFE Circular 75 requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. SAFE promulgated SAFE Circular 37 in July 2014, which replaced SAFE Circular 75. 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". The term "control" under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or 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. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

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.

### ***Foreign Exchange Registration of Employee Stock Incentive Plans***

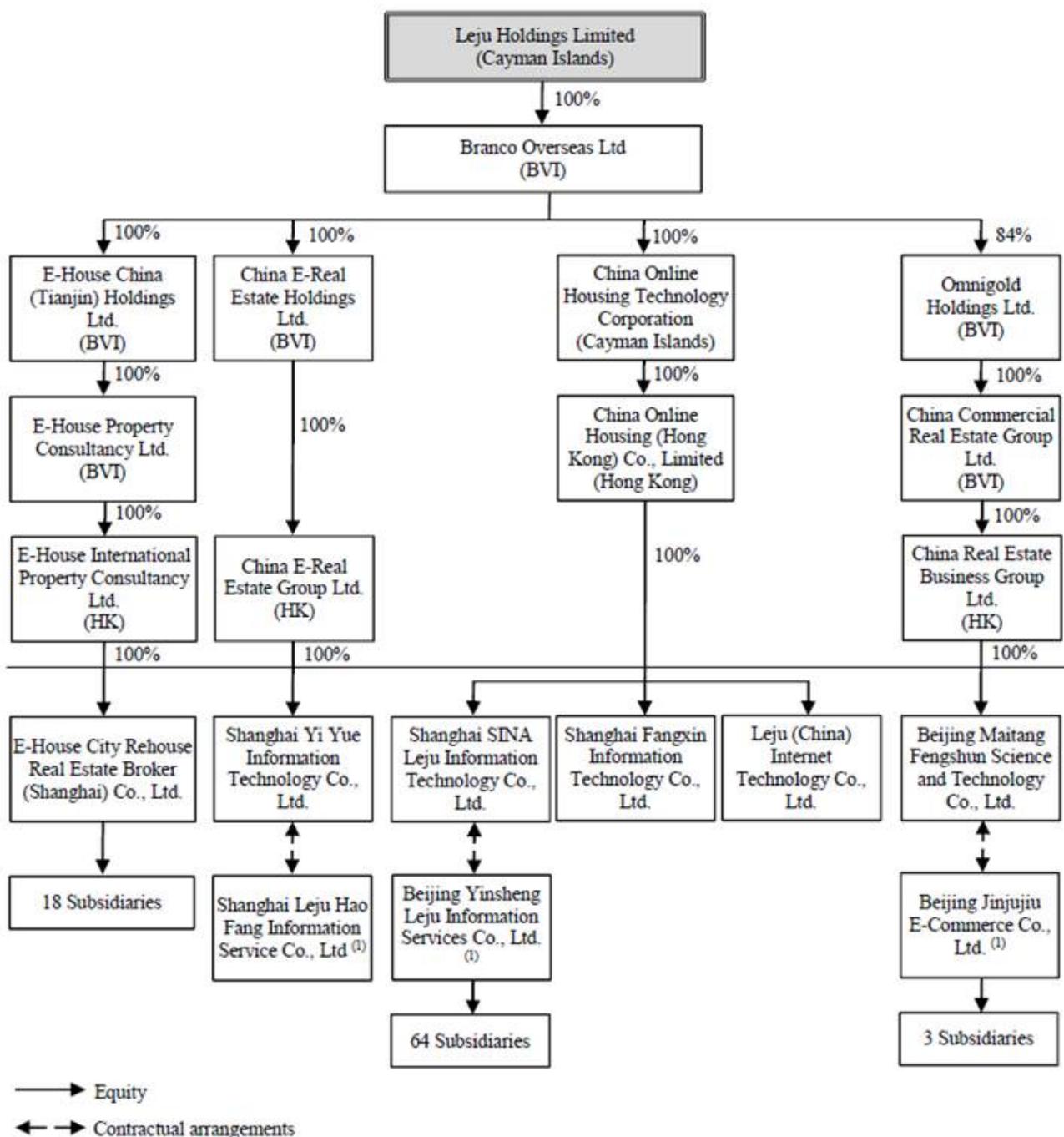
In February 2012, SAFE issued the Stock Option Rules, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly-Listed Companies issued by SAFE in March 2007. Under the Stock Option Rules, a PRC entity's directors, supervisors, senior management officers, other staff or individuals who have an employment or labor relationship with a PRC entity and are granted stock options by an overseas publicly listed company are required, through a qualified PRC domestic agent which could be a PRC subsidiary of such overseas publicly listed company, to register with SAFE and complete certain other procedures. Such PRC resident participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, purchase and sale of corresponding stocks or interests, and fund transfer. The PRC agent shall, among other things, file on behalf of such PRC resident participants an application with SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the exercise or sale of stock options or stock such participants hold. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material aspects. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC resident employees who have been granted stock options or other share-based incentives of our company are subject to the Stock Option Rules as our company has become an overseas listed company upon the completion of initial public offering. If we or our PRC resident participants fail to comply with these regulations in the future, we and/or our PRC resident participants may be subject to fines and legal sanctions.

### ***Regulations relating to Dividend Distributions***

Under applicable regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise in China is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve funds reaches 50% of its registered capital. These reserve funds, however, may not be distributed as cash dividends.

### **C. Organizational Structure**

The following diagram illustrates our corporate structure, including our principal subsidiaries and variable interest entities as of the date of this annual report:



Note:

(1) Beijing Yisheng Leju Information Services Co., Ltd., or Beijing Leju, is a variable interest entity established in China in 2008 and is currently 80% owned by Mr. Xudong Zhu and 20% owned by Mr. Yinyu He, and each of Shanghai Leju Hao Fang Information Service Co., Ltd., or Leju Hao Fang and Beijing Jiajuju E-Commerce Co., Ltd., or Beijing Jiajuju is a variable interest entity established in China in 2011 and is currently 70% owned by Mr. Yinyu He and 30% owned by Mr. Weijie Ma. We effectively control Beijing Leju, Leju Hao Fang and Beijing Jiajuju through contractual arrangements. See more information below in this section. The registered business scope of each of Shanghai Yi Yue, Leju IT, Shanghai SINA Leju, Shanghai Fangxin and Beijing Maiteng contains the business of development of computer software, which falls in the encouraged category for foreign investment in the currently effective Foreign Investment Industrial Guidance Catalogue. The registered business scope of each of City Rehouse and all its subsidiaries contains the business of real estate brokerage service, which was removed from the restricted category for foreign investment in the Foreign Investment Industrial Guidance Catalogue. Therefore, the business of real estate brokerage service now fall in the permitted category for foreign investment under PRC law, along with the other businesses listed in the registered business scope of each of Shanghai Yi Yue, Leju IT, Shanghai SINA Leju, Shanghai Fangxin, Beijing Maiteng, and City Rehouse and all its subsidiaries, which are not listed in the new Foreign Investment Industrial Guidance Catalogue.

PRC laws and regulations currently prohibit foreign investors from holding more than 50% of a foreign-invested telecommunications enterprise that provides commercial internet information services, which are one type of value-added telecommunications services. Because of such restriction, our internet information services are conducted through consolidated variable interest entities in China, namely Beijing Leju, Leju Hao Fang and Beijing Jiajujiu, or the consolidated variable interest entities.

We have entered into, through our PRC subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, a series of contractual arrangements with Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their respective shareholders. These contractual arrangements enable us to (i) direct the activities that most significantly affect the economic performance of Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their subsidiaries and branches; (ii) receive substantially all of the economic benefits from the three consolidated variable interest entities and their subsidiaries in consideration for the services provided by our PRC subsidiaries; and (iii) have an exclusive option to purchase all or part of the equity interests in the consolidated variable interest entities, when and to the extent permitted by PRC law, or request any existing shareholder of the consolidated variable interest entities to transfer all or part of the equity interest in the consolidated variable interest entities to another PRC person or entity designated by us at any time in our discretion.

As a result of these contractual arrangements, we, through our PRC subsidiaries, have become the primary beneficiary of these PRC entities and account for them as variable interest entities, and consolidate the financial results of these entities into our financial statements in accordance with U.S. GAAP. Substantially all of our revenues are derived from our consolidated variable interest entities and we rely on dividends and service fees paid to us by our PRC subsidiaries and our consolidated variable interest entities in China. Entities apart from our consolidated variable interest entities contributed in aggregate 0.5%, 0.1% and 0.1% of our total net revenues in 2018, 2019 and 2020, respectively. Our operations not conducted through contractual arrangements with the consolidated variable interest entities primarily consist of outsourcing arrangements business, support services for online advertising business and agency services included with our e-commerce business. In 2018, 2019 and 2020, the total amount of service fees that our PRC subsidiaries received from our consolidated variable interest entities under all the service agreements between our PRC subsidiaries and consolidated variable interest entities was \$10.2 million, \$4.3 million and \$20.1 million, respectively. As of December 31, 2020, the amount of service fees payable to us by the consolidated variable interest entities was \$141.9 million.

In November 2020, the contractual arrangements with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu were amended and restated by new sets of VIE contractual arrangements, more details of which are summarized below.

The following is a summary of the currently effective contractual arrangements relating to the consolidated variable interest entities:

***Agreements that Provide Us with Effective Control over the consolidated variable interest entities***

*Exclusive Call Option Agreement*

Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an exclusive option agreement with our variable interest entity, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an exclusive call option agreement with our variable interest entity, Leju Hao Fang, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into an exclusive option agreement with our variable interest entity, Beijing Jiajujiu, and its shareholders.

In each case, under the exclusive call option agreement each PRC subsidiary of our Company has the rights to require shareholders of the applicable variable interest entity to transfer any or all their equity interests in the applicable variable interest entity to the respective PRC subsidiary of our Company and/or a third party designated by it, in whole or in part at any time and from time to time, for considerations equivalent to the respectively outstanding loans owed to applicable shareholders of the variable interest entity (or part of the loan amounts in proportion to the equity interests being transferred) or, if applicable, for a nominal price, unless the relevant government authorities or the China laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request.

Each exclusive call option agreement shall remain effective unless terminated in the event that the entire equity interests held by shareholders in the applicable variable interest entity have been transferred to the applicable PRC subsidiary of our Company or their appointee(s).

*Loan Agreement*

Pursuant to a loan agreement among Shanghai SINA Leju, Mr. Xudong Zhu and Mr. Yinyu He, Shanghai SINA Leju granted an interest-free loan of RMB8.0 million to Mr. Xudong Zhu and RMB2.0 million to Mr. Yinyu He, respectively, solely for their investment in Beijing Leju. Pursuant to a loan agreement among Shanghai Yi Yue, Mr. Yinyu He and Mr. Weijie Ma, Shanghai Yi Yue granted an interest-free loan of RMB10.5 million to Yinyu He and RMB4.5 million to Weijie Ma, respectively, solely for their investment in Leju Hao Fang. Pursuant to a loan agreement among Beijing Maiteng, Mr. Yinyu He and Mr. Weijie Ma, Beijing Maiteng granted an interest-free loan of RMB10.5 million to Yinyu He and RMB4.5 million to Weijie Ma, respectively, solely for their investment in Beijing Jiajujiu.

The term of each loan commences from the date of the agreement and ends on the date the lender exercises its exclusive call option under the relevant exclusive call option agreement, or when certain defined termination events occur, such as if the lender sends a written notice demanding repayment to the borrower, or upon the default of the borrower, whichever is earlier.

After the lender exercises his exclusive call option, the borrower may repay the loan by transferring all of its equity interest in the relevant variable interest entity to the lender, or a person or entity nominated by the lender, and use the proceeds of such transfer as repayment of the loan. If the proceeds of such transfer is equal to or less than the principal of the loan under the relevant loan agreement, the loan is considered interest-free. If the proceeds of such transfer is higher than the principal of the loan under the relevant loan agreement, any surplus is considered interest for the loan under the relevant loan agreement.

#### *Powers of Attorney*

Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into a powers of attorney with our variable interest entity, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into a powers of attorney with our variable interest entity, Leju Hao Fang, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into a powers of attorney with our variable interest entity, Beijing Jiajujiu, and its shareholders.

Under each powers of attorney, the shareholders of each variable interest entity irrevocably appointed the applicable PRC subsidiary of our Company and its designated persons (including but not limited to directors and their successors and liquidators replacing the directors but excluding those non-independent or who may give rise to conflict of interest) as their attorneys-in-fact to exercise on their behalf, and agreed and undertook not to exercise without such attorneys-in-fact's prior written consent, any and all right that they have in respect of their equity interests in the applicable variable interest entity.

Each powers of attorney shall remain effective for so long as each shareholder holds equity interest in the applicable variable interest entity.

#### *Equity Pledge Agreement*

Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an equity pledge agreement with our variable interest entity, Beijing Leju, and its shareholders. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an equity pledge agreement with our variable interest entity, Leju Hao Fang, and its shareholders. Our PRC subsidiary, Beijing Maiteng, has entered into an equity pledge agreement with our variable interest entity, Beijing Jiajujiu, and its shareholders.

Under each such equity pledge agreement, shareholders of each variable interest entity agreed to pledge all their respective equity interests in the applicable variable interest entity that they own, including any interest or dividend paid for the shares, to the applicable PRC subsidiary of our Company as a security interest to guarantee the performance of the contractual obligations and the payment of outstanding debts.

The pledge in respect of the applicable variable interest entity takes effect upon the completion of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the applicable variable interest entity and its shareholders under the relevant contractual arrangements have been fully performed and all the outstanding debts of the applicable variable interest entity and its shareholders under the relevant contractual arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in each equity pledge agreement), each PRC subsidiary of our Company shall have the right to require the applicable variable interest entity's shareholders to immediately pay any amount payable by the applicable variable interest entity under the relevant exclusive business cooperation agreement, repay any loans and pay any other due payments, and each PRC subsidiary of our Company shall have the right to exercise all such rights as a secured party under any applicable China law and the applicable equity pledge agreement, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the shareholders of the applicable variable interest entity.

The registration of each equity pledge agreement as required by the relevant laws and regulations will be completed in accordance with the terms of the equity pledge agreement and China laws and regulations.

*Others*

Each of the shareholders of variable interest entities has confirmed to the effect that: (i) his spouse does not have the right to claim any interests in the respective variable interest entity (together with any other interests therein) or exert influence on the day-to-day management of the respective variable interest entity; and (ii) in the event of his death, incapacity, divorce or any other event which causes his inability to exercise his rights as a shareholder of the respective variable interest entity, he will take necessary actions to safeguard his interests in the respective variable interest entity (together with any other interests therein) and his successors (including his spouse) will not claim any interests in the respective variable interest entity (together with any other interests therein) to the effect that the shareholders' interests in the respective variable interest entity shall not be affected.

The spouse of each of the shareholders of variable interest entities, where applicable, has signed an undertaking to the effect that (i) the respective shareholder's interests in the respective variable interest entity (together with any other interests therein) do not fall within the scope of communal properties, and (ii) she has no right to or control over such interests of the respective shareholder and will not have any claim on such interests.

***Agreements that Transfer Economic Benefits of the consolidated variable interest entities to Us***

*Exclusive Business Cooperation Agreement*

Our wholly owned indirect subsidiary, Shanghai SINA Leju, has entered into an exclusive business cooperation agreement with our variable interest entity, Beijing Leju. Our wholly owned indirect subsidiary, Shanghai Yi Yue, has entered into an exclusive business cooperation agreement with our variable interest entity, Leju Hao Fang. Our PRC subsidiary, Beijing Maiteng, has entered into an exclusive business cooperation agreement with our variable interest entity, Beijing Jiajuju.

Pursuant to each such exclusive business cooperation agreement the applicable PRC subsidiary of our Company provides the applicable variable interest entity with a series of technical support, consultation and other services, the services fee shall consist of 100% of the total consolidated profit of the applicable variable interest entity after the deduction of any accumulated deficit of the consolidated affiliated entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, each PRC subsidiary of our Company may adjust the scope and amount of services fees according to China tax law and tax practices, and the applicable variable interest entity will accept such adjustments. The PRC subsidiary of our Company shall calculate the service fee on a monthly basis and issue a corresponding invoice to the applicable variable interest entity. Notwithstanding the payment arrangements in each exclusive business cooperation agreements, the PRC subsidiary of our Company may adjust the payment time and payment method, and the applicable variable interest entity will accept any such adjustment.

In addition, absent the prior written consent of each PRC subsidiary of our Company, during the term of the applicable exclusive business cooperation agreement, with respect to the services subject to the exclusive business cooperation agreement and other matters, the applicable variable interest entity shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed by the applicable exclusive business cooperation agreement with any third party. Each PRC subsidiary of our Company may appoint other parties, who may enter into certain agreements with the applicable variable interest entity, to provide the applicable variable interest entity with the services under the applicable exclusive business cooperation agreement.

Each exclusive business cooperation agreement also provides that the applicable PRC subsidiary of our Company has the exclusive proprietary rights and interests in any and all intellectual property rights developed or created by the applicable variable interest entity during the performance of the applicable exclusive business cooperation agreement.

Each exclusive business cooperation agreement shall remain effective unless terminated (a) in accordance with the provisions of the applicable exclusive business cooperation agreement; (b) in writing by the applicable PRC subsidiary of our Company; or (c) renewal of the expired business period of either the applicable PRC subsidiary of our Company or the applicable variable interest entity is denied by relevant government authorities, at which time the applicable exclusive business cooperation agreement will terminate upon termination of that business period.

In the opinion of Fangda Partners, our PRC legal counsel:

- The ownership structures of Beijing Leju, Leju Hao Fang and Beijing Jiajujiu described above are in compliance with existing PRC laws and regulations; and
- Each of the contractual arrangements described above, in each case governed by PRC law, is valid and binding and enforceable in accordance with their respective terms based on currently effective PRC laws and regulations, and do not violate PRC laws or regulations currently in effect.

However, as advised by Fangda Partners, our PRC legal counsel, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws, rules and regulations, and accordingly, there can be no assurance that the PRC regulatory authorities will not ultimately take a contrary view from that of our PRC legal counsel. We have been further advised by our PRC legal counsel that if the PRC regulatory authorities determine that our contractual arrangements for operating our internet and advertising business in China do not comply with PRC government restrictions on foreign investment in such industries, we could be subject to severe penalties. See “Item 3. Key Information —D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our advertising services business and online real estate business in China do not comply with PRC governmental restrictions on foreign investment in the advertising industry or the internet information service industry, we could be subject to severe penalties” and “—Our ability to enforce the equity pledge agreements between us and the shareholders of Beijing Leju, Leju Hao Fang or Beijing Jiajujiu may be subject to limitations based on PRC laws and regulations”. In addition, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business In China—Substantial uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations”.

D. Property, Plants and Equipment

Our principal executive offices are located at Level G of Building G, Building H and Building J, No.8 Dongfeng South Road, with approximately 10,154 square meters of office space. As of March 31, 2021, we leased properties with an aggregate gross floor area of approximately 22,337 square meters for our 61 local offices across China and at our Hong Kong office. Our leased properties mainly consist of office premises, a portion of which are leased from related parties. We believe our existing leased premises are adequate for our current business operations and that additional space can be obtained on commercially reasonable terms to meet our future requirements.

**ITEM 4A. UNRESOLVED STAFF COMMENT**

Not applicable.

**ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” or in other parts of this annual report on Form 20-F.

A. Operating Results

**Overview**

We are a leading O2O real estate services provider in China. We offer real estate e-commerce, online advertising and online listing services through our online platform, which comprises local websites covering 391 cities and various mobile applications. We integrate our online platform with complementary offline services to facilitate residential property transactions. In addition to our own websites, we also operate various real estate and home furnishing websites of SINA. Moreover, we operate official accounts on Weixin and Weibo.

*E-Commerce.* We offer e-commerce services primarily in connection with new residential property sales. Our O2O services for new residential properties include selling discount coupons and facilitating online property viewing, physical property visits and pre-sale customer support. We earn revenue primarily from the sale of discount coupons used for property purchases. Our revenues from e-commerce services in 2018, 2019 and 2020 were \$320.3 million, \$547.2 million and \$547.9 million, respectively, representing 69.3%, 79.0% and 76.2%, respectively, of our total revenues for those periods.

*Online Advertising.* We currently sell advertising primarily on the SINA new residential properties and home furnishing websites, which are operated by us. In addition, we are the exclusive advertising agent for the SINA home page and non-real estate websites with respect to advertising sold to advertisers, including real estate developers and home furnishing suppliers. We also sell advertising on our contractor platform website and on various mobile applications. Our revenues from online advertising services in 2018, 2019 and 2020 were \$138.4 million, \$143.8 million and \$170.8 million, respectively, representing 30.0%, 20.8% and 23.7%, respectively, of our total revenues for those periods.

*Listing.* We offer fee-based online property listing services to real estate agents and free services to individual property sellers. We currently operate the SINA real estate websites for listings of existing residential properties for sale or lease. Our revenues from listing services in 2018, 2019 and 2020 were \$3.4 million, \$1.6 million and \$0.8 million, respectively, representing 0.7%, 0.2% and 0.1%, respectively, of our total revenues for those periods.

We generated total revenues of \$462.0 million, \$692.6 million and \$719.5 million in 2018, 2019 and 2020, respectively. We incurred net loss of \$12.9 million, net income of \$10.9 million and \$21.0 million in 2018, 2019 and 2020, respectively.

## **Significant Factors Affecting Our Results of Operations**

### *The PRC real estate industry*

Our results of operations have been, and are expected to continue to be, affected by the general performance of China's real estate industry. Conditions in China's real estate industry have a significant impact on each of our business segments, and in particular on our new home business, which relies significantly on the volume of new property launches by property developments and market transaction volume.

The COVID-19 pandemic has adversely affected our business operations and financial conditions. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry— The COVID-19 pandemic has had and continues to have a material adverse impact on our business, operating results and financial condition."

The following factors typically have a significant impact on China's real estate industry:

- *Economic growth, speed of urbanization and demand for residential and commercial properties in China.* China's economic growth has been primarily concentrated in China's urban areas, and economic growth, higher standards of living, population growth and urbanization are primary drivers of demand for the purchase or rental of residential properties. Because we focus on China's urban areas, China's economic growth and urbanization are important to our operations. The PRC property industry is dependent on the overall economic growth in China and the associated demand for residential properties.
- *Government policies.* The PRC government exercises considerable direct and indirect influence over the real estate industry through its policies and other economic measures. The PRC government regulates real estate purchases and taxation associated with real estate transactions. For greater detail see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Our business is susceptible to fluctuations in China's real estate industry, which may materially and adversely affect our results of operations" and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business—Our business may be materially and adversely affected by government measures aimed at China's real estate industry". The imposition of new policies, laws and regulations, or changes to current policies, laws and regulations, could have a material impact on the real estate market in China, which would affect our business, financial condition and results of operations.

- *Availability and cost of credit.* The availability and cost of credit have a substantial effect on customers' ability to purchase properties and the prices they can afford to pay. This impacts the number of properties that developers are able to market and sell, which is a significant factor affecting our results of operations. The PRC government regulates the proportion of the purchase price of a property that may be financed with credit and the price of credit is generally a function of benchmark interest rates. To the extent that fluctuations in interest rates or regulatory changes impact the availability and cost of financing for property purchases, conditions in the real estate industry, and our results of operations, would be affected.
- *Supply of new residential real estate projects.* The growth of the PRC real estate industry depends largely on the launch of new residential real estate projects at affordable prices. Factors such as the overall economy, competition and government land policies can affect the price and availability of new projects. The PRC government and relevant local authorities control various aspects of new projects, including the amount and cost of land for development, each of which affects the supply of new developments and our results of operations.

### ***The PRC internet industry***

We are an internet company and a majority of our revenue is generated from our e-commerce and online advertising services provided on our websites. Therefore, our results of operations are heavily dependent on the continued development of China's internet industry. The internet has emerged as an increasingly attractive and cost-effective advertising channel in China. However, the internet industry in China is heavily regulated. PRC laws, rules and regulations cover virtually every aspect of the internet industry, including entry into the industry, the scope of permissible business activities and foreign investment. Furthermore, the PRC government levies business taxes, value-added taxes, surcharges and cultural construction fees on advertising-related sales in China, such as sales of our e-commerce, online advertising, listing and other value-added services. In addition, because one of our PRC subsidiaries currently qualifies as "high and new technology enterprises", it enjoys favorable statutory tax rate from the relevant PRC tax authorities or under local governmental policies. 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 innovate and market acceptance of our services***

We operate in a competitive industry and the extent to which we are able to provide innovative e-commerce and advertising services that are attractive to developers and prospective property purchasers has a material effect on our results of operations. For example, we pioneered e-commerce services in China's real estate market in April 2011 by offering online auctions as a promotional tool for our partner developers. In early 2012, we introduced property price discount coupons as a means of generating buyers for our partner developers in conjunction with online advertising and offline customer origination. In 2015 and 2016, we continually upgraded the site visit experience of prospective property purchasers by launching new services including site visits through private car or virtual reality technology. In December 2016 we launched new advertising products based on cross-utilizing databases we and our strategic partners have, allowing for more accurate targeting of potential buyers. In 2017, we introduced our new marketing product, Zai Xian Xuan Fang, to simplify the transaction process. During this period, our new suite of big data-empowered advertising products became increasingly popular among our developer clients, and our mobile marketing strategy has started to yield positive results. Our results of operations will continue to be significantly affected by the extent to which our evolving e-commerce and advertising services, including any future innovations that we may introduce, achieve success in the market.

### ***Our ability to maintain and expand our online platform***

Consumers are able to access our services through various websites and mobile applications, our telephone call center and at property showrooms and other physical locations. Our internet presence includes local websites across China that we either operate directly or outsource to local outsourcing partners. We operate a variety of websites pursuant to our arrangements with SINA. Since many of our customers in our new home business are one-time property buyers, we depend on our online platform as a key driver for bringing in new business. The costs of maintaining and expanding our online platform in order to continue to reach a broad base of customers, and our ability to maintain our relationships with SINA, has a significant effect on our results of operations.

### ***Our ability to compete effectively***

We face competition in each of our main business activities. We compete with other e-commerce providers for market share in key markets, relationships with developers and for the acquisition of web traffic. We compete for talent with other online businesses and to a lesser extent with traditional businesses. Our industry has become increasingly competitive, and such competition may continue to intensify in future periods. 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.

### ***Our ability to expand into new geographic areas in China***

A significant portion of our revenues is concentrated in China's major urban centers. We expect them to continue to represent a significant portion of our revenues in the near term. We also may expand into new geographic areas and sectors and increase our market share in areas and sectors where we currently operate. As of December 31, 2020, we had established real estate-related content, search services, marketing and listing coverage of 391 cities across China. Our ability to succeed in newly penetrated cities and cities where we intend to increase our presence will have a substantial impact on our results of operations, and we may incur significant additional operating expenses, including hiring new sales and other personnel, in order to expand our operations.

## **Selected Statement of Operations Items**

### ***Revenues***

*E-commerce.* We offer individual property buyers discount coupons that enable them to purchase specified properties from real estate developers at discounts greater than the face value of the fees charged by us. Discount coupons are collected initially upfront from the property buyers and are refundable at any time before they are used to purchase the specified properties. As such, these fees are recorded as advance from customers in our consolidated balance sheets. In this context, we determine our customers to be individual property buyers and have identified one single performance obligation to be the sale of discount coupons. We determine the sale of discount coupons to be satisfied at a point in time only when confirmation letters are obtained from our customers or developers that prove the use of the coupons. The transaction price is the discount coupon fees charged by us which is fixed in the contract with individual property buyers.

*Online advertising.* In respect of the online advertising services, we mainly provide comprehensive advertisement placement services to the advertisers (i.e., property developers) through a packaged online cross-media and cross-platform product portfolio, including those owned by us and other independent outlets. We consider we act as principal in this arrangement when we are a contracting party to our advertisers and are primarily responsible for delivering the specified service to the advertisers. We control the specified service before that service is transferred to an advertiser, because (i) we have the discretion to decide which media outlets to use and what type of the advertisements to be placed, (ii) we are subject to certain risk of loss to the extent that the cost paid to the media outlets, which is charged to us based on a number of methodology, including viewership (CPM) or click (CPC) or others, cannot be compensated by the total consideration obtained from the advertisers, and (iii) we have the discretion to determine the cost charged to the advertisers, which affects our margin as the costs incurred might vary. Therefore we report revenue earned from the advertisers and costs paid to media outlets related to these transactions on a gross basis.

In addition, we consider we act as an agent for those arrangements that we only earn agreed rebates from certain media outlets and recognize such rebates as revenue on a net basis. Media outlets grant us rebates in the form of prepayments for the media outlets' services or cash, mainly based on the gross spending of the advertisers. In some circumstances, we will share with our advertisers certain amount of the rebates earned from the media outlets, which is accounted for as a reduction of the rebates, and we recognize such net amount of rebates as revenue.

*Listing.* Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee.

In this context, we determine our customers to be real estate brokers and have identified a single performance obligation that is recognized over time on a straight-line basis over the contract period of display and when collection is probable. The transaction price is the fixed fee outlined in the contract. No rebates or discounts are given to the real estate brokers.

#### ***Cost of revenues***

Cost of revenue consists of costs associated with the production of websites, which includes fees paid to third parties for internet connection, content and services, editorial personnel related costs, amortization of intangible assets, depreciation associated with website production equipment and fees paid to media outlets for advertising resources.

#### ***Selling, general and administrative expenses***

Selling, general and administrative expenses comprise marketing expenses, compensation and benefits for personnel other than editorial personnel, expenses of third-party professional services, rental payments relating to office and administrative functions and depreciation of property and equipment used in our corporate offices and other administrative expenses. Our selling, general and administrative expenses also include amortization of intangible assets that do not relate to internet content, including our license agreement with SINA. Selling general and administrative expenses also include bad debt expenses. Bad debt can result from developer customers not paying amounts owing to us for services rendered and in cases where third parties to whom we outsource certain websites fail to pay fixed fees owed to us.

Marketing and advertising expenses consist primarily of targeted online and offline marketing costs for promoting our e-commerce projects and our own brand building, such as Leju property visit, sponsored marketing campaigns, online or print advertising, public relations and sponsored events. We expense all marketing advertising costs as incurred and record these costs within "Selling, general and administrative expenses" on the consolidated statements of operations when incurred. Our direct marketing activities are intended to attract subscribers for online advertising and potential property buyers to purchase the discount coupon.

#### ***Share-based compensation expenses***

In November 2013, we adopted a share incentive plan, or the Leju Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of shares that may be issued pursuant to all awards under the Leju Plan, or the Leju Award Pool, is 10,434,783 ordinary shares initially, and shall be increased automatically by 5% of the then total outstanding shares on an as-converted fully diluted basis on each of the third, sixth and ninth anniversaries of the effective date of the Leju Plan. On December 1, 2016 the Leju Award Pool was automatically increased by 7,553,422 ordinary shares. On December 1, 2019, the Leju Award Pool was automatically increased by 7,833,224 ordinary shares. Accordingly, the size of the Leju Award Pool is currently 25,821,429 ordinary shares.

Pursuant to the Leju Plan, we granted (i) options to certain of our employees for the purchase of 501,000 ordinary shares at an exercise price of \$9.68 per share, on April 28, 2015, (ii) options to certain of our employees for the purchase of 30,000 ordinary shares at an exercise price of \$7.00 per share, on August 7, 2015, (iii) options to certain of our employees and certain of E-House's employees for the purchase of 1,986,000 ordinary shares at an exercise price of \$5.54 per share, on December 14, 2015. The options expire ten years from the date of grant and vest ratably at each anniversary of the grant date over a period of three years.

On March 21, 2018, we granted to certain of our employees and directors options to purchase an aggregate of 1,045,000 ordinary shares at an exercise price of \$1.55 per share, pursuant to the Leju Plan. The options expire ten years from the date of grant and vest over a period of three years.

On June 27, 2018, we granted to certain of our employees and directors options to purchase an aggregate of 4,923,000 ordinary shares at an exercise price of \$1.41 per share, pursuant to the Leju Plan. The options expire ten years from the date of grant and vest over a period of three years.

On May 28, 2019, we granted 250,000 restricted shares to our employees. The restricted shares vest ratably at each grant date anniversary over a period of three years.

On June 17, 2020, we granted 800,000 restricted shares to our senior management team. The restricted shares vest ratably at each vesting commencement date anniversary over a period of three years.

As of March 31, 2021, the aggregate number of our ordinary shares underlying outstanding options granted under the Leju Plan is 11,683,818, and 966,667 restricted shares granted under the Leju Plan are outstanding.

In 2020, we recorded compensation expenses of \$3.0 million for the options and restricted shares granted to our employees and directors under the Leju Plan, and nil in dividends to E-House for the options and restricted shares granted to employees and directors of E-House under the Leju Plan. As of December 31, 2020, we had \$0.7 million of total unrecognized compensation expenses related to unvested share options and restricted shares granted under the Leju Plan, which we expect to be recognize over a weighted-average period of 0.65 years.

In 2015, our subsidiary, Omnigold adopted a share incentive plan, or the Omnigold Plan, pursuant to which (i) the maximum number of shares of Omnigold available for issuance pursuant to all awards under the Omnigold Plan, or the Omnigold Award Pool, is initially 5,000,000 as of the date on which the Omnigold Plan was approved and adopted by the board of directors of Omnigold, or the Omnigold Plan Effective Date, and (ii) the Omnigold Award Pool is increased automatically by 5% of the then total issued and outstanding shares of Omnigold on an as-converted fully diluted basis on each of the third, sixth and ninth anniversary of the Omnigold Plan Effective Date.

In 2020, no compensation expense was recorded for the options granted to our employees and directors under the Omnigold Plan. As of December 31, 2020, there was no unrecognized compensation expense given that all share options granted under the Omnigold Plan had been vested.

#### ***Other operating income***

Our other operating income primarily relates to cash subsidies received by our subsidiaries in China from local governments to encourage us to operate in certain local districts.

#### ***Interest income, net***

We earn interest income primarily from bank deposits and interest income recognized relating to the financing component of the transaction price of the services delivered.

### ***Other income, net***

Other income, net relates to unrealized gain on marketable securities, foreign exchange loss/(gain), income from sales of properties held for sales and reimbursement from the depository for our expenses incurred in connection with the establishment and maintenance of the ADS program.

Our reporting currency is the U.S. dollar, while certain of our subsidiaries have functional currencies other than the U.S. dollar, such as the Renminbi and the Hong Kong dollar. Transactions in other currencies are recorded at the rates of exchange prevailing when the transactions occur. Transaction gains and losses are recognized in the consolidated statements of operations.

### ***Income taxes***

We are incorporated in the Cayman Islands as an exempted company. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax in the Cayman Islands. Our subsidiaries in the British Virgin Islands are not subject to income or capital gains tax in the British Virgin Islands. Our subsidiaries in Hong Kong are subject to a profit tax at the rate of 16.5% on assessable profit determined under relevant Hong Kong tax regulations.

The EIT Law applies a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. In addition, the EIT Law also provides a five-year transitional period starting from its effective date for those enterprises that were established before March 16, 2007, the date of promulgation of the EIT Law, and that were entitled to preferential income tax rates under the then effective tax laws or regulations.

Shanghai SINA Leju was designated a “high and new technology enterprise” entitled to a favorable statutory tax rate of 15% from 2013 through 2017. Shanghai SINA Leju renewed its qualification of “high and new technology enterprise” in 2018 and is entitled to enjoy a favorable statutory tax rate of 15% from 2018 through 2020. The renewal of the qualification of “high and new technology enterprise” is in progress.

We have a tax benefit due to losses incurred in past years. Under PRC tax law we are permitted to carry forward losses for up to ten years for entities qualified as a “high and new technology enterprise” and up to five years for entities that do not qualify as a “high and new technology enterprise”. We may have a tax benefit for periods for which we were profitable on a consolidated basis to the extent our consolidated entities that incurred losses during the period were subject to income tax at a higher effective tax rate as compared with consolidated entities that earned profits during the period.

Under the EIT Law, dividends payable to a non-PRC resident enterprise from our PRC subsidiaries are subject to a withholding tax which may be as high as 20%, although under the detailed implementation rules of the EIT Law promulgated by the PRC authorities the effective withholding tax is currently 10%. Dividends of PRC subsidiaries that are directly held by Hong Kong entities may benefit from a reduced withholding tax rate of 5% pursuant to the Arrangement between Mainland China and Hong Kong for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, subject to the approval from the relevant local branch of the SAT in accordance with the Administrative Measures on Tax Treaty Treatment of Nonresidents (Trial) and other relevant tax rules. Our Hong Kong subsidiaries have not sought approval for such preferential withholding tax rate, given that no dividends have been paid by their respective PRC subsidiaries. Dividends from our Hong Kong subsidiaries are exempt from withholding tax. Dividend payments are not subject to withholding tax in the British Virgin Islands or the Cayman Islands.

Under the EIT Law, enterprises that are established under the laws of foreign countries or regions and whose “de facto management bodies” are located within the PRC territory are considered PRC resident enterprises, and will be subject to the PRC enterprise income tax at the rate of 25% on their worldwide income. Under the implementation rules of the EIT Law, “de facto management bodies” are defined as the bodies that have material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise. It remains unclear how the PRC tax authorities will interpret such a broad definition. We cannot assure you that we will not be deemed to be a PRC resident enterprise under the EIT Law and be subject to the PRC enterprise income tax at the rate of 25% on our worldwide income. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Dividends payable to us by our PRC subsidiaries may be subject to PRC withholding taxes or we may be subject to PRC taxation on our worldwide income, and dividends distributed to our investors may be subject to PRC withholding taxes under the EIT Law and our investors may be subject to PRC withholding tax on the transfer of our ordinary shares or ADSs”.

**Income/(loss) from equity in affiliates**

Affiliate companies are entities over which we have significant influence but do not control. Investment in affiliates is accounted for using the equity method of accounting. Under this method, our share of the post-acquisition profits or loss of affiliated companies is recognized as income/(loss) from equity in affiliates in the income statement.

**Net income attributable to non-controlling interests**

Net income attributable to non-controlling interest relates to the minority interest in non-wholly-owned subsidiaries that we consolidate.

**Results of Operations**

The following table sets forth a summary of our consolidated results of operations for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Year Ended December 31,		
	2018	2019	2020
	(in thousands of \$, except share and per share data)		
<b>Revenues:</b>			
E-commerce	320,271	547,184	547,895
Online advertising	138,372	143,779	170,783
Listing	3,388	1,642	848
Total net revenues	462,031	692,605	719,526
Cost of revenues	(72,910)	(68,298)	(73,762)
Selling, general and administrative expenses	(402,258)	(607,165)	(622,026)
Other operating income	2,163	598	381
Income (loss) from operations	(10,974)	17,740	24,119
Interest income, net	1,086	152	7,268
Other income (loss), net	(4,219)	1,979	300
Income (loss) before income taxes and loss from equity in affiliates	(14,107)	19,871	31,687
Income tax (expenses) benefits	1,334	(8,990)	(10,665)
Income (loss) before loss from equity in affiliates	(12,773)	10,881	21,022
Loss from equity in affiliates	(79)	(9)	(24)
Net income (loss)	(12,852)	10,872	20,998
Less: Net income (loss) attributable to non-controlling interest	629	(650)	1,696
Net income (loss) attributable to Leju Holdings Limited shareholders	(13,481)	11,522	19,302
<b>Income (loss) per share:</b>			
Basic	(0.10)	0.08	0.14
Diluted	(0.10)	0.08	0.14
<b>Weighted average numbers of shares used in computation:</b>			
Basic	135,763,962	135,770,793	136,070,785
Diluted	135,763,962	135,811,751	137,564,567

**Year Ended December 31, 2020 Compared to Year Ended December 31, 2019**

*Total revenues.* Total revenues increased 4% to \$719.5 million in 2020 from \$692.6 million in 2019, primarily due to an increase in revenues from online advertising services. Online advertising revenues increased 19% to \$170.8 million in 2020 from \$143.8 million in 2019, primarily due to an increase in property developers' demand for online advertising. E-commerce revenues slightly increased to \$547.9 million in 2020 from \$547.2 million in 2019, primarily due to an increase in the number of discount coupons redeemed, partially offset by a decrease in the average price per discount coupon redeemed. We sold a total of 243,836 discount coupons in 2020, 192,716 of which were redeemed. Listing revenues decreased 48% to \$0.8 million in 2020 from \$1.6 million in 2019, primarily due to a decrease in demand from secondary real estate brokers' demand.

*Cost of revenues.* Cost of revenues increased 8% to \$73.8 million in 2020 from \$68.3 million in 2019, primarily due to increased cost of advertising resources purchased from media platforms related to our online advertising business.

*Selling, general and administrative expenses.* Selling, general and administrative expenses increased 2% to \$622.0 million in 2020 from \$607.2 million in 2019, primarily due to increased advertising expenses relating to promotion activities for 2020, partially offset by decreased labor cost.

*Other operating income.* Other operating income was \$0.4 million in 2020, compared to \$0.6 million in 2019, due to decreased cash subsidies received from local governments.

*Income from operations.* As a result of the foregoing, we generated \$24.1 million of income from operations in 2020, compared to \$17.7 million in 2019.

*Interest income, net.* Net interest income was \$7.3 million in 2020, compared to \$0.2 million in 2019, mainly due to the increased interest income recognized relating to the financing component of the transaction price of the services delivered and the increased cash in the bank.

*Other income.* We had other net income of \$0.3 million in 2020, compared to \$2.0 million in 2019, primarily due to \$0.8 million of foreign exchange loss recognized in 2020 while \$0.4 million of foreign exchange gain recognized in 2019.

*Income tax expenses.* Income tax expenses were \$10.7 million in 2020, compared to \$9.0 million in 2019, due to the increase in the income before taxes and equity in affiliates.

*Net income.* We generated net income of \$21.0 million in 2020, compared to \$10.9 million in 2019.

**Year Ended December 31, 2019 Compared to Year Ended December 31, 2018**

*Total revenues.* Total revenues increased 49.9% to \$692.6 million in 2019 from \$462.0 million in 2018, primarily due to an increase in revenues from e-commerce services. E-commerce revenues increased 70.9% to \$547.2 million in 2019 from \$320.3 million in 2018, primarily due to an increase in the number of discount coupons redeemed, partially offset by a decrease in the average price per discount coupon redeemed. We sold a total of 252,519 discount coupons in 2019, 177,201 of which were redeemed. Online advertising revenues increased 3.9% to \$143.8 million in 2019 from \$138.4 million in 2018, primarily due to an increase in property developers' demand for online advertising. Listing revenues decreased 51.5% to \$1.6 million in 2019 from \$3.4 million in 2018, primarily due to a decrease in secondary real estate brokers' demand.

*Cost of revenues.* Cost of revenues decreased 6.3% to \$68.3 million in 2019 from \$72.9 million in 2018, primarily due to decreased cost of advertising resources purchased from media platforms related to our online advertising business.

*Selling, general and administrative expenses.* Selling, general and administrative expenses increased 50.9% to \$607.2 million in 2019 from \$402.3 million in 2018, primarily due to increased marketing expenses related to our e-commerce business.

*Other operating income.* Other operating income was \$0.6 million in 2019, compared to \$2.2 million in 2018, due to decreased cash subsidies received from local governments.

*Income (loss) from operations.* As a result of the foregoing, we generated \$17.7 million of income from operations in 2019, compared to loss from operations of \$11.0 million in 2018.

*Interest income.* Interest income was \$0.2 million in 2019, compared to \$1.1 million in 2018.

*Other income (loss).* We had other net income of \$2.0 million in 2019, compared to other loss of \$4.2 million in 2018, primarily due to \$1.0 million of the unrealized income from the marketable securities recognized in 2019 while \$3.8 million foreign exchange loss recognized in 2018.

*Income tax benefits (expense).* Income tax expense were \$9.0 million in 2019, compared to income tax benefits of \$1.3 million in 2018, due to the income before taxes and equity in affiliates of \$19.9 million in 2019.

*Net income (loss).* We generated net income of \$10.9 million in 2019, compared to net loss of \$12.9 million in 2018.

## **Critical Accounting Policies**

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. 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 is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates.

An accounting policy is considered 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, could materially impact the consolidated financial statements. We believe that the following accounting policies involve a higher degree of judgment and complexity in their application and require us to make significant accounting estimates. The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report.

### ***Revenue Recognition***

We generate real estate online revenues principally from e-commerce, online advertising, and listing services and enter into separate contracts with its customers under each revenue stream. Revenues are recorded, after considering reductions by estimates for refund allowances and sales related taxes.

We have adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent ASUs that modified ASC 606 on January 1, 2018 and have elected to apply it retrospectively for the year ended December 31, 2018.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, we apply the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The full retrospective method requires an entity to present financial statements for all periods as if the new revenue standard had been applied to all prior periods. We concluded that the cumulative effect to the beginning balance of shareholders' equity as of January 1, 2016 by implementation of the ASC 606 is not significant while we record contract assets when we do not have an unconditional right to consideration for its services rendered.

#### *E-commerce*

We offer individual property buyers discount coupons that enable them to purchase specified properties from real estate developers at discounts greater than the face value of the fees charged by us. Discount coupons are collected initially upfront from the property buyers and are refundable at any time before they are used to purchase the specified properties. As such, these fees are recorded as advance from customers in our consolidated balance sheets. In this context, we determine our customers to be individual property buyers and have identified one single performance obligation to be the sale of discount coupons. We determine the sale of discount coupons to be satisfied at a point in time only when confirmation letters are obtained from our customers or developers that prove the use of the coupons. The transaction price is the discount coupon fees charged by us which is fixed in the contract with individual property buyers.

#### *Online advertising*

In respect of the online advertising services, we mainly provide comprehensive advertisement placement services to the advertisers (i.e., property developers) through a packaged online cross-media and cross-platform product portfolio, including those owned by us and other independent outlets.

Our management consider we act as principal in this arrangement when we are a contracting party to our advertisers and our primarily responsible for delivering the specified service to the advertisers. We control the specified service before that service is transferred to an advertiser, because (i) we have the discretion to decide which media outlets to use and what type of the advertisements to be placed; (ii) we are subject to certain risk of loss to the extent that the cost paid to the media outlets, which is charged to us based on a number of methodology, including viewership (CPM) or click (CPC) or others, cannot be compensated by the total consideration obtained from the advertisers; and (iii) we have the discretion to determine the cost charged to the advertisers, which affects our margin as the costs incurred might vary. Therefore, we report revenue earned from the advertisers and costs paid to media outlets related to these transactions on a gross basis.

In addition, we consider we act as an agent for those arrangements that we only earn agreed rebates from certain media outlets and recognize such rebates as revenue on a net basis. Media outlets grant us rebates in the form of prepayments for the media outlets' services or cash, mainly based on the gross spending of the advertisers. In some circumstances, we will share with its advertisers certain amount of the rebates earned from the media outlets which is accounted for as a reduction of the rebates, and we recognize such net amount of rebates as revenue.

#### *Listing*

Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee.

In this context, we determine our customers to be the real estate brokers and have identified a single performance obligation that is recognized over time on a straight-line basis over the contract period of display and when collection is probable. The transaction price is the fixed fee outlined in the contract. No rebates or discounts are given to the real estate brokers.

#### *Contract balances*

We do not have unconditional right to the consideration for advertising or listing services until all promises have been fulfilled and therefore initially records a contract asset when recognizing revenue. Upon fulfillment of all advertising or listing services, contract assets will be reclassified as a receivable. Contract assets recognized were \$0.8 million and \$1.9 million for the years ended December 31, 2019 and 2020, respectively.

### *Disaggregation of revenue*

In accordance with ASC 606-10-50, we believe the disaggregation of revenue from contracts with customers by e-commerce, online advertising and listing to sufficiently achieve the disclosure objective of depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

### *Practical Expedients and Exemptions*

For our contracts that have an original duration of one year or less, we use the practical expedient applicable to such contracts and have not disclosed the transaction prices for the remaining performance obligations as of the end of the reporting period or when we expect to recognize this revenue.

### *Financing Component*

In determining the transaction price, we adjust the promised amount of consideration to determine the cash selling price of the service to be delivered and reflect the time value of money if the contract has a significant financing component. As a result of the adjustment to the transaction price, we recognized interest income amounting to \$0.3 million and \$4.5 million for the years ended December 31, 2019 and 2020, respectively.

### ***Variable Interest Entities***

PRC laws and regulations currently restrict foreign entities without the required operating track record from investing in companies that provide internet content and advertising services in China. Since we have not been involved in internet information services or advertising services outside China to satisfy the track record requirement, to comply with the PRC laws and regulations, we conduct substantially all of our online advertising and e-commerce business through Beijing Leju, Leju Hao Fang and Beijing Jiajujiu, our consolidated variable interest entities, and their subsidiaries and branches. We have, through three of our subsidiaries in China, entered into contractual arrangements with Beijing Leju, Leju Hao Fang, Beijing Jiajujiu and their shareholders such that Beijing Leju, Leju Hao Fang and Beijing Jiajujiu are considered variable interest entities for which we are considered their primary beneficiary. We believe we have substantive kick-out rights pursuant to the terms of the exclusive call option agreements, which give us the power to control the shareholders of these consolidated variable interest entities. More specifically, we believe that the terms of the exclusive call option agreements are currently exercisable and legally enforceable under PRC laws and regulations. We also believe that the minimum amount of consideration permitted by the applicable PRC law to exercise the option does not represent a financial barrier or disincentive for us to exercise our rights under the exclusive call option agreements. Under our shareholder voting rights proxy agreements with the consolidated variable interest entities and their shareholders, each of the shareholders of the consolidated variable interest entities irrevocably grants any person designated by us the power to exercise all voting rights to which he is entitled to as shareholder of the consolidated variable interest entities at that time. Therefore, we believe this gives us the power to direct the activities that most significantly impact the consolidated variable interest entities' economic performance. We believe that our ability to exercise effective control, together with the exclusive technical support agreements and the equity pledge agreements, give us the rights to receive substantially all of the economic benefits from the consolidated variable interest entities in consideration for the services provided by our subsidiaries in China. Accordingly, as the primary beneficiary of the consolidated variable interest entities and in accordance with U.S. GAAP, we consolidate their financial results and assets and liabilities in our consolidated financial statements.

In 2018, 2019 and 2020, entities apart from our consolidated variable interest entities contributed in aggregate 0.5%, 0.1% and 0.1%, respectively, of our total net revenues. Our operations not conducted through contractual arrangements with our consolidated variable interest entities primarily consist of outsourcing arrangements business, support services for online advertising business and agency services included with our e-commerce business. The following table sets forth our revenues, cost of revenues and net income for the consolidated variable interest entities and other group entities which are not our consolidated variable interest entities for the years indicated:

	2020		Total
	Variable interest entities	Other entities (in thousands of \$)	
Total revenues	718,861	665	719,526
Cost of revenues	(65,613)	(8,149)	(73,762)
Net income (loss)	14,278	6,720	20,998

	2019		Total
	Variable interest entities	Other entities (in thousands of \$)	
Total revenues	691,566	1,039	692,605
Cost of revenues	(59,823)	(8,475)	(68,298)
Net income (loss)	(2,844)	13,716	10,872

	2018		Total
	Variable interest entities	Other entities (in thousands of \$)	
Total revenues	459,945	2,086	462,031
Cost of revenues	(64,238)	(8,672)	(72,910)
Net income (loss)	953	(13,805)	(12,852)

As of December 31, 2018, 2019 and 2020, entities apart from our consolidated variable interest entities accounted for an aggregate of 38.7%, 27.4% and 17.9%, respectively, of our total assets. The assets not associated with our consolidated variable interest entities primarily consist of cash, intangible assets and goodwill. The total assets held by the consolidated variable interest entities and other group entities which are not our consolidated variable interest entities were \$255.5 million and \$161.2 million, respectively, as of December 31, 2018, \$380.5 million and \$144.0 million, respectively, as of December 31, 2019, and \$527.3 million and \$114.7 million, respectively, as of December 31, 2020.

Pursuant to contractual arrangements that Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng have with our consolidated variable interest entities, the earnings and cash of our consolidated variable interest entities are used to pay service fees in Renminbi to three of our PRC subsidiaries in the manner and amount set forth in these agreements. After paying the applicable withholding taxes and making appropriations for its statutory reserve requirement, the remaining net profits of our PRC subsidiaries would be available for distribution to our offshore companies. As of December 31, 2020, the net assets of our PRC subsidiaries and our consolidated variable interest entities which were restricted due to statutory reserve requirements and other applicable laws and regulations, and thus not available for distribution, was in aggregate \$35.5 million. As an offshore holding company of our PRC subsidiaries and consolidated variable interest entities, we may make loans to our PRC subsidiaries and consolidated variable interest entities. Any loans to our PRC subsidiaries are subject to registrations with relevant governmental authorities in China. We may also finance our subsidiaries by means of capital contributions. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from making loans or additional capital contributions to our PRC operating subsidiaries”.

Furthermore, cash transfers from our PRC subsidiaries to our offshore companies are subject to PRC government control of currency conversion. Restrictions on the availability of foreign currency may affect the ability of our PRC subsidiaries and our consolidated variable interest entities to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. See “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Governmental control of currency conversion may affect the value of your investment”. Cash and cash equivalents (including restricted cash) held by the consolidated variable interest entities was denominated in Renminbi and amounted to RMB597 million (\$86.9 million, based on an exchange rate of RMB6.8755 to \$1.00 as of December 31, 2018), RMB862 million (\$123.9 million, based on an exchange rate of RMB6.9618 to \$1.00 as of December 31, 2019) and RMB1,552 million (\$237.9 million, based on an exchange rate of RMB6.5250 to \$1.00 as of December 31, 2020) as of December 31, 2018, 2019 and 2020, respectively.

We believe that our contractual arrangements with the consolidated variable interest entities are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements and the interests of the shareholders of the consolidated variable interest entities may diverge from that of our company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the consolidated variable interest entities not to pay the service fees when required to do so.

### ***Concentration of credit risk***

Financial instruments that potentially expose us to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and customer deposits. We deposit our cash and cash equivalents in the reputable financial institutions.

Prior to January 1, 2020, we regularly review the creditworthiness of its customers, and requires collateral or other security from its customers in certain circumstances when accounts receivables' aging is over one year. We establish an allowance for doubtful accounts primarily based upon factors surrounding the credit risk of specific customers, including creditworthiness of the clients, aging of the receivables and other specific circumstances related to the accounts. Accounts receivable balances are written off after all collection efforts have been exhausted.

We adopted Accounting Standard Update (ASU) 2016-13, Financial Instruments-Credit Losses (codified as Accounting Standard Codification Topic 326), since January 1, 2020, which requires measurement and recognition of current expected credit losses for financial instruments held at amortized cost.

Our accounts receivable and contract assets, customer deposits, other receivables recorded in prepayments and other current assets and amount due from related parties are within the scope of ASC Topic 326.

To estimate expected credit losses, we have identified the relevant risk characteristics of its customers and these receivables are assessed on an individual basis for customers with good credit rating (strategic type customers), with pledged credit risk (pledged type customers), with high credit risk (high risk type customers) and the remaining (normal risk type customers). For each customer, we consider historical settlement pattern, past default experience of the debtor, overall economic environment in which the debtors operate, and also the assessment of both current and future development of environment as of the date when this report issued. This is assessed at each quarter based on our specific facts and circumstances. No significant impact of changes in the assumptions since adoption.

The carrying value of accounts receivable, contract assets, customer deposit, amount due from related parties and other receivables recorded in the prepayments and other current assets is reduced by an allowance to reflect the expected credit losses.

### ***Evaluation of Goodwill***

We evaluate the recoverability of goodwill annually or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of the asset below its carrying amount. Goodwill is considered to be impaired when the carrying value of a reporting unit or asset exceeds its fair value. We currently have only one reporting unit: Leju online segment.

In evaluating goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If we determine that it is not more likely than not for a reporting unit's fair value to be less than its carrying value, a calculation of the fair value is not performed. If we determine that it is more likely than not for a reporting unit's fair value to be less than its carrying value, a calculation of the reporting unit's fair value is performed and compared to the carrying value of that unit.

Generally, we measure fair value of reporting units based on a present value of future discounted cash flows and an income valuation approach. The discounted cash flow models indicate the fair value of the reporting units based on the present value of the cash flows that the reporting units are expected to generate in the future. When determining the fair value of the company, we are required to make significant judgments that we believe are reasonable and supportable considering all available internal and external evidence at that time.

However, these estimates and assumptions by their nature require a higher degree of judgment. Fair value determinations are sensitive to changes in the underlying assumptions and factors including (i) those relating to estimating future operating cash flows to be generated from the company, which is dependent upon internal forecasts and projections developed as part of our routine, long-term planning process; (ii) our strategic plans; and (iii) estimates of long-term growth rates taking into account our assessment of the current economic environment and the timing and degree of any economic recovery.

The assumptions with the most significant impact on the fair value of the company are those relating to (i) future operating cash flows, which are forecasted for a five-year period from management's budget and planning process; (ii) the terminal value, which is included for the period beyond five years from the balance sheet date based on the estimated cash flow in the fifth year and a terminal growth rate of 3%; and (iii) discount rates, which are identified and applied by market-based inputs based on an estimation of weighted average cost of capital considering cost of debt, risk-free rate, equity risk premium, beta, size premium, company-specific risk premium and capital structure.

Examples of events or circumstances that could reasonably be expected to negatively affect the underlying key assumptions and ultimately impact the estimated fair values of the company may include: (i) deterioration of local economies or further slowdown of China's real estate market under the government's continued restrictive policies and further credit tightening measures, which could lead to changes in projected cash flows of us; (ii) an economic recovery that significantly differs from our assumptions, which could change the future growth rate and the terminal growth rate; and (iii) higher cost of capital in the markets, which could result in a higher discount rate. If the assumptions used in the impairment analysis are not met or materially change, we may be required to recognize a goodwill impairment loss which may be material to the financial condition of us.

Toward the end of the second quarter of 2017, China's real estate market showed signs of further slowdown under the government's continued restrictive policies and further credit tightening. Our revenue growth started to slow down as developers became more pessimistic about sales volume and more cautious with their advertising spending. We believed that this resulted in slower than previously expected growth for our business over the next several years. These circumstances prompted our management to perform an interim qualitative and quantitative test on goodwill as of June 30, 2017. Based on the impairment assessment review performed, we concluded that the carrying amount was higher than our fair value and consequently recorded a goodwill impairment of \$41.2 million. We had no goodwill balance as of December 31, 2019 and 2020, respectively.

### ***Income taxes***

Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities, and their reported amounts in the financial statements, net operating loss carry forwards and credits by applying enacted statutory tax rates applicable to future years when the reported amounts of the asset or liability are expected to be recovered or settled, respectively.

Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

We only recognize tax benefits related to uncertain tax positions when such positions are more likely than not of being sustained upon examination. For such positions, the amount of tax benefit that we recognize is the largest amount of tax benefit that is more than fifty percent likely of being sustained upon the ultimate settlement of such uncertain position. We record interest and penalties as a component of income tax expense.

### **Recent Accounting Pronouncements**

See "Notes to Consolidated Financial Statements for the Years Ended December 31, 2018, 2019 and 2020—2. Summary of Principal Accounting Policies—(ac) Recently issued accounting pronouncements".

**Inflation**

To date, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2018, 2019 and 2020 were increases of 1.9%, 4.5% and 0.2%, respectively. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected by higher rates of inflation in China in the future.

**Impact of Foreign Currency Fluctuation**

See “Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China-Fluctuation in the value of the Renminbi may have a material and adverse effect on your investment”. and “Item 11. Quantitative and Qualitative Disclosures About Market Risk-Foreign Exchange Risk”.

**Impact of Governmental Policies**

See “Item 3. Key Information-D. Risk Factors-Risks Related to Our Business-Our business may be materially and adversely affected by government measures aimed at China’s real estate industry”, “Item 3. Key Information-D. Risk Factors-Risks Related to Doing Business in China” and “Item 4. Information on the Company-B. Business Overview-Regulation”.

**B. Liquidity and Capital Resources**

Our principal sources of liquidity have been capital contributions from E-House, our initial public offering and concurrent private placement to Tencent, and cash generated from operating activities. Our cash and cash equivalents consist of cash on hand and deposits placed with banks, which are unrestricted as to withdrawal or use and have original maturities of three months or less. We currently anticipate that we will be able to meet our needs to fund operations for at least the next twelve months with operating cash flow and existing cash balances. We believe that our working capital is sufficient for our present requirements, taking into consideration the potential impact the COVID-19 pandemic may have on our business and operations.

The following table sets forth a summary of our cash flows for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
	(in thousands of \$)		
Net cash provided by operating activities	1,692	19,696	108,495
Net cash provided by (used in) investing activities	806	(5,561)	102
Net cash provided by financing activities	—	41	540
Net increase/(decrease) in cash and cash equivalents	(4,041)	11,749	126,695
Cash, cash equivalents and restricted cash at the beginning of the year	151,305	147,263	159,012
Cash, cash equivalents and restricted cash at the end of the year	147,263	159,012	285,707

***Operating Activities***

Net cash provided by operating activities in 2020 was \$108.5 million, primarily comprising net income of \$21.0 million adjusted for non-cash transactions including depreciation and amortization of \$14.3 million, allowance for doubtful debt of \$4.9 million, noncash lease expense of \$4.5 million, a \$70.3 million increase in other current liabilities and accrued expenses, a \$11.1 million decrease in deferred tax assets, and a \$44.8 million decrease in customer deposits, partially offset by a \$66.2 million increase in accounts receivable and contract assets.

Net cash provided by operating activities in 2019 was \$19.7 million, primarily comprising net income of \$10.9 million adjusted for non-cash transactions including depreciation and amortization of \$15.2 million, allowance for doubtful debt of \$5.5 million, noncash lease expense of \$7.6 million, a \$60.2 million increase in other current liabilities and accrued expenses, a \$12.2 million decrease in deferred tax assets, and a \$7.2 million increase in other tax payable, partially offset by a \$50.8 million increase in accounts receivable and contract assets, and a \$46.6 million increase in customer deposits.

Net cash provided by operating activities in 2018 was \$1.7 million, primarily comprising net loss of \$12.9 million adjusted for non-cash transactions including depreciation and amortization of \$15.7 million, share-based compensation expenses of \$4.1 million, and a \$26.1 million decrease in customer deposits, partially offset by a \$30.1 million increase in accounts receivable and contract assets.

### ***Investing Activities***

Net cash provided by investing activities in 2020 was \$0.1 million, primarily comprised of \$1.7 million for the proceeds from disposal of property and equipment, partially offset by \$1.6 million for the purchase of property and equipment as well as intangible assets.

Net cash used in investing activities in 2019 was \$5.6 million, mainly comprised of a payment of \$8.0 million for property and equipment, mainly due to the decoration of our new headquarters.

Net cash provided by investing activities in 2018 was \$0.8 million, primarily comprised of \$1.8 million for the proceeds from disposal of property and equipment, partially offset by \$0.9 million for the purchase of property and equipment as well as intangible assets.

### ***Financing Activities***

Net cash provided by financing activities in 2020 was \$0.5 million, mainly due to the proceeds from exercise of options.

Net cash provided by financing activities in 2019 was \$40,545, mainly due to the proceeds from exercise of options.

Net cash used in or provided by financing activities in 2018 was nil.

### ***Holding Company Structure***

In the future, we may rely significantly on dividends and other distributions paid by our PRC subsidiaries for our cash and financing requirements. There may be potential restrictions on the dividends and other distributions by our PRC subsidiaries. The PRC tax authorities may require us to adjust our taxable income under the contractual arrangements that each of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng currently has in place with the relevant consolidated variable interest entity in a way that could materially and adversely affect the ability of Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng to pay dividends and make other distributions to us. In addition, under PRC laws and regulations, our PRC subsidiaries including Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng, each as a wholly foreign-owned enterprise in China, may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of their accumulated after-tax profits each year, if any, to fund a statutory reserve fund, until the aggregate amount of such fund reaches 50% of their respective registered capital. At their discretion, our PRC subsidiaries may allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Furthermore, our investments made as registered capital and additional paid in capital of our PRC subsidiaries, consolidated variable interest entities and consolidated variable interest entities' subsidiaries are also subject to restrictions on their distribution and transfer according to PRC laws and regulations.

As a result, our PRC subsidiaries, consolidated variable interest entities and consolidated variable interest entities' subsidiaries in China are restricted in their ability to transfer their net assets to us in the form of cash dividends, loans or advances. As of December 31, 2020, the amount of the restricted net assets, which represents registered capital and additional paid-in capital cumulative appropriations made to statutory reserves, was \$35.5 million.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fund raising activities to our PRC subsidiaries only through loans or capital contributions, and to our consolidated variable interest entities only through loans, in each case subject to the satisfaction of the applicable government registration and approval requirements. As a result, there is uncertainty with respect to our ability to provide prompt financial support to our PRC subsidiaries and consolidated variable interest entities when needed. Notwithstanding the foregoing, our PRC subsidiaries may use their own retained earnings (rather than Renminbi converted from foreign currency denominated capital) to provide financial support to our consolidated variable interest entities either through entrustment loans from our PRC subsidiaries to our consolidated variable interest entities, or direct loans to such variable interest entities' nominee shareholders, which would be contributed to the variable interest entities as capital injections. Such direct loans to the nominee shareholders would be eliminated in our consolidated financial statements against the consolidated variable interest entities' share capital.

### **Capital Expenditure**

Our capital expenditures amounted to \$0.9 million, \$8.0 million and \$1.6 million in 2018, 2019 and 2020, respectively. In the past, our capital expenditures consisted principally of purchases of property and equipment and intangible assets used in our operations. We funded our capital expenditures primarily with cash on hand and cash generated from operating activities.

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

### **Research and Development**

We believe that the continual development of our technology will be vital to maintaining our long-term competitiveness. As of December 31, 2020, we employed 277 software developers and other technology-related personnel. We have developed a technology infrastructure that is specifically used for our real estate and home related internet website services. In addition, we have also developed our proprietary mobile applications including “Leju Home Purchase” (an upgraded version of “Pocket Leju”), “Leju Er Shou Fang”, “Qianggongzhang”, contractor version of “Qianggongzhang”, “Lai Ke” and “Leju Finance”. We plan to further develop new, proprietary mobile applications tailored to the needs of home purchasers, developer partners and real estate agents. We will develop our mobile applications with a focus on enhancing mobile user experience and engagement and to achieve seamless integration with the websites we operate.

### **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.

As of March 31, 2021, we owned 112 registered copyrights, owned or licensed 319 registered trademarks in China, had 12 trademark applications in various industry categories pending with the China Trademark Office, had one patent application in China and owned or licensed 113 registered domain names.

We own the software copyrights of our mobile applications “Leju Home Purchase” (an upgraded version of “Pocket Leju”), “Leju Er Shou Fang”, “Qianggongzhang”, contractor version of “Qianggongzhang”, “Lai Ke” and “Leju Finance”. We have registered our software copyrights of substantially all of our mobile applications.

#### D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year 2020 that are reasonably likely to have a material and adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder’s equity, or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2020:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years (in thousands of \$)	3-5 years	More than 5 years
Operating Lease Obligations <sup>(1)</sup>	32,709	5,653	9,070	8,358	9,628

Note:

(1) Our operating lease obligations relate to our obligations under lease agreements with lessors of our corporate offices.

G. Safe Harbor

This annual report on Form 20-F contains forward-looking statements. These statements are made under the “safe harbor” provisions of Section 21E of the Exchange Act. These forward-looking statements can be identified by terminology such as “will”, “expects”, “anticipates”, “future”, “intends”, “plans”, “believes”, “estimates”, “may”, “intend”, “is currently reviewing”, “it is possible”, “subject to” and similar statements. Among other things, the sections titled “Item 3. Key Information—D. Risk Factors”, “Item 4. Information on the Company”, and “Item 5. Operating and Financial Review and Prospects” in this annual report on Form 20-F, as well as our strategic and operational plans, contain forward-looking statements. We may also make written or oral forward-looking statements in our filings with the SEC, in our annual report to shareholders, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements and are subject to change, and such change may be material and may have a material and adverse effect on our financial condition and results of operations for one or more prior periods. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained, either expressly or impliedly, in any of the forward-looking statements in this annual report on Form 20-F. Potential risks and uncertainties include, but are not limited to, continued low real estate transaction volume in China, government measures that may materially and adversely affect our business, a further slowdown in the growth of China’s economy, failure of the real estate services industry in China to develop or mature as quickly as expected, diminution of the value of our brand or image due to our failure to satisfy customer needs and/or other reasons, our inability to successfully execute the strategy of expanding into new geographical markets in China or the business plans for strategic alliances and other new business initiatives, our failure to manage growth, our loss of competitive advantage, and other risks outlined in our filings with the SEC. All information provided in this annual report on Form 20-F and in the exhibits is as of the date of this annual report on Form 20-F, and we do not undertake any obligation to update any such information, except as required under applicable law.

**ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

A. Directors and Senior Management

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

Directors and Executive Officers	Age	Position/Title
Xin Zhou	53	Executive Chairman
Yinyu He	46	Chief Executive Officer
Charles Chao	55	Director
Canhao Huang	63	Director
Juhong Chen	47	Director
David Jian Sun	56	Independent Director
Min Fan	55	Independent Director
Winston Jin Li	54	Independent Director
Hongchao Zhu	61	Independent Director
Qiong Zuo	41	Chief Operating Officer
Li-Lan Cheng	56	Acting Chief Financial Officer

*Xin Zhou* has served as our Executive Chairman since our inception. Mr. Zhou currently is an executive director and chairman of E-House Enterprise. He is one of the co-founders of E-House, an affiliate of E-House Enterprise, and has served as E-House's chairman since its inception. Mr. Zhou served as E-House's chief executive officer from 2003 to 2009, and has been serving as E-House's chief executive officer since April 2012. Mr. Zhou currently is also a director of Jupai Holdings Limited (NYSE: JP). He also served as co-chairman and chief executive officer of E-House's subsidiary, China Real Estate Information Corporation, from 2009 to April 2012. Mr. Zhou has over 25 years of experience in China's real estate industry. From 1997 to 2003, he served as director and general manager of Shanghai Real Estate Exchange Co., Ltd., and as deputy general manager of Shanghai Jinfeng Investments Co., Ltd., a company listed on the Shanghai Stock Exchange. Mr. Zhou was named as the "Person of the Year of Chinese Economy" jointly by SINA and People's Daily in 2016, received the "China Business Leader Award" from the Eighth China Business Leader Forum in 2016, received the "Outstanding Entrepreneur Award" from Enterprise Asia in 2010, awarded the "Special Contribution Award in China's Real Estate Services Industry" in 2005, and named one of the "ten most influential people in the real estate services industry in 2005" from China City Property Exposition Commission. Mr. Zhou currently serves as vice chairman of China Real Estate Association, director of The Nature Conservancy China, vice chairman of China Real Estate Developers and Investors Associations, and chairman of Real Estate Service Committee of China Real Estate Association. He is also the rotating chairman of Shanghai Entrepreneur Association. Mr. Zhou received his bachelor degree from Shanghai University in China.

*Yinyu He* has served as our chief executive officer since September 2011 and vice-president from January 2011 to August 2011. He served as our director of strategic planning from August 2008 to December 2010. Prior to joining Leju, Mr. He was the publisher and chief editor of UBM's InformationWeek China from 2004 to 2008. From 2000 to 2004, he served as a senior reporter and researcher covering China's IT, telecom, financial, and media industries at Interfax (China) News Agency, where he was a founding member. He also worked as a journalist, reporter, commentator, and anchor for a number of media outlets including the China Business Network (CBN), Shanghai Television, Eastern Radio, Securities Herald, Eastday.com, and Finance Director magazine (part of The Economist Group). He received his bachelor's degree and master's degree from Shanghai University.

*Charles Chao* has served as our director since April 2014. Mr. Chao currently serves as the chairman and chief executive officer of SINA and the chairman of Weibo Corporation, a leading social media platform in China and a majority owned subsidiary of SINA. Since joining SINA in September 1999, Mr. Chao has served various managerial positions, including as vice president of finance, chief financial officer, co-chief operating officer and president. Prior to that, Mr. Chao served as an audit manager at PricewaterhouseCoopers, LLP in Silicon Valley, California. Mr. Chao is currently an independent director of NetDragon Websoft Inc., a Hong Kong Stock Exchange listed company providing technology for online games. Mr. Chao received his master's degree in professional accounting from University of Texas at Austin. He also holds a master's degree in journalism from University of Oklahoma and a bachelor's degree in journalism from Fudan University in China.

*Canhao Huang* has served as our director since March 2014. Mr. Huang currently serves as executive director and vice chairman of E-House Enterprise and a director of E-House, an affiliate of E-House Enterprise. He was E-House's chief operating officer from September 2007 to December 2009, and vice president from 2000 to 2007. Prior to joining E-House, Mr. Huang served as a manager at Shanghai No. 1 Department Store Co., Ltd. from 1985 to 2000. Mr. Huang received a bachelor's degree from Shanghai University.

*Juhong Chen* has served as our director since August 2020. Ms. Juhong Chen currently serves as a vice president of Tencent Holdings Limited (HKSE: 00700). She joined Tencent in 2006 as the editor-in-chief of QQ.com and general manager of its integrated information departments. In 2014, Ms. Chen was promoted to Vice President of Tencent responsible for QQ.com, Tencent News, Tencent Sports and other businesses. Ms. Chen holds a bachelor's degree of Arts from Wuhan University with a major in journalism and an EMBA from China Europe International Business School.

*David Jian Sun* has served as our independent director since April 2014. Mr. Sun has been an executive director and the general manager of BTG Hotels (Group) Co., Ltd. (Shanghai Stock Exchange Stock Code: 600258), a tourism service company in China, since September 2016. Prior to joining BTG Hotels Group, Mr. Sun served as an executive director and the chief executive office of Home Inns Group, a leading economy hotel chain in China. Mr. Sun has served as an independent director and a member of the compensation committee of eHai Car Services Ltd., an NYSE-listed car service provider. Mr. Sun has served as an independent director and a member of the compensation committee of 111 Inc. (NASDAQ: YI), a leading integrated online and offline healthcare platform in China. Mr. Sun received a bachelor's degree in management from Shanghai Medical University.

*Min Fan* has served as our independent director since April 2014. Mr. Fan is the co-founder of Trip.com Group Limited (formerly known as Ctrip.com International, Ltd.), a leading one-stop travel platform globally (Nasdaq: TCOM), and has served as the vice chairman of its board since March 2013 and its president since February 2009. He also served as the chief executive officer, from January 2006 to March 2013, the chief operating officer, from November 2004 to January 2006, and the executive vice president, from 2000 to November 2004, of Trip.com Group Limited. From 1997 to 2000, Mr. Fan served as the chief executive officer of Shanghai Travel Service Company, a leading domestic travel agency in China. From 1990 to 1997, he served as the deputy general manager and in a number of other senior positions at Shanghai New Asia Hotel Management Company, which was one of the leading hotel management companies in China. Mr. Fan received his Master's and Bachelor's degrees in industrial engineering and management from Shanghai Jiao Tong University.

*Winston Jin Li* has served as our independent director since April 2014. He currently serves as an independent director of E-House Enterprise. Mr. Li was the chief financial officer of Inke Limited, a leading PRC-based mobile live streaming company from March 2018 to February 2019. Mr. Li served as chief financial officer of Sungy Mobile Ltd., a provider of mobile internet products and services in China, from July 2013 to August 2014. Mr. Li served as a partner at the Hong Kong office of Linklaters LLP from 2002 to 2004 and an attorney at the Hong Kong office of Skadden Arps Slate Meagher & Flom LLP from 1997 to 2002. Mr. Li received his bachelor's degree in biochemistry from Peking University and master of science degree from the University of Michigan, Ann Arbor. He received his juris doctor degree from Columbia Law School.

*Hongchao Zhu* has served as our independent director since March 2017. Mr. Zhu is the managing partner of Shanghai United Law Firm and has been practicing with Shanghai United Law Firm since 1986. Mr. Zhu is a guest professor of East China University of Political Science and Law and Shanghai University, and is also an arbitrator of Shanghai Arbitration Association and China International Economic Trade Arbitration Commission. Mr. Zhu currently serves as an independent director of E-House Enterprise, an independent director of Jupai Holdings Limited, an NYSE-listed third-party wealth management service provider in China, and an independent director of Haitong Securities Co., Ltd. (SEHK: 06837; SSE: 600837), a company listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange. Mr. Zhu once served as vice chairman of the All China Bar Association and chairman of the Shanghai Bar Association. Mr. Zhu received his master's and bachelor's degrees in law from Fudan University in China.

*Qiong Zuo* has served as our chief operating officer since March 2018. She previously was chief executive officer of the Innovation and Research Center of E-House (China) Holdings Limited, Leju's major shareholder, from January 2015. From 2012 to 2015, Ms. Zuo served as vice president of human resources at Rastar Group, a leading culture and entertainment company listed on China's A-share market. From 2007 to 2012, Ms. Zuo served as the deputy general manager of the southern China branch of [SINA.com](#), a leading Internet portal in China. Ms. Zuo received a bachelor's degree in business administration from Hubei University of Economics.

*Li-Lan Cheng* has served as our acting chief financial officer since June 2017. Mr. Cheng also served as our executive director from March 2014 to March 2017. Mr. Cheng has been an executive director of E-House Enterprise since March 2018. Mr. Cheng currently serves as the chief operating officer of E-House, an affiliate of E-House Enterprise, a position he has held since April 2012. He was E-House's chief financial officer from November 2006 to April 2012. Prior to joining E-House, Mr. Cheng served as the chief financial officer of SouFun Holdings Limited, a real estate internet company in China, from 2005 to 2006. From 2002 to 2004, Mr. Cheng served as an executive director and the chief financial officer of SOHO China Limited, a real estate developer in Beijing. Mr. Cheng was an assistant director and the head of the Asian transportation sector investment banking group of ABN AMRO Asia from 1997 to 2002. Mr. Cheng is an independent director of 51job, Inc. (Nasdaq: JOBS), a human resource service provider listed on Nasdaq, an independent director of LAIX Inc. (NYSE: LAIX), an NYSE-listed artificial intelligence company for English language training and an independent director of Yunji Inc. (Nasdaq: YJ), a Nasdaq-listed leading social e-commerce platform in China. Mr. Cheng received a bachelor's degree in Economics from Swarthmore College and a Ph.D. degree in Economics from the Massachusetts Institute of Technology. Mr. Cheng is a chartered financial analyst (CFA).

B. Compensation of Directors and Executive Officers

For the year ended December 31, 2020, we paid an aggregate of approximately \$2.4 million in cash to our executive officers, and we granted 800,000 restricted shares to our executive officers in 2020. We paid an aggregate of approximately \$0.2 million in cash to our directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries and consolidated variable interest entities are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

**Employment Agreements and Indemnification Agreements**

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, gross negligence or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon sixty days advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as set forth in the employment agreement. The executive officer may resign at any time with a one-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) solicit from any of our customers, business of the same or similar nature to our business; (ii) solicit from any known potential customer, business which of the same or similar nature to business which has been the subject or substantially prepared to be subject of a written or oral bid, offer or proposal by us; (iii) solicit the employment or service of any person who is known to be employed or engaged by us; or (iv) otherwise interfere with our business or accounts including, but not limited to, any relationship or agreement between us and any vendor or supplier.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

## Share Incentive Plan

In November 2013, we adopted the Leju Plan, which allows us to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to us. The plan permits the grant of three types of awards: options, restricted shares and restricted share units. The maximum number of shares that may be issued pursuant to all awards under the Leju Plan is 10,434,783 ordinary shares of Leju initially, and will be increased automatically by 5% of the then total outstanding shares on an as-converted fully diluted basis on each of the third, sixth and ninth anniversaries of the effective date of the Leju Plan. The Leju Plan was amended and replaced in July 2014 containing substantially the same terms as the original Leju Plan. On December 1, 2016, the award pool under the Leju Plan was automatically increased by 7,553,422 ordinary shares. On December 1, 2019 the Leju Award Pool was automatically increased by 7,833,224 ordinary shares. Accordingly, the size of the award pool under the Leju Plan is currently 25,821,429 ordinary shares.

The following paragraphs describe the principal terms of the Leju Plan.

*Plan Administration.* Our board of directors, or a committee designated by our board or directors, will administer the plan. The committee or the full board of directors, as appropriate, will determine the provisions and terms and conditions of each option grant.

*Award Agreements.* Options and other awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant. In addition, the award agreement may also provide that securities granted are subject to a 180-day lockup period following the effective date of a registration statement filed by us under the Securities Act, if so requested by us or any representative of the underwriters in connection with any registration of the offering of any of our securities. The exercise price of granted options may be amended or adjusted in the absolute discretion of our board of directors, or a committee designated by our board of directors, without the approval of our shareholders or the recipients of the options.

*Eligibility.* We may grant awards to employees, directors and consultants of our company or any of our related entities, which include our subsidiaries or any entities in which we hold a substantial ownership interest.

*Acceleration of Awards upon Corporate Transactions.* The outstanding awards will terminate and accelerate upon occurrence of a change-of-control corporate transaction where the successor entity does not assume our outstanding awards under the plan. In such event, each outstanding award will become fully vested and immediately exercisable, and the transfer restrictions on the awards will be released and the repurchase or forfeiture rights will terminate immediately before the date of the change-of-control transaction provided that the grantee's continuous service with us shall not be terminated before that date.

*Term of the Options.* The term of each option grant shall be stated in the award agreement, provided that the term shall not exceed ten years from the date of the grant.

*Vesting Schedule.* In general, our board of directors, or a committee designated by our board of directors, determines, or the award agreement specifies, the vesting schedule.

*Transfer Restrictions.* Awards may not be transferred in any manner by the recipient other than by will or the laws of succession and incentive share options may be exercised during the lifetime of the optionee only by the optionee.

*Termination of the Plan.* Unless terminated earlier, the plan will terminate automatically in 2023. Our board of directors has the authority to amend or terminate the plan subject to shareholder approval to the extent necessary to comply with applicable law. However, no such action may impair the rights of any award recipient unless agreed by the recipient.

As of March 31, 2021, the aggregate number of our ordinary shares underlying outstanding options granted under the Leju Plan is 11,683,818, and 966,667 restricted shares granted under the Leju Plan are outstanding.

The following table summarizes, as of March 31, 2021, the options and restricted shares granted under the plan to our executive officers and directors and to other individuals as a group (including certain of our employees and E-House's employees), without giving effect to the options that were exercised or restricted shares that had vested, if any.

Name	Ordinary Underlying Options/Restricted Shares	Exercise Price (2) (\$/Share)	Date of Grant	Date of Expiration (2)
Xin Zhou	360,000*(1)	4.6	December 1, 2013	N/A
	100,000	5.54	December 14, 2015	December 13, 2025
	60,000	3.24	March 30, 2017	March 29, 2027
	60,000	1.55	March 21, 2018	March 20, 2028
	30,000	1.41	June 27, 2018	June 26, 2028
Yinyu He	720,000	4.6	December 1, 2013	November 30, 2023
	100,000*	N/A	March 18, 2014	N/A
	120,000	5.54	December 14, 2015	December 13, 2025
	250,000	3.24	March 30, 2017	March 29, 2027
	150,000	1.55	March 21, 2018	March 20, 2028
	150,000	1.41	June 27, 2018	June 26, 2028
	150,000*	N/A	May 28, 2019	N/A
500,000*	N/A	June 17, 2020	N/A	
Charles Chao	360,000	4.6	December 1, 2013	November 30, 2023
	50,000	5.54	December 14, 2015	December 13, 2025
	60,000	3.24	March 30, 2017	March 29, 2027
	60,000	1.55	March 21, 2018	March 20, 2028
	30,000	1.41	June 27, 2018	June 26, 2028
Canhao Huang	30,000	4.6	December 1, 2013	November 30, 2023
	15,000	5.54	December 14, 2015	December 13, 2025
	30,000	1.55	March 21, 2018	March 20, 2028
	30,000	1.41	June 27, 2018	June 26, 2028
David Jian Sun	40,000*	N/A	March 18, 2014	N/A
	15,000	5.54	December 14, 2015	December 13, 2025
	20,000	3.24	March 30, 2017	March 29, 2027
	20,000	1.55	March 21, 2018	March 20, 2028
	20,000	1.41	June 27, 2018	June 26, 2028
Min Fan	40,000*	N/A	March 18, 2014	N/A
	15,000	5.54	December 14, 2015	December 13, 2025
	20,000	3.24	March 30, 2017	March 29, 2027
	20,000	1.55	March 21, 2018	March 20, 2028
	20,000	1.41	June 27, 2018	June 26, 2028
Winston Jin Li	40,000*	N/A	March 18, 2014	N/A
	15,000	5.54	December 14, 2015	December 13, 2025
	20,000	3.24	March 30, 2017	March 29, 2027
	20,000	1.55	March 21, 2018	March 20, 2028
	20,000	1.41	June 27, 2018	June 26, 2028
Hongchao Zhu	20,000	4.6	December 1, 2013	November 30, 2023
	10,000	5.54	December 14, 2015	December 13, 2025
	20,000	3.24	March 30, 2017	March 29, 2027
	20,000	1.55	March 21, 2018	March 20, 2028
	20,000	1.41	June 27, 2018	June 26, 2028
Li-Lan Cheng	240,000*	4.6	December 1, 2013	N/A
	30,000	5.54	December 14, 2015	December 13, 2025
	30,000	3.24	March 30, 2017	March 29, 2027
	100,000	1.55	March 21, 2018	March 20, 2028
Qiong Zuo	90,000	1.41	June 27, 2018	June 26, 2028
	150,000	1.55	March 21, 2018	March 20, 2028
	120,000	1.41	June 27, 2018	June 26, 2028
	100,000*	N/A	May 28, 2019	N/A
	300,000*	N/A	June 17, 2020	N/A
Other individuals as a group	10,523,669**	1.41 to 9.68	December 1, 2013 to June 17, 2020	November 30, 2023 to June 26, 2028 or N/A

Notes:

- (1) These options were subsequently surrendered for cancellation in exchange for the same number of restricted shares having the same vesting schedule and a purchase price equal to the original option exercise price.
- (2) The options and most of our restricted shares are subject to a three-year vesting schedule, with one-third of the underlying ordinary shares vesting on each of the first, second and third anniversary of the grant date.

\* Represents restricted shares.

\*\* Includes options and restricted shares.

#### C. Board Practices

Our board of directors consists of eight directors. A director is not required to hold any shares in our company by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company must declare the nature of his interest at a meeting of the directors. Subject to the NYSE rules and disqualification by the chairman of the relevant board meeting, a director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at the relevant board meeting at which such contract or transaction or proposed contract or transaction is considered. The directors may exercise all the powers of the company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whenever money is borrowed or as security for any debt, liability or 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 service.

In 2020, our board of directors held meetings or passed unanimous written resolution in lieu of meeting five times.

#### **Committees of the Board of Directors**

We have three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees.

A company of which more than 50% of the voting power is held by a single entity is considered a “controlled company” under Section 303A of the Corporate Governance Rules of the NYSE. A controlled company need not comply with the applicable NYSE corporate governance rules requiring its board of directors to have a majority of independent directors. Because more than 50% of the voting power of our company has been held by E-House Enterprise since November 2020, we qualify as a “controlled company” under the Corporate Governance Rules of the NYSE, and can rely on the controlled company exception provided under those rules. Currently, we do not have a majority of independent directors on our board.

*Audit Committee.* Our audit committee consists of Mr. Winston Li, Mr. Min Fan and Mr. Jian Sun, and is chaired by Mr. Winston Li. We have determined that Messrs. Li, Fan and Sun each satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the NYSE and Rule 10A-3 under the Exchange Act. The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management’s response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

In 2020, our audit committee held meetings or passed unanimous written resolutions in lieu of meeting six times.

*Compensation Committee.* Our compensation committee consists of Mr. Jian Sun and Mr. Hongchao Zhu, and is chaired by Mr. Jian Sun. We have determined that Messrs. Sun and Zhu each satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the NYSE. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- reviewing the total compensation package for our executive officers and making recommendations to the board with respect to it;
- approving and overseeing the total compensation package for our executives other than the three most senior executives;
- reviewing the compensation of our directors and making recommendations to the board with respect to it; and
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans.

In 2020, our compensation committee passed unanimous written resolutions in lieu of meeting once.

*Nominating and Corporate Governance Committee.* Our nominating and corporate governance committee consists of Mr. Min Fan and Mr. Hongchao Zhu, and is chaired by Mr. Min Fan. We have determined that Messrs. Fan and Zhu each satisfy the “independence” requirements of Section 303A of the Corporate Governance Rules of the NYSE. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;

- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board;
- advising the board periodically with regards to significant developments in the law and practice of corporate; and
- governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

In 2020, our nominating and corporate governance committee passed unanimous written resolutions in lieu of meeting once.

### **Duties of Directors**

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in good faith and with a view to our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with such care and diligence that a reasonably prudent person would exercise in comparable circumstances and a duty to exercise the skill they actually possess. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than 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 memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company may in certain circumstances have rights to seek damages if a duty owed by the directors is breached. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

### **Terms of Directors and Officers**

Our officers are appointed by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board or their office is otherwise vacated. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be or becomes of unsound mind; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from meetings of our board of directors for six consecutive meetings and the board resolves that his office be vacated; or (v) is removed from office pursuant to any other provision of our memorandum and articles of association.

D. Employees

As of December 31, 2018, 2019 and 2020, we had 2,601, 2,312 and 2,251 employees, respectively. The table sets forth the number of employees by area of business as of December 31, 2020:

	Number of Employees	Percentage of Employees
Sales	556	24.7%
Software Developers and Other Technology-related	277	12.3%
Editorial	438	19.5%
Customer Support	298	13.2%
Corporate Offices	682	30.3%
Total	<u>2,251</u>	<u>100.0%</u>

We pay our sales staff a combination of salaries and sales commissions and pay salaries to all other employees. We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

We place special emphasis on the training of our employees, whom we consider to be our most valuable asset. All newly hired employees must undergo intensive training during their three-month probation period. We also invite outside experts, including experts from the E-House Research and Training Institute, to provide ongoing classroom training to our employees. The human resources department is responsible for implementing the training plans, including engaging trainers, preparing training materials, selecting training venues and collecting feedback.

Because sales of online marketing services are highly competitive, we strongly emphasize training programs designed to improve the sales and marketing skills of our sales staff. In addition to training for new hires, our sales staff participate in weekly operating meetings that include additional training opportunities.

We conduct quarterly performance evaluations for all employees and use both performance-based bonuses and job promotions as incentives to encourage strong performance. We strive to maintain a collaborative corporate culture and our mid-level and senior employees are generally eligible to participate in our share incentive plan.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2021 by:

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

As of March 31, 2021, we had 136,412,604 ordinary shares issued and outstanding, excluding the 3,640,149 ordinary shares issued to our depository bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan. 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 from March 31, 2021, 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.

	Shares Beneficially Owned	
	Number	%
<b>Directors and Executive Officers:</b>		
Xin Zhou	*	*
Yinyu He <sup>(1)</sup>	1,667,532	1.2
Charles Chao <sup>(2)</sup>	*	*
Canhao Huang	*	*
Juhong Chen <sup>(3)</sup>	—	—
Jian Sun <sup>(4)</sup>	*	*
Min Fan <sup>(5)</sup>	*	*

	Shares Beneficially Owned	
	Number	%
Winston Jin Li <sup>(6)</sup>	*	*
Hongchao Zhu <sup>(7)</sup>	*	*
Li-Lan Cheng	*	*
Qiong Zuo	*	*
All Directors and Executive Officers as a Group <sup>(†)</sup>	3,759,111	2.7

**Principal Shareholders:**

E-House (China) Enterprise Holdings Limited <sup>(8)</sup>	76,401,247	56.0
SINA Corporation <sup>(9)</sup>	17,594,018	12.9
Tencent Holdings Limited <sup>(10)</sup>	21,231,220	15.6

Notes:

\* Less than 1% of our total outstanding shares.

(†) Except where otherwise disclosed in the footnotes below, the business address of each of our directors and executive officers is Level G, Building G, No.8 Dongfeng South Road, Chaoyang District, Beijing 100016, People’s Republic of China.

(1) Include (i) 150,833 ordinary shares and 33 ordinary shares represented by 33 ADSs held by Mr. Yinyu He, (ii) 1,516,666 ordinary shares issuable to Mr. He upon exercise of options or vesting of restricted shares within 60 days after March 31, 2021.

(2) The business address of Mr. Charles Chao is SINA Plaza, No. 8 Courtyard 10, the West Xibeiwang E. Road, Haidian District, Beijing 100193, People’s Republic of China.

(3) The business address of Ms. Juhong Chen is Tencent Beijing Headquarters Building, Building 9, West Block, No. 10 Xibeiwang East Road, Haidian District, Beijing, People’s Republic of China.

(4) The business address of Mr. Jian Sun is No. 124 Caobao Road, Xuhui District, Shanghai 200235, People’s Republic of China.

(5) The business address of Mr. Min Fan is Building 18, No. 968 Jin Zhong Road, Changning District, Shanghai 200335, People’s Republic of China.

(6) The business address of Mr. Winston Jin Li is Unit 4, Tower C, Yingdu Building, Zhichun Road, Haidian District, Beijing 100086, People’s Republic of China.

(7) The business address of Mr. Hongchao Zhu is Suite 1705, Bund Center, 222 Yan An Road (East), Huangpu District, Shanghai 200002, People’s Republic of China.

(8) Based on Schedule 13D filed with SEC on November 20, 2020 by E-House Enterprise, represents 76,401,247 ordinary shares held by E-House Enterprise. E-House Enterprise is a company registered in the Cayman Islands with limited liability and listed on the main board of the Hong Kong Stock Exchange (stock code: 2048), whose registered office is at the offices of Maples Corporate Services Limited, PO Box 309, Umland House, Grand Cayman KY1-1104, Cayman Islands and principal office in Hong Kong is at 18/F, Tesbury Centre, 28 Queen’s Road East, Wan Chai, Hong Kong.

(9) Includes (i) 16,642,623 ordinary shares held by SINA and (ii) 951,395 ordinary shares represented by 951,395 ADSs held by SINA. SINA is an exempted company incorporated under the laws of the Cayman Islands. SINA is a leading online media company serving China and the global Chinese communities. The principal executive offices of SINA are No. 8 SINA Plaza, Courtyard 10, West Xibeiwang East Road, Haidian District, Beijing, 100193.

(10) Represents 21,231,220 held by THL O Limited, a British Virgin Islands company and an indirect wholly owned subsidiary of Tencent Holdings Limited. or Tencent. See “Item 7. Related Party Transactions—Transactions and Agreements with Tencent” for more information. Tencent Holding Limited is incorporated in the Cayman Islands and its business address is 29/F., Three Pacific Place, No.1 Queen’s Road East, Wanchai, Hong Kong. Tencent is listed on the Hong Kong Stock Exchange.

To our knowledge, as of March 31, 2021, 25,452,413 of our ordinary shares were held by four record holders in the United States, representing approximately 18.0% of our total outstanding shares (including the 3,640,149 ordinary shares issued to our depository bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan). One of these holders is JPMorgan Chase Bank, N.A., the depository of our ADS program, which held 24,775,078 ordinary shares on record, representing approximately 17.7% of our total outstanding shares on record as of March 31, 2021 (including the 3,640,149 ordinary shares issued to it for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan). The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States.

For the options granted to our directors, executive officers and employees, please refer to “—B. Compensation of Directors and Executive Officers”.

## **ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **A. Major Shareholders**

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership”.

### **B. Related Party Transactions**

#### **Transactions with E-House Enterprise**

*Transactions with E-House Enterprise.* We have become a subsidiary of E-House Enterprise and our financial results have been consolidated into the accounts of E-House Enterprise since November 4, 2020. Mr. Xin Zhou, our executive chairman, is a director of E-House Enterprise. E-House Enterprise was controlled by E-House prior to 2018. For the years ended December 31, 2018, 2019 and 2020, we derived revenues in the amount of \$1.9 million, \$1.4 million and \$1.4 million from providing online advertising services to E-House Enterprise, respectively, and we recognized expenses for marketing channel services provided by E-House Enterprise of \$4.3 million, \$7.4 million and \$21.4 million, respectively. As of December 31, 2018, 2019 and 2020, we had a payable balance of \$1.3 million, a receivable balance of \$0.9 million and a payable balance of \$2.2 million, respectively.

#### **Transactions and Agreements with E-House**

##### ***Agreements Related to Our Carve-out from E-House***

We have entered into agreements with E-House with respect to various ongoing relationships between us. These include a master transaction agreement, an offshore transitional services agreement, an onshore transitional services agreement, a non-competition agreement and an onshore cooperation agreement. The following are summaries of these agreements.

##### ***Master Transaction Agreement***

The master transaction agreement contains provisions relating to our carve-out from E-House. The master transaction agreement provides for cross-indemnities that generally will place the financial responsibility on us for all liabilities associated with the current and historical real estate online services business and operations that have been conducted by or transferred to us, and generally will place on E-House the financial responsibility for liabilities associated with all of E-House’s other current and historical businesses and operations, in each case regardless of the time those liabilities arise. The master transaction agreement also contains indemnification provisions under which we and E-House will indemnify each other with respect to breaches of the master transaction agreement or any related agreement.

In addition, we have agreed to indemnify E-House against liabilities arising from misstatements or omissions in our SEC filings and from information we provide to E-House specifically for inclusion in E-House’s annual or quarterly reports following the completion of our initial public offering, but only to the extent that the information pertains to us or our business or to the extent E-House provides us prior written notice that the information will be included in its annual or quarterly reports and the liability does not result from the action or inaction of E-House. Similarly, E-House will indemnify us against liabilities with respect to information that E-House provided to us specifically for inclusion in our SEC filings.

The master transaction agreement contains a general release, under which the parties will release each other from any liabilities arising from events occurring on or before the initial filing date of the registration statement for our initial public offering, including in connection with the activities to implement our initial public offering. The general release does not apply to liabilities allocated between the parties under the master transaction agreement or the other related agreements.

Furthermore, under the master transaction agreement, we have agreed to use our reasonable best efforts to use the same independent certified public accounting firm selected by E-House and to maintain the same fiscal year as E-House until the first E-House fiscal year-end occurring after the earlier of (i) the first date when E-House no longer owns at least 20% of the voting power of our then outstanding securities and (ii) the first date when E-House ceases to be the largest beneficial owner of our then outstanding voting securities (without considering holdings by certain institutional investors). We also have agreed to use our reasonable best efforts to complete our audit and provide E-House with all financial and other information on a timely basis.

The master transaction agreement will automatically terminate five years after the first date upon which E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities. This agreement can be terminated early by mutual written consent of the parties.

*Offshore Transitional Services Agreement (As Amended)*

Under the offshore transitional services agreement, E-House agrees that, during the service period, E-House will provide us with various corporate support services, including:

- accounting support;
- administrative support;
- marketing support;
- internal control support;
- customer service support; and
- legal support.

E-House also may provide us with additional services that we and E-House may identify from time to time in the future. It may engage third parties to provide services covered by the offshore transitional service agreement.

The offshore transitional service agreement provides that the performance of a service according to the agreement will not subject the provider of such service to any liability whatsoever except as directly caused by the gross negligence or willful misconduct of the service provider. Liability for gross negligence or willful misconduct is limited to the lower of the price paid for the particular service or the cost of the service's recipient performing the service itself or hiring a third party to perform the service. Under the offshore transitional services agreement, the service provider of each service is indemnified by the recipient against all third-party claims relating to provision of services or the recipient's material breach of a third-party agreement, except where the claim is directly caused by the service provider's gross negligence or willful misconduct.

The price to be paid for the services provided under the offshore transitional service agreement shall be the actual direct costs and indirect costs of providing such services. Direct costs include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services as well as materials and supplies consumed in performing the services. Indirect costs include occupancy, information technology supervision and other overhead costs of the department incurring the direct costs of providing the service.

The offshore transitional services agreement provides for a service period commencing on the date when the registration statement on Form F-1 for our initial public offering is first publicly filed with the SEC, and ending on the date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities or ceases to be the largest beneficial owner of our then outstanding voting securities, without considering holdings of institutional investors that have acquired our securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing our control.

Either party may terminate the offshore transitional services agreement with respect to either all or part of the services by giving a 90-day prior written notice to the other party. The agreement provides for an early termination fee in the case of early termination by E-House, but does not quantify the amount of or specify the calculation method, for such fee.

The agreement will be for a term until December 31, 2025, and will terminate with respect to any services at the close of business on the last day of the service period for such service, unless the parties have agreed in writing to an extension of the service period.

#### *Onshore Transitional Services Agreement (As Amended)*

The onshore transitional services agreement adopts terms and conditions similar to those of the offshore transitional services agreement. Under the onshore transitional services agreement, E-House (China) Enterprise Management Group Ltd. (formerly, Shanghai Real Estate Sales (Group) Co., Limited), an indirectly wholly owned subsidiary of E-House, or E-House Shanghai, agrees, during the applicable service period, to provide Beijing Leju, Beijing Jiajujiu, Leju Hao Fang, Shanghai SINA Leju, Beijing Maiteng, Shanghai Yi Yue and City Rehouse, or the Leju PRC Entities, and/or their designated PRC affiliates, with various corporate support services, including accounting support, administrative support, internal control and internal audit support, marketing support, customer service support and legal support. E-House Shanghai also may provide the Leju PRC Entities with additional services that the Leju PRC Entities and E-House Shanghai may identify from time to time in the future. E-House Shanghai may engage its PRC affiliates or other third parties to provide services covered by the onshore transitional services agreement.

The price to be paid for the services provided under the onshore transitional services agreement shall be the actual direct costs and indirect costs of providing such services. Direct costs include compensation and travel expenses attributable to employees, temporary workers, and contractors directly engaged in performing the services as well as materials and supplies consumed in performing the services. Indirect costs include occupancy, information technology supervision and other overhead costs of the department incurring the direct costs of providing the service.

The onshore transitional services agreement provides for a service period commencing on the date when the registration statement on Form F-1 for our initial public offering is first publicly filed with the SEC, and ending on the earliest date of the following dates: (i) the date when Leju PRC Entities terminate the services, (ii) the date when E-House Shanghai terminates the services, and (iii) December 31, 2025.

Either E-House Shanghai or the Leju PRC Entities may terminate either all or part of the services by giving a 90-day prior written notice to the other party. The agreement provides for an early termination fee in the case of early termination by the Leju PRC Entities, but does not quantify the amount of or specify the calculation method, for such fee.

E-House charged us a fee based on an estimate of the actual costs incurred to provide services under the offshore and onshore transitional services agreements, which amounted to \$1.9 million, \$1.8 million and \$1.9 million for 2018, 2019 and 2020, respectively.

#### *Non-competition Agreement*

The non-competition agreement provides for a non-competition period beginning on the date of the agreement and ending on the later of (i) three years after the first date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities and (ii) five years after the date that the registration statement on Form F-1 for our initial public offering is first publicly filed with the SEC. This agreement can be terminated early by mutual written consent of the parties.

E-House has agreed not to compete with us during the non-competition period in the business of providing real estate e-commerce, online advertising and listing services, anywhere in the world. We have agreed not to compete with E-House during the non-competition period in any business conducted by E-House as described in its periodic filings with the SEC, other than the businesses we are engaged in as described in the prospectus for our initial public offering.

The non-competition agreement also provides for a mutual non-solicitation obligation that neither E-House nor we may, during the non-competition period, hire, or solicit for hire, any active employees of or individuals providing consulting services to the other party, or any former employees of or individuals providing consulting services to the other party within six months of the termination of their employment or consulting services, without the other party's consent, except for solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in a hiring within the non-competition period.

### *Onshore Cooperation Agreement*

Under this onshore cooperation agreement, E-House Shanghai, Beijing Leju, Beijing Jiajujiu and Leju Hao Fang agree that they will cooperate with each other in sharing information about potential demands for products and/or services and developing clients. If any party is aware that its customers, suppliers or other business partners may have demands for the products and/or services of the primary business of any other party, it will share such information with such other party, to the extent not in violation of any applicable law and its confidentiality obligations or other terms under any contract binding on such party. Furthermore, the parties agree to cooperate with each other, to the extent commercially reasonable and in the manner deemed to be appropriate, in referring the principal products and/or services of any other party, joint pitching for and negotiating with clients, and entering into agreements with clients. In the event that the parties jointly enter into an agreement with a client, they shall determine their respective rights and obligations in writing through amicable negotiations, and based on the principle of fairness and the fair market values of the products and/or services offered by the parties. The parties agree not to charge any fees for their cooperation and assistance provided under the agreement unless they separately and explicitly agree otherwise.

The onshore cooperation agreement provides for a term commencing on its date of execution and ending on the date when E-House ceases to own in aggregate at least 20% of the voting power of our then outstanding securities or ceases to be the largest beneficial owner of our then outstanding voting securities, without considering holdings of institutional investors that have acquired our securities in the ordinary course of their business and not with a purpose nor with the effect of changing or influencing our control. The onshore cooperation agreement does not provide any early termination right.

### ***Other Transactions and Agreements with E-House***

For the years ended December 31, 2018, 2019 and 2020, we derived revenues in the amount of nil, \$23,168 and nil from providing online advertising services to E-House. On May 28, 2018, we entered into an agreement with E-House to entrust the operation of our Online Furnishing platform business to E-House. E-House agreed to compensate us for any losses generated from the operation. Likewise, any profit from the operation would be equally shared by us and E-House. The amounts represent compensation receivable from E-House due to losses generated from the operation. As a result, for the year ended December 31, 2018, we recognized \$3.4 million for such compensation from E-House, net of selling, general and administrative expenses. Such agreement was terminated on December 20, 2018. For the years ended December 31, 2018, 2019, and 2020, we recognized expenses for services provided by E-House of \$2.0 million, \$1.5 million and \$0.8 million, respectively.

In March 2015, we declared a cash dividend of \$0.20 per ordinary share, or \$0.20 per ADS, and paid an aggregate of \$18.7 million to E-House directly from our additional paid-in capital account in May 2015.

As of December 31, 2018, 2019 and 2020, we had a receivable balance from E-House of \$0.9 million, \$0.6 million and a payable balance to E-house of \$0.1 million, respectively.

### **Transactions and Agreements with SINA**

In 2008, SINA reorganized its real estate and home furnishing websites and online real estate advertising business into a separate unit with its own legal entities, management team, advertising operations, systems and physical facilities. Pursuant to the reorganization, SINA and E-House formed a joint venture, China Online Housing, which subsequently became our wholly owned subsidiary in December 2013 as part of a corporate reorganization by E-House. The terms of the joint venture provided China Online Housing with the rights, for an initial term of ten years, to use the E-House real estate information database and operate the SINA real estate and home furnishing websites, including licenses to use SINA's trademark, domain names, website technologies and certain software.

In 2009, SINA and China Online Housing entered into an amended and restated advertising inventory agency agreement, a domain name and content license agreement, a restated trademark license agreement and a software license and support services agreement. In March 2014, we and SINA entered into an advertising inventory agency agreement, an amended and restated domain name and content license agreement, an amended and restated trademark license agreement and an amended and restated software license and support services agreement. The principal effect of the agreements entered into in March 2014 is to extend the term of our agreements with SINA through 2024.

#### ***Advertising Inventory Agency Agreement***

Under the advertising inventory agency agreement, we have the exclusive right to sell advertising to real estate, home furnishing and construction materials advertisers on all SINA non-real estate websites. We are required to pay SINA fees of approximately 15% of the revenues generated from sales of advertising on SINA non-real estate websites, subject to certain limitations on the amount of advertising that we may sell and fees payable by us to SINA based on the amount of advertising sold. In addition, we authorize SINA as our exclusive agent to sell non-real estate-related advertising on our directly operated websites. We are entitled to receive approximately 85% of the revenues generated from these sales. The initial term of the amended and restated advertising inventory agency agreement is ten years, expiring in 2024.

#### ***Domain Name and Content License Agreement***

Under the amended and restated domain name and content license agreement, an affiliate of SINA, or licensor, granted to us an exclusive license to use its five domain names, namely, *house.sina.com.cn*, *jiaju.sina.com.cn*, *construction.sina.com.cn*, *dichan.sina.com.cn*, and *esf.sina.com.cn* in connection with our real estate internet operations in China. In addition, the licensor also granted to us an exclusive license to use all contents, whose copyrights are owned by the licensor or owned by a third-party provider but is sub-licensable by the licensor without requiring payment of any additional fees and without violating the terms of any agreement with such third party provider, in connection with websites associated with the domain names licensed to us. For other operating contents, we may enter into an agreement with the owner independently and will be responsible for the costs associated with procuring the contents. The licenses are for an initial term of ten years expiring in 2024.

#### ***Amended and Restated Trademark License Agreement***

Under the amended and restated trademark license agreement, an affiliate of SINA granted to us a non-exclusive license to use three SINA trademarks and an exclusive license to use four SINA related trademarks in connection with our real estate online operations in China through websites located at *leju.com* and the websites located at *house.sina.com.cn*, *jiaju.sina.com.cn*, *construction.sina.com.cn*, *dichan.sina.com.cn* and *esf.sina.com.cn*. The licenses are for an initial term of ten years expiring in 2024.

#### ***Amended and Restated Software License and Support Services Agreement***

Under the amended and restated software license and support services agreement, a subsidiary of SINA, or licensor, granted to us a non-exclusive license to use (i) the proprietary software used for, among other things, internet content publishing, advertising publishing, sales management, procurement reimbursement, financial management flow, statistics, monitoring and censoring; (ii) certain current software products and interfaces necessary to facilitate our use of such current software products; (iii) the databases; (iv) certain improvements to the licensed software; and (v) related documentation and hardware, in each case to the extent such items (other than licensor improvements) exist and have been delivered to us under the software license and support service agreement executed in 2009. The licensor also provided to us infrastructure necessary to operate our websites and facilitate our use of the licensed software. In addition, the licensor also provided support services, including routine maintenance, technical support and hardware support. The licenses are for an initial term of ten years expiring in 2024 and free of any fees (subject to certain exceptions). However, to the extent that there are any reasonable, incremental costs for use of the licensed software or the infrastructure, or provision of the support services, due to a change in the business needs, we are required to reimburse the licensor for all such costs.

### **Registration Rights Agreement**

In connection with SINA becoming a principal shareholder of ours, on March 21, 2017, we entered into a registration rights agreement with SINA, which grants SINA the same registration rights with respect to our ordinary shares as those granted to E-House and Tencent under the investor rights agreement dated March 31, 2014. For a detailed description of the registration rights, see “—Registration Rights Granted to E-House, Tencent and SINA”.

### **Other Transactions with SINA**

As of December 31, 2018, 2019 and 2020, we had a payable balance of \$2.2 million, \$3.3 million and \$3.2 million, respectively, to SINA, representing online advertising resources fee payable to SINA. The total cost recognized for the advertising resources purchased from SINA was \$19.8 million, \$18.3 million and \$29.3 million for the years ended December 31, 2018, 2019 and 2020, respectively.

### **Transactions and Agreements with Tencent**

#### **Strategic Cooperation**

In January 2019, we entered into a series of exclusive advertising agency agreements with Tencent. Pursuant to the exclusive advertising agency agreements, we are the exclusive real property advertising agent of Tencent for selling advertising to real estate advertisers in certain areas of China, including, Tianjin and Sichuan, Anhui, Shanxi, Guangxi and Fujian provinces. In March 2019, we entered into an advertising agency agreement with Tencent, pursuant to which we are the real property advertising agent of Tencent in certain other areas of China. In January 2020, we renewed and entered into advertising agency agreements with Tencent, pursuant to which we are the real property advertising agent of Tencent in many areas of China. Pursuant to the exclusive advertising agency agreements signed in April 2020, such areas of China were Heilongjiang, Shanxi, Tianjin, Fujian, Guangxi, Guizhou, Chongqing, Sichuan and some cities in Jiangsu Province. In early 2021, we renewed our advertising agency agreements with Tencent, and the cooperative areas remain the same as those in 2020.

#### **Investor Rights Agreement**

On March 31, 2014, being the closing date of the sale of shares to Tencent by E-House under the share purchase and subscription agreement, we entered into an investor rights agreement with E-House and Tencent, which granted E-House and Tencent, among other things, certain registration rights with respect to our ordinary shares owned by them. For a detailed description of the registration rights, see “—Registration Rights Granted to E-House, Tencent and SINA”.

The investor rights agreement with E-House and Tencent also granted certain board representation rights to Tencent and placed certain restrictions on the transfer of our ordinary shares by E-House or Tencent.

*Board representation.* For so long as Tencent is the beneficial owner of at least 10% of our issued and outstanding ordinary shares, Tencent will have the right to designate one director to our board of directors.

#### **Other Transactions with Tencent**

As of December 31, 2018, 2019 and 2020, we had a receivable balance of \$5.8 million, \$6.8 million and \$9.1 million, respectively, from Tencent, representing online advertising resources fee prepaid to Tencent. The total cost recognized for the advertising resources purchased from Tencent was \$23.5 million, \$21.4 million and \$17.8 million for the years ended December 31, 2018, 2019 and 2020, respectively. In addition, fee paid to Tencent for advertising resources on behalf of customers as we acted as agent were nil, \$9.2 million and \$43.1 million for the years ended December 31, 2018, 2019 and 2020, respectively.

*Restrictions on transfer.* For so long as Tencent is the beneficial owner of at least 10% of our issued and outstanding ordinary shares, Tencent’s prior written consent will be required for (i) a change of control of our company that results in certain specified entities, as agreed by us and Tencent, controlling us, (ii) the issuance, by way of a privately negotiated transaction, of equity securities representing more than 10% of our issued and outstanding share capital to certain specified entities, or (iii) the transfer or other disposition, by way of a privately negotiated transaction, of equity securities representing more than 10% of our issued and outstanding share capital by E-House to certain specified entities, in each case, subject to certain exceptions. Tencent will not, without our prior written consent, transfer or otherwise dispose, by way of a privately negotiated transaction, of our equity securities held by Tencent to certain specified entities, subject to certain exceptions.

## Registration Rights Granted to E-House, Tencent and SINA

On March 31, 2014, we entered into an investor rights agreement with E-House and Tencent, which granted E-House and Tencent, among other things, certain registration rights with respect to our ordinary shares owned by them. On March 21, 2017, we entered into a registration rights agreement with SINA, which grants SINA the same registration rights with respect to our ordinary shares as those granted to E-House and Tencent under the investor rights agreement dated March 31, 2014.

*Demand registration rights.* E-House, Tencent and SINA have the right to demand that we effect a registration covering the offer and sale of their ordinary shares. E-House, Tencent and SINA are each entitled to an aggregate of three such registrations. We, however, are not required to prepare and file (i) more than two demand registration statements in any 12-month period, or (ii) any demand registration statement within 120 days following the date of effectiveness of any other registration statement. If the demand registration relates to an underwritten public offering and the managing underwriter advises in its reasonable opinion that the number of securities requested to be included in the demand registration exceeds the largest number which reasonably can be sold in such offering without having a material adverse effect on such offering, we will include in such demand registration, up to the maximum offering size, following the order of priority: (i) the registrable securities that the requesting parties propose to register; and (ii) any securities we propose to register and any securities with respect to which any other security holder has requested registration. If the managing underwriter determines that less than all of the registrable securities proposed to be sold can be included in such offering, then the registrable securities that are included in such offering shall be allocated pro rata among the respective requesting parties on the basis of registrable securities sought to be registered by each requesting party.

*Shelf registration rights.* Once we are eligible to file a shelf registration statement pursuant to Rule 415 promulgated under the Securities Act, E-House, Tencent and SINA will have the right to demand that we file a shelf registration statement covering their ordinary shares. We, however, will not be required to prepare and file more than two shelf registration statements in any 12-month period.

*Piggyback registration rights.* If we propose to file a registration statement for an offering of our ordinary shares, other than in a transaction of the type referred to in Rule 145 under the Securities Act or to our employees pursuant to any employee benefit plan, then we must offer E-House, Tencent and SINA an opportunity to include in the registration all or any part of their registrable securities. If the piggyback registration relates to an underwritten public offering and the managing underwriter advises in its reasonable opinion that the number of securities requested to be included in the piggyback registration together with the securities being registered by us or any other security holder exceeds the largest number which reasonably can be sold in such offering without having a material adverse effect on such offering, then (i) if we initiate the piggyback registration, we will include in such registration the securities we propose to register first, and allocate the remaining part of the maximum offering size to all other selling security holders on a pro rata basis; (ii) if any holder of our securities initiated the piggyback registration, we will include, up to the maximum offering size, first the securities such initiating security holder proposes to register, then the securities of any other selling security holders on a pro rata basis, and lastly the securities we propose to register.

*Blackout periods.* We are entitled to two blackout periods, aggregating to no more than 90 days in any consecutive 12-month period, during which we can delay the filing or effectiveness of a registration statement, if we would, in the good faith judgment of our board of directors, be required to disclose in the prospectus information not otherwise then required by law to be publicly disclosed, and there is a reasonable likelihood that such disclosure, or any other action to be taken in connection with the prospectus, would materially and adversely affect or interfere with any significant financing, acquisition, merger, disposition of assets, corporate reorganization or other material transaction of negotiations involving us.

*Expenses of registration.* We will pay all expenses relating to any demand or piggyback registration, except that E-House, Tencent and SINA shall bear and pay all (i) brokerage commissions, (ii) ADS issuance fees payable to any depository institution, (iii) commissions, fees, spreads, discounts, transfer taxes, stamp duties, (iv) fees and expenses of its counsel or other advisers, subject to certain amounts that we will pay, and (v) their own out-of-pocket expenses, in each case, with respect to only such holder's registrable securities.

## Transactions with Certain Related Customers and Suppliers

*Transactions with Yunnan Huixiangju Information & Consultant Ltd., or Huixiangju.* Huixiangju is one of our investment affiliates and we own 51% equity interest in it. As of December 31, 2019 and 2020, we had a receivable balance of \$1.4 million and nil, respectively, from Huixiangju, represents the platform service fee receivable from Huixiangju. The total revenue generated for the platform services to Huixiangju was \$1.3 million and \$2.4 million for the years ended December 31, 2019 and 2020, respectively.

*Transactions with Suzhou Qianyisheng Information & Consultant Ltd., or Qianyisheng.* Qianyisheng is one of our investment affiliates and we own 19% equity interest in it. As of December 31, 2019 and 2020, we had a receivable balance of \$1,075 and \$692, respectively, which represents the expense paid on behalf of Qianyisheng.

*Transactions with Shanghai Yicang Enterprise Management Co., Ltd., or Yicang.* Yicang was controlled by Mr. Xin Zhou, our executive chairman before it was sold by Mr. Xin Zhou on April, 2019. We rented office from Yicang of \$9,438 and \$17,767 in 2018 and 2019, respectively. As of December 31, 2018 and 2019, we had a payable balance of \$1,266 and nil, respectively.

*Transactions with Shanghai Tianji Network Services Ltd. (formerly known as Shanghai Yunchuang Information & Technology Ltd. ), or Tianji Network.* Tianji Network is under control of Mr. Xin Zhou, our executive chairman. We purchased technical services of \$17,216, \$1.1 million and \$0.5 million in 2018, 2019 and 2020, respectively. As of December 31, 2018, 2019 and 2020, we had a payable balance of \$7,450, \$1.1 million and \$1.5 million, which represents the payable for technical service fees.

*Transactions with Jupai Holdings Ltd., or Jupai.* Mr. Xin Zhou, our executive chairman, is a director of Jupai. We purchased services of \$0.2 million, \$0.1 million and \$34,160 from Jupai in 2018, 2019 and 2020, respectively. As of December 31, 2018, 2019 and 2020, we had no receivable balance from or payable balance to Jupai.

## Transactions with Management

See “Item 6. Directors, Senior Management and Employees Management—B. Compensation of Directors and Executive Officers”.

## Contractual Arrangements with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu (the consolidated variable interest entities)

See “Item 4. Information on the Company—C. Organizational Structure”.

## Share Options and Restricted Shares

See “Item 6. Directors, Senior Management and Employees—B. Compensation of Directors and Executive Officers—Share Incentive Plan”.

### C. Interests of Experts and Counsel

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

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 and claims against us for use of our discount coupons. 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.

## Dividend Policy

Subject to our memorandum and articles of association and the laws of the Cayman Islands, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business, our board of directors has complete discretion on whether to distribute dividends. Our shareholders may by ordinary resolution declare a dividend, but not exceeding the amount recommended by our board of directors. Our board of directors intends on paying dividends only to the extent cash is available in the offshore entities. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

We rely principally on dividends from our PRC subsidiaries for our cash requirements, to the extent existing cash in our offshore entities is fully utilized, including any debt we may incur.

As authorized by our board of directors, we paid a cash dividend of \$0.20 on or about May 15, 2015, for each of our ordinary shares issued and outstanding as of April 10, 2015, or each of our ADSs outstanding as of April 10, 2015. Our board of directors decides the timing, amount and form of any future dividends, if any, based on, among other things, our future 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.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations relating to Dividend Distributions”.

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. Offering and Listing Details

Our ADSs have been listed on the NYSE since April 17, 2014 under the symbol “LEJU”. Each ADS represents one of our ordinary shares.

In 2020, the trading price of our ADSs on the NYSE ranged from \$6.96 to \$1.03 per ADS.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs, each representing one of our ordinary shares, have been traded on the NYSE since April 17, 2014 under the symbol “LEJU”.

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 are a Cayman Islands exempted company with limited liability and our 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, which is referred to as the Companies Act below, and the common law of the Cayman Islands.

The following are summaries of material provisions of our current amended and restated memorandum and articles of association that became effective immediately prior to the completion of our initial public offering in April 2014, insofar as they relate to the material terms of our ordinary shares.

## Registered Office and Objects

Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other place as our board of directors may from time to time decide. The objects for which our company is established are unrestricted and we have full power and authority to carry out any object not prohibited by the Companies Act, as amended from time to time, or any other law of the Cayman Islands.

## Board of Directors

See “Item 6. Directors, Senior Management and Employees—C. Board Practices”.

## Ordinary Shares

*General.* All of our issued and outstanding ordinary shares are fully paid and non-assessable. Our ordinary shares are issued in registered form, and are issued when registered in our register of members. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Our company will not issue bearer or negotiable shares.

*Register of Members.* Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, together with a statement of the shares held by each member, and such statement shall confirm (i) the amount paid or agreed to be considered as paid, on the shares of each member, (ii) the number and category of shares held by each member, and (iii) whether each relevant category of shares held by a member carries voting rights under the articles of association of the company, and if so, whether such voting rights are conditional;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e., the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

*Dividends.* The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, provided that a dividend may not be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

*Voting Rights.* Each shareholder is entitled to one vote on a show of hands or, on a poll, to one vote for each share registered in his name on the register of members, on all matters upon which the ordinary shares are entitled to vote. Voting at any meeting of shareholders is by show of hands unless a poll (before or on the declaration of the result of the show of hands) is demanded. A poll may be demanded by the chairman of such meeting or any one or more shareholders present in person or by proxy entitled to vote and who together hold not less than ten percent of the paid up voting share capital of our Company.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association.

*Transfer of Ordinary Shares.* Any of our shareholders may transfer, subject to the approval of our board of directors or the written consent of a director authorized by our board of directors in writing to approve share transfers, all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which our company has a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary shares transferred are free of any lien in favor of us;
- any fee related to the transfer has been paid to us; or
- in the case of a transfer to joint holders, the transfer is not to more than four joint holders.

If our directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

*Liquidation.* On a winding up of our company, the liquidator may, with the sanction of a special resolution, divide amongst the shareholders in specie or kind the whole or any part of the assets of our company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability. We are a “limited liability” company registered under the Companies Act, and under the Companies Act, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

*Calls on Ordinary Shares and Forfeiture of Ordinary Shares.* Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

*Redemption, Repurchase and Surrender of Ordinary Shares.* We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by ordinary resolution of our shareholders, or are otherwise authorized by our memorandum and articles of association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (i) unless it is fully paid up; (ii) if such redemption or repurchase would result in there being no shares outstanding; or (iii) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

*Variations of Rights of Shares.* If at any time, our share capital is divided into different classes or series of shares, all or any of the special rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series) may be varied with the consent in writing of the holders of a majority of the issued shares of that class or series or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class or series. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights will not, unless otherwise expressly provided by the terms of issue of the shares of that class or series, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

*General Meetings of Shareholders and Shareholder Proposals.* As a Cayman Islands exempted company, we are not obligated by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we may (but are not obligated to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors. Advance notice of at least seven calendar days is required for the convening of our annual general meeting and any other general meeting of our shareholders. A quorum required for a general meeting of shareholders consists of shareholders present in person or by proxy, representing not less than one-third of the votes attaching to the issued and outstanding shares in our company entitled to vote at general meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association allow our shareholders holding shares representing in aggregate not less than one-third of the votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings, to requisition an extraordinary general meeting of the shareholders, in which case our directors are obligated to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

*Election and Removal of Directors.* Unless otherwise determined by our company in general meeting, our articles of association provide that our board will consist of not less than three directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by ordinary resolution.

In addition, the office of any director shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors, (ii) dies or is found to be or becomes of unsound mind, (iii) resigns his office by notice in writing to the Company; (iv) without special leave of absence from our board of directors, is absent from meetings of our board of directors for six consecutive meetings and the board resolves that his office be vacated; or (v) is removed from office pursuant to any other provision of our memorandum and articles of association.

*Proceedings of Board of Directors.* Our memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors, including the chairman.

Our memorandum and articles of association provide that the board may from time to time at its discretion exercise all powers of our company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and to issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

*Inspection of Books and Records.* Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than our memorandum and articles of association and our register of mortgages and charges). However, we intend to provide our shareholders with annual audited financial statements. See “Where You Can Find Additional Information”.

*Changes in Capital.* Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

*Anti-Takeover Provisions.* Some provisions of our current memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association, as amended and restated from time to time, for a proper purpose and for what they believe in good faith to be in the best interests of our company.

*Exempted Company.* We are an exempted company with limited liability under the Companies Act. The Companies Act in the Cayman Islands distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company’s register of members is not required to be open to inspection;
- an exempted company does not have to hold an annual general meeting;

- an exempted company may issue no par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder’s shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

We are subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this annual report, we currently intend to comply with the NYSE rules in lieu of home country practice.

#### C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company”, “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions”, or elsewhere in this annual report on Form 20-F.

#### D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulation—Foreign Exchange Registration of Offshore Investments by PRC Residents”.

#### E. Taxation

##### **Cayman Islands Taxation**

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands, or produced before a court of the Cayman Islands. The Cayman Islands is not 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 the 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 the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

##### **People’s Republic of China Taxation**

Under the EIT Law, and its implementation rules, an enterprise established outside China with “de facto management body” within China is considered a resident enterprise. The implementation rules of the EIT Law define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the SAT issued the SAT Circular 82, which was most recently amended on December 29, 2017 and provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises including Leju Holdings Limited. According to the SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise’s primary assets, accounting books and records, company seals, board and shareholder resolutions are located or maintained in China; and (iv) at least 50% of voting board members or senior executives habitually reside in China.

Although Leju Holdings Limited does not meet condition (iii) above as its primary assets in the form of shareholding in offshore entities, and its accounting books and records, company seals, and board and shareholder resolutions are located and maintained outside China, there are uncertainties as to the interpretation of relevant PRC regulations including the SAT Circular 82 and condition (iii) above as well as the applicability of the SAT Circular 82 to Leju Holdings Limited, and the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body”.

If the PRC tax authorities determine that Leju Holdings Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within China. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Leju Holdings Limited would be able to claim the benefits of any tax treaties between their country of tax residence and China in the event that Leju Holdings Limited is treated as a PRC resident enterprise.

The SAT issued the SAT Circular 59 together with the Ministry of Finance in April 2009 and the SAT Circular 698 in December 2009. By promulgating and implementing these two circulars, the PRC tax authorities have enhanced their scrutiny over the direct or indirect transfer of equity interests in a PRC resident enterprise by a non-PRC resident enterprise. The SAT Bulletin 7 was promulgated in February 2015 and replaced previous rules under the SAT Circular 698. Under the SAT Bulletin 7, an “indirect transfer” of assets of a PRC resident enterprise, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable properties, if such transaction arrangement lacks a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to the SAT Bulletin 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties located in China, and equity interests in PRC resident enterprises. In respect of an indirect transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. If the underlying transfer relates to the immovable properties located in China or to equity interests in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make payments for the transfer has a withholding obligation. Although it appears that the SAT Bulletin 7 does not apply to share transfers of publicly traded companies, there is uncertainty as to the application of the SAT Bulletin 7 and we and our non-PRC resident investors may be at risk of being subject to tax filing or withholding obligations under the SAT Bulletin 7 and we may be required to expend valuable resources to comply with the SAT Bulletin 7 or to establish that we should not be taxed under the SAT Bulletin 7.

## **U.S. Federal Income Tax Considerations**

The following discussion is a summary of U.S. federal income tax considerations relating to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that holds our ADSs or ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended. This discussion is based upon existing U.S. federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. There can be no assurance that the Internal Revenue Service (the “IRS”) or a court will not take a contrary position. This discussion does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules that differ significantly from those summarized below (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, partnerships and their partners, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations), holders who are not U.S. holders, holders who own (directly, indirectly, or constructively) 10% or more of our stock (by vote or value), holders who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation, investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or investors that have a functional currency other than the U.S. dollar). In addition, this discussion does not address U.S. federal estate, gift, Medicare, and alternative minimum tax considerations, or any non-U.S., state, and local tax considerations. Each U.S. holder is urged to consult its tax advisors regarding the U.S. federal, state, local, and non-U.S. tax considerations of an investment in our ADSs or ordinary shares.

*General*

For purposes of this discussion, a “U.S. holder” is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia; (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust; or (B) that has otherwise validly elected to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, it is generally expected that a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

*Passive Foreign Investment Company Considerations*

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes, if, in the case of any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income (the “asset test”). For this purpose, cash and assets readily convertible into cash are categorized as a passive asset and the company’s goodwill and other unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Although the law in this regard is unclear, we treat our consolidated variable interest entities as being owned by us for U.S. federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their operating results in our consolidated financial statements. If it were determined that we are not the owner of our consolidated variable interest entities for U.S. federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Assuming that we are the owner of our consolidated variable interest entities for U.S. federal income tax purposes, and based upon our current and projected income and assets, we believe we were not a PFIC for the taxable year ended December 31, 2020, and we do not expect to be classified as a PFIC for the current taxable year or the foreseeable future.

While we believe we were not a PFIC for the taxable year ended December 31, 2020, and do not expect to be a PFIC for the current taxable year and the foreseeable future, no assurance can be given in this regard because the determination of whether we will be or become a PFIC is a factual determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of our ADSs may cause us to be classified as a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and other unbooked intangibles, may be determined by reference to the market price of our ADSs from time to time (which may be volatile). Furthermore, the composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increase relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of being classified as a PFIC may substantially increase. If we were classified as a PFIC for any year during which a U.S. holder held our ADSs or ordinary shares, we generally would continue to be treated as a PFIC for all succeeding years during which such U.S. holder held our ADSs or ordinary shares.

The discussion below under “Dividends” and “Sale or Other Disposition of ADSs or Ordinary Shares” is written on the basis that we will not be classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are classified as a PFIC for any taxable year are generally discussed below under “Passive Foreign Investment Company Rules”.

### *Dividends*

Any cash distributions (including the amount of any tax withheld) paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depository, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution paid will generally be reported as a “dividend” for U.S. federal income tax purposes. A non-corporate recipient of dividend income will generally be subject to tax on dividend income from a “qualified foreign corporation” at a reduced U.S. federal tax rate rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period and other requirements are met.

A non-U.S. corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) will generally be considered to be a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program; or (ii) with respect to any dividend it pays on stock (or ADSs in respect of such stock) which is readily tradable on an established securities market in the United States. Our ADSs are listed on the NYSE, which is an established securities market in the United States, and will be considered readily tradable on the NYSE for as long as the ADSs continue to be listed on such exchange. Thus, we believe that dividends we pay on our ADSs will meet the conditions required for the reduced tax rate, but there can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Since we do not expect that our ordinary shares will be listed on established securities markets, it is unclear whether dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate.

In the event that we are deemed to be a PRC “resident enterprise” under the EIT Law (see “People’s Republic of China Taxation”), we may be eligible for the benefits of the U.S.-PRC income tax treaty (which the Secretary of Treasury of the United States has determined is satisfactory for this purpose) and be treated as a qualified foreign corporation with respect to dividends paid to our ADSs or ordinary shares. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends-received deduction allowed to corporations. Each U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends will generally be treated as income from foreign sources for U.S. foreign tax credit purposes and will generally constitute passive category income. In the event that we are deemed to be a PRC resident enterprise under the EIT Law, a U.S. holder may be subject to PRC withholding taxes on dividends paid on our ADSs or ordinary shares. A U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on ADSs or ordinary shares. A U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholdings, but only for a year in which such U.S. holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. Each U.S. holder is advised to consult its tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

#### *Sale or Other Disposition of ADSs or Ordinary Shares*

A U.S. holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term gain or loss if the ADSs or ordinary shares have been held for more than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes. The deductibility of a capital loss may be subject to limitations. In the event that we are treated as a PRC resident enterprise under the EIT Law and gain from the disposition of the ADSs or ordinary shares is subject to tax in China, such gain may be treated as PRC-source gain for foreign tax credit purposes under the U.S.-PRC income tax treaty. U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

#### *Passive Foreign Investment Company Rules*

If we are classified as a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes a mark-to-market election (as described below) with respect to the ADSs, the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder's holding period for the ADSs or ordinary shares); and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution and/or gain will be allocated ratably over the U.S. holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a pre-PFIC year) will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to the U.S. holder for that year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non-U.S. subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. Each U.S. holder is advised to consult its tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to our ADSs. The mark-to-market election is available only for stock that is regularly traded on a national securities exchange that is registered with the SEC, or on a foreign exchange or represents a legitimate and sound fair market value. Our ADSs are traded on the NYSE, which is an established securities market in the U.S. Consequently, if our ADSs continue to be listed and are regularly traded on the NYSE, we expect that the mark-to-market election would be available to a U.S. holder that holds our ADSs were we to become a PFIC. We anticipate that our ADSs should qualify as being regularly traded, but no assurances may be given in this regard. If a mark-to-market election is made, the U.S. holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs; and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder’s adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. holder makes an effective mark-to-market election, in each year that we are a PFIC, any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election.

If a U.S. holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not classified as a PFIC.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs may continue to be subject to the general PFIC rules with respect to such U.S. holder’s indirect interest in any of our non-U.S. subsidiaries that is classified as a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

In addition, if a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder is generally required to file U.S. IRS Form 8621 and other information as the U.S. Treasury Department may require. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become classified as a PFIC, including the possibility of making a mark-to-market election.

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. 333-194505), 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. 333-195067) 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) or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

We will furnish JPMorgan Chase Bank, N.A., the depository of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders’ meetings and other reports and communications that are made generally available to our shareholders. The depository will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders’ meeting received by the depository from us.

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.

Our website is [www.leju.com](http://www.leju.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”.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

**Interest Rate Risk**

Our exposure to interest rate risk primarily relates to the interest income generated by bank deposits with original maturities of three months or less. We have not used any derivative financial instruments to manage our interest risk exposure. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates. However, our future interest income may be lower than expected due to changes in market interest rates.

**Foreign Exchange Risk**

Substantially all of our revenues and most of our expenses are denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and we have not used any forward contracts, currency borrowings or derivative instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and Renminbi because the value of our business is effectively denominated in RMB, while our ADSs will be traded in U.S. dollars.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People’s Bank of China. The Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us. As of December 31, 2020, we had Renminbi- or Hong Kong dollar- denominated cash balances of \$283.8 million and U.S. dollar-denominated cash balances of \$1.9 million. Assuming we had converted the U.S. dollar-denominated cash balance of \$1.9 million as of December 31, 2020 into Renminbi at the exchange rate of \$1.00 for RMB6.5250 as of December 31, 2020, this cash balance would have been RMB12.7 million. Assuming a further 1% appreciation of the Renminbi against the U.S. dollar, this cash balance would have decreased to RMB12.6 million as of December 31, 2020. Assuming a 1% depreciation of the Renminbi against the U.S. dollar, this cash balance would have increased to RMB12.8 million as of December 31, 2020.

**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

**Fees and Charges Our ADS Holders May Have to Pay**

The 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 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, as 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 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 ADSs 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 for any cash distribution made pursuant to the deposit agreement;
- 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);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its 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 shares or other deposited securities, the sale of securities (including, without limitation, 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 fees and charges 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 \$0.05 per ADS issuance 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 shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;
- stock transfer or other taxes and other governmental charges;

- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares;
- 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;
- in connection with the conversion of foreign currency into U.S. dollars, JPMorgan Chase Bank, N.A. shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and
- fees of any division, branch or affiliate of the depository utilized by the depository to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan Chase Bank, N.A. and/or its agent may act as principal for such conversion of foreign currency.

We will pay all other charges and expenses of the depository and any agent of the depository (except the custodian) pursuant to agreements from time to time between us and the depository. The charges described above may be amended from time to time by agreement between us and the depository.

#### **Fees and Other Payments Made by the Depository to Us**

Our depository has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program upon such terms and conditions as we and the depository may agree from time to time. The depository may make available to us a set amount or a portion of the depository fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depository may agree from time to time. The depository collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository 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 depository may collect its annual fee for depository 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 depository will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depository, the depository may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depository, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depository.

For the year ended December 31, 2020, we received \$0.3 million of reimbursement from the depository for our expenses incurred in connection with the establishment and maintenance of the ADS program.

## **PART II**

### **ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

### **ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

None.

### **ITEM 15. CONTROLS AND PROCEDURES**

#### **Disclosure Controls and Procedures**

As of the end of the period covered by this annual report, our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15 (e) and 15d-15(e) of the Exchange Act. Based upon this evaluation, our management has concluded that, as of the end of the period covered by this annual report, our existing disclosure controls and procedures were effective to provide reasonable assurance 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 chief financial officer, to allow timely decisions regarding required disclosure.

## **Management’s Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Exchange Act). Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness 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 or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules promulgated by the Securities and Exchange Commission, our management conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria established within the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, our management has concluded that, as of December 31, 2020, our internal control over financial reporting was effective. 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.

We had been an “emerging growth company”, as defined in the JOBS Act, and ceased to be one as of the end of the fiscal year ended December 31, 2019. For so long as we were an “emerging growth company”, we took advantage of certain exemptions from requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404. Although we ceased to be an “emerging growth company”, as a “non-accelerated filer” as defined under Rule 12b-2 of the Exchange Act, we are still not required to have an attestation report on internal control over financial reporting from our external auditors.

Our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. It is possible that, had our independent registered public accounting firm conducted an audit of our internal control over financial reporting, such accountant might have identified material weaknesses and deficiencies or might issue a qualified report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.

### **Changes in Internal Control over Financial Reporting**

Other than described above, there were no changes in our internal control over financial reporting during 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 16. [RESERVED]****ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our board of directors has determined that Winston Li and Min Fan, members of our audit committee, are audit committee financial experts. Each of Winston Li and Min Fan is an independent director (under the standards set forth in Section 303A of the Corporate Governance Rules of the NYSE and Section 10A-3 of the Exchange Act).

**ITEM 16B. CODE OF ETHICS**

Our board of directors has adopted a code of business conduct and ethics 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. 333-194505) and the code is also available on our official website under the investor relations section at *ir.leju.com*.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

In May 2020, we appointed Yu Certified Public Accountant, P.C., or Yu CPA, as our independent registered public accounting firm for the fiscal year ended December 31, 2019. At the same time, we and Deloitte Touche Tohmatsu Certified Public Accountants LLP (“Deloitte”) mutually agreed to terminate Deloitte’s appointment as our independent registered public accounting firm. Since then Yu CPA has been our principal external auditors.

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Deloitte and Yu CPA, as applicable, our principal external auditors, for the periods indicated. We did not pay any other fees to our auditors during the periods indicated below.

	For the Years Ended December 31,	
	2019	2020
Audit fees <sup>(1)</sup> - Deloitte	537,571	137,449
Audit fees <sup>(1)</sup> -Yu CPA	480,000	618,000

## Notes:

(1) “Audit fees” means the aggregate fees billed for professional services rendered by our principal auditors for the audit of our annual financial statements and the review of our comparative interim financial statements.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by external auditor, including audit services, audit-related services, tax services and other services as described above, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

None.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

None.

**ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT**

In May 2020, we dismissed Deloitte Touche Tohmatsu Certified Public Accountants LLP as our independent auditor, the details of which were previously reported in the annual report on Form 20-F (File No. 001-36396), initially filed with the Securities and Exchange Commission on July 15, 2020.

**ITEM 16G. CORPORATE GOVERNANCE**

Because more than 50% of the voting power of our company has been held by E-House Enterprise since November 2020, we are a “controlled company” under Section 303A of the Corporate Governance Rules of the NYSE. A controlled company need not comply with the applicable NYSE corporate governance rules requiring its board of directors to have a majority of independent directors. We availed ourselves of the controlled company exemption. As a result, we do not have a majority of independent directors on our board.

The Corporate Governance Rules of the NYSE permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NYSE corporate governance listing standards. Currently, we do not rely on home country exemption for corporate governance matters. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under the Corporate Governance Rules of the NYSE applicable to U.S. domestic issuers.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**PART III**

**ITEM 17. FINANCIAL STATEMENTS**

We have elected to provide financial statements pursuant to Item 18.

**ITEM 18. FINANCIAL STATEMENTS**

The consolidated financial statements of Leju Holdings Limited and its subsidiaries are included at the end of this annual report.

**ITEM 19. EXHIBITS**

<u>Exhibit Number</u>	<u>Description of Document</u>
1.1	<a href="#">Amended and Restated Memorandum and Articles of Association (incorporated herein by reference to Exhibit 3.2 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>
2.1	<a href="#">Registrant’s Specimen American Depositary Receipt (included in Exhibit 2.3)</a>
2.2	<a href="#">Registrant’s Specimen Certificate for Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>

<u>Exhibit Number</u>	<u>Description of Document</u>
2.3	<a href="#">Deposit Agreement, among the Registrant, the depository and holder of the American Depositary Receipts (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333197609), as amended, initially filed with the Securities and Exchange Commission on June 27, 2014)</a>
2.4	<a href="#">Description of Securities (incorporated herein by reference to Exhibit 2.4 to our annual report on Form 20-F (File No. 001-36396) filed with the Securities and Exchange Commission on July 15, 2020)</a>
4.1	<a href="#">2013 Share Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>
4.2	<a href="#">Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>
4.3	<a href="#">Form of Employment Agreement between the Registrant and its executive officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>
4.4*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Yinyu He</a>
4.5*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Xudong Zhu</a>
4.6*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd. and Yinyu He</a>
4.7*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd. and Xudong Zhu</a>
4.8*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Yinyu He to Shanghai SINA Leju Information Technology Co., Ltd.</a>
4.9*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Xudong Zhu to Shanghai SINA Leju Information Technology Co., Ltd.</a>
4.10*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Yinyu He</a>
4.11*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Xudong Zhu</a>
4.12*	<a href="#">English translation of Exclusive Business Cooperation Agreement dated November 4, 2020 between Shanghai SINA Leju Information Technology Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd.</a>
4.13*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Yinyu He</a>

<u>Exhibit Number</u>	<u>Description of Document</u>
4.14*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Weijie Ma</a>
4.15*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd. and Yinyu He</a>
4.16*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd. and Weijie Ma</a>
4.17*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Yinyu He to Shanghai Yi Yue Information Technology Co. Ltd.</a>
4.18*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Weijie Ma to Shanghai Yi Yue Information Technology Co. Ltd.</a>
4.19*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Yinyu He</a>
4.20*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Weijie Ma</a>
4.21*	<a href="#">English translation of Exclusive Business Cooperation Agreement, dated November 4, 2020, between Shanghai Yi Yue Information Technology Co. Ltd. and Shanghai Yi Xin E-Commerce Co., Ltd.</a>
4.22*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co. Ltd., Beijing Jiajujiu E-Commerce Co. Ltd. and Yinyu He</a>
4.23*	<a href="#">English translation of Exclusive Call Option Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co. Ltd., Beijing Jiajujiu E-Commerce Co. Ltd. and Weijie Ma</a>
4.24*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co., Ltd. and Yinyu He</a>
4.25*	<a href="#">English translation of Loan Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co., Ltd. and Weijie Ma</a>
4.26*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Yinyu He to Beijing Maiteng Fengshun Science and Technology Co., Ltd.</a>
4.27*	<a href="#">English translation of Powers of Attorney, dated November 4, 2020, issued by Weijie Ma to Beijing Maiteng Fengshun Science and Technology Co., Ltd.</a>
4.28*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Yinyu He</a>
4.29*	<a href="#">English translation of Equity Pledge Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Weijie Ma</a>
4.30*	<a href="#">English translation of Exclusive Business Cooperation Agreement, dated November 4, 2020, between Beijing Maiteng Fengshun Science and Technology Co., Ltd. and Beijing Jiajujiu E-Commerce Co., Ltd.</a>
4.31	<a href="#">English translation of Advertising Inventory Sale Agency Agreement, dated March 7, 2014, between SINA Corporation and Leju Holdings Limited. (incorporated herein by reference to Exhibit 10.25 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</a>

<u>Exhibit Number</u>	<u>Description of Document</u>
4.32	<a href="#"><u>Amended and Restated Domain Name and Content License Agreement, dated March 7, 2014, between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd. (incorporated herein by reference to Exhibit 10.26 to the registration statement on Form F-1 (File No. 333194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.33	<a href="#"><u>Amended and Restated Trademark License Agreement, dated March 7, 2014, between Beijing SINA Internet Information Service Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd. (incorporated herein by reference to Exhibit 10.27 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.34	<a href="#"><u>Amended and Restated Software License and Support Services Agreement, dated March 7, 2014, between SINA.com Technology (China) Co. Ltd. and Shanghai SINA Leju Information Technology Co., Ltd. (incorporated herein by reference to Exhibit 10.28 to the registration statement on Form F-1 (File No. 333194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.35	<a href="#"><u>Master Transaction Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited. (incorporated herein by reference to Exhibit 10.29 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.36	<a href="#"><u>Offshore Transitional Services Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited. (incorporated herein by reference to Exhibit 10.30 to the registration statement on Form F-1 (File No. 333-194505), as amended initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.37*	<a href="#"><u>Amendment to Offshore Transitional Services Agreement, dated November 4, 2020 between the Registrant and E-House (China) Holdings Limited.</u></a>
4.38	<a href="#"><u>Non-Competition Agreement, dated March 2014, between the Registrant and E-House (China) Holdings Limited. (incorporated herein by reference to Exhibit 10.31 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.39	<a href="#"><u>English translation of Onshore Transitional Services Agreement, dated March 2014, between Shanghai Real Estate Sales (Group) Co., Ltd. and certain subsidiaries of the Registrant (incorporated herein by reference to Exhibit 10.32 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.40*	<a href="#"><u>English translation of Supplement to Transitional Services Agreement, dated November 4 2020, between E-House (China) Enterprise Management Group Ltd. (formerly, Shanghai Real Estate Sales (Group) Co., Limited) and certain subsidiaries of the Registrant</u></a>
4.41	<a href="#"><u>English translation of Onshore Cooperation Agreement, dated March 2014, by and among Shanghai Real Estate Sales (Group) Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Beijing Jiajujiu E-Commerce Co., Ltd. (incorporated herein by reference to Exhibit 10.33 to the registration statement on Form F-1 (File No. 333194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</u></a>
4.42	<a href="#"><u>Strategic Cooperation Agreement, dated March 10, 2014, between Shanghai Yi Yue Information Technology Co., Ltd. and Shenzhen Tencent Computer Systems Company Limited (incorporated herein by reference to Exhibit 10.37 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 24, 2014)</u></a>

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.43	<a href="#">Investor Rights Agreement dated March 31, 2014 between E-House (China) Holdings Limited, THL O Limited and the Registrant (incorporated herein by reference to Exhibit 4.4 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on April 4, 2014).</a>
4.44	<a href="#">Registration Rights Agreement, dated March 21, 2017, between the Registrant and SINA Corporation (incorporated herein by reference to Exhibit 4.42 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017).</a>

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<u>Exhibit Number</u>	<u>Description of Document</u>
8.1*	<a href="#">Principal Subsidiaries and Consolidated Variable Interest Entities of the Registrant</a>
11.1	<a href="#">Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1 (File No. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)</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 Yu Certified Public Accountant P.C.</a>
15.2*	<a href="#">Consent of Fangda Partners</a>
16.1	<a href="#">Letter from Deloitte Touche Tohmatsu Certified Public Accountants LLP to the Securities and Exchange Commission (incorporated herein by reference to Exhibit 16.1 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on July 15, 2020)</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Scheme Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

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\* Filed herewith

\*\* Furnished herewith



**LEJU HOLDINGS LIMITED**  
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**FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of  
Leju Holdings Limited

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Leju Holdings Limited (the “Company”), its subsidiaries and its variable interest entities (collectively the “Group”) as of December 31, 2020, and 2019, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows, for the years ended December 31, 2020, and 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial positions of the Group as of December 31, 2020, and 2019, and the results of its operations and its cash flows for the years ended December 31, 2020 and 2019, in conformity with generally accepted accounting principles in the United States of America.

### Adoption of New Accounting Standards

As discussed in Note 2(x) to the consolidated financial statements, the Group has adopted Accounting Standards Codification (“ASC”) Topic 326, Financial Instruments–Credit Losses, effective January 1st, 2020.

As discussed in Note 2(ab) to the consolidated financial statements, the Group has adopted Accounting Standards Update (“ASU”) 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement, effective January 1st, 2020.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’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 Group 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit 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 Group’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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

## Critical Audit Matters

The critical audit matter communicated below is the matter, arising from the current audit of the consolidated financial statements, which was communicated or required to be communicated to the audit committee, and that (i) related to accounts or disclosures which are material to the consolidated financial statements, and (ii) 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 matter below, providing separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

*Allowance for current expected credit losses (“CECL”) on accounts receivables and contract assets, deposits, other receivables and amounts due from related parties.*

As described in Notes 2 (x) in the consolidated financial statements, the Group adopted Accounting Standard Update (ASU) 2016-13, Financial Instruments–Credit Losses (codified as Accounting Standard Codification Topic 326), since January 1st, 2020, which requires measurement and recognition of current expected credit losses for financial instruments held at amortized cost. The management of the Group have estimated an allowance for CECL of \$4,877,117 for the year ended December 31, 2020 on accounts receivables, contract assets, deposits, other receivables, and amounts due from related parties based on the credit risk of the respective receivables. These receivables are assessed on an individual basis for customers with good credit rating (strategic type customers), with pledged credit risk (pledged type customers), with high credit risk (high risk type customers) and the remaining (normal risk type customers) is collectively using provision matrix. The allowance amount has been measured as the difference of the asset’s carrying amount and the estimates of present value of future cash flows based on historical settlement pattern, past default experience of the debtor, overall economic environment in which the debtors operate, and also the assessment of both current and future development of environment as of the date when this report issued. These procedures also included the involvement of professionals with specialized skill engaged by the Group.

We have identified allowance for CECL on accounts receivables, contract assets, deposits, other receivables, and amounts due from related parties, as a critical audit matter due to the significance to the Group’s consolidated financial position and the involvement of subjective judgment and management estimates in evaluating the CECL of these receivables.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures to respond the risk of error in the allowance for CECL included (i) obtaining an understanding and assessing management’s method for developing the allowance for doubtful accounts (credit losses); (ii) evaluating the appropriateness of the model; (iii) testing the accuracy of management’s basic input in calculating CECL including ageing report, historical write-offs and recoveries, on a sample basis.; (iv) evaluating the reasonableness of significant assumptions and judgments made by management to estimate the allowance for credit loss, including the Group’s provision matrix by grouping individually assessed customers (strategic type customers, pledged type customers, high risk type customers) and the normal risk type customers into different categories, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates) and forward-looking information; (v) evaluating the competence, capabilities and objectivity of the professionals engaged by the Group.

/s/ Yu Certified Public Accountant, P.C.

Yu Certified Public Accountant, P.C.

We have served as the Group’s auditor since 2020.  
New York, New York  
April 15, 2021

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the shareholders and the Board of Directors of Leju Holdings Limited

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows of Leju Holdings Limited, its subsidiaries, variable interest entities and subsidiaries of variable interest entities (the "Group") for the year ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of its operations and its cash flows for the year ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audit. 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 Group 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 audit 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 financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the 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 financial statements. Our audit 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 audit provides a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Deloitte Touche Tohmatsu Certified Public Accountants LLP  
Shanghai, China  
April 10, 2019

We began serving as the Group's auditor in 2013. In 2019 we became the predecessor auditor.

**LEJU HOLDINGS LIMITED**  
**CONSOLIDATED BALANCE SHEETS**  
(In U.S. dollar except for share data)

	December 31,	
	2019	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	159,012,092	284,489,282
Restricted cash	—	1,217,414
Accounts receivable, net of allowance for doubtful accounts of \$16,108,520 and \$12,563,981 as of December 31, 2019 and 2020, respectively	147,637,497	202,701,987
Contract assets, net of allowance for doubtful accounts of nil and \$119,798 as of December 31, 2019 and 2020, respectively	829,723	1,884,193
Marketable securities	3,437,739	4,303,905
Customer deposits	57,174,006	11,550,586
Prepaid expenses and other current assets	5,436,412	7,483,504
Amounts due from related parties	9,673,069	9,076,358
<b>Total current assets</b>	<b>383,200,538</b>	<b>522,707,229</b>
Property and equipment, net	18,108,430	17,002,113
Intangible assets, net	45,580,698	34,213,342
Right-of-use assets	26,776,095	25,665,519
Investment in affiliates	52,991	31,331
Deferred tax assets, net	49,310,820	40,904,877
Other non-current assets	1,450,406	1,436,301
<b>TOTAL ASSETS</b>	<b>524,479,978</b>	<b>641,960,712</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable (including accounts payable of the consolidated VIEs without recourse to Leju of \$1,034,281 and \$2,714,357 as of December 31, 2019 and 2020, respectively)	1,523,084	2,833,992
Accrued payroll and welfare expenses (including accrued payroll and welfare expenses of the consolidated VIEs without recourse to Leju of \$29,839,798 and \$27,228,398 as of December 31, 2019 and 2020, respectively)	32,786,706	29,221,956
Income tax payable (including income tax payable of the consolidated VIEs without recourse to Leju of \$25,617,526 and \$27,877,546 as of December 31, 2019 and 2020, respectively)	56,690,976	63,040,929
Other tax payable (including other tax payable of the consolidated VIEs without recourse to Leju of \$19,150,299 and \$19,184,369 as of December 31, 2019 and 2020, respectively)	20,056,387	21,203,795
Amounts due to related parties (including amounts due to related parties of the consolidated VIEs without recourse to Leju of \$3,263,567 and \$4,737,776 as of December 31, 2019 and 2020, respectively)	4,406,777	7,105,885
Advances from customers (including advance from customers of the consolidated VIEs without recourse to Leju of \$33,854,579 and \$95,059,745 as of December 31, 2019 and 2020, respectively)	34,245,744	95,340,295
Lease liabilities, current (including lease liabilities, current of the consolidated VIEs without recourse to Leju of \$5,128,021 and \$5,375,547 as of December 31, 2019 and 2020, respectively)	5,189,251	5,461,234
Accrued marketing and advertising expenses (including accrued marketing and advertising expenses of the consolidated VIEs without recourse to Leju of \$46,724,846 and \$63,973,194 as of December 31, 2019 and 2020, respectively)	49,830,475	70,086,288
Other current liabilities (including other current liabilities of the consolidated VIEs without recourse to Leju of \$28,394,803 and \$19,030,481 as of December 31, 2019 and 2020, respectively)	32,783,691	22,595,612
<b>Total current liabilities</b>	<b>237,513,091</b>	<b>316,889,986</b>
Deferred tax liabilities (including deferred tax liabilities of the consolidated VIEs without recourse to Leju of \$89,943 and \$91,205 as of December 31, 2019 and 2020, respectively)	11,741,607	8,558,649
Lease liabilities, non-current (including lease liabilities, non-current of the consolidated VIEs without recourse to Leju of \$22,795,137 and \$21,680,018 as of December 31, 2019 and 2020, respectively)	22,866,163	21,727,117
<b>Total liabilities</b>	<b>272,120,861</b>	<b>347,175,752</b>
Commitments and contingencies (Note 13)		
Shareholders' Equity:		
Ordinary shares (\$0.001 par value): 1,000,000,000 shares authorized, 135,812,719 and 136,326,020 shares issued and outstanding, as of December 31, 2019 and 2020, respectively	135,813	136,326
Additional paid-in capital	796,191,796	799,536,607
Accumulated deficit	(517,302,805)	(498,000,567)
Subscription receivables	—	(50,286)
Accumulated other comprehensive loss	(23,624,206)	(5,695,204)
<b>Total Leju Holdings Limited Shareholders' Equity</b>	<b>255,400,598</b>	<b>295,926,876</b>
Non-controlling interests	(3,041,481)	(1,141,916)
<b>Total equity</b>	<b>252,359,117</b>	<b>294,784,960</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>524,479,978</b>	<b>641,960,712</b>

The accompanying notes are an integral part of these consolidated financial statements.

**LEJU HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In U.S. dollar except for share data)

	Year Ended December 31,		
	2018	2019	2020
<b>Revenues</b>			
E-commerce	320,271,080	547,184,192	547,895,262
Online advertising	138,371,646	143,778,573	170,782,688
Listing	3,387,930	1,642,190	848,033
<b>Total net revenues</b>	<b>462,030,656</b>	<b>692,604,955</b>	<b>719,525,983</b>
Cost of revenues	(72,909,834)	(68,297,832)	(73,762,283)
Selling, general and administrative expenses	(402,257,946)	(607,164,835)	(622,026,035)
Other operating income, net	2,163,443	597,853	380,849
<b>Income (loss) from operations</b>	<b>(10,973,681)</b>	<b>17,740,141</b>	<b>24,118,514</b>
Interest income, net	1,085,785	151,931	7,268,530
Other income (loss), net	(4,219,193)	1,978,511	300,056
<b>Income (loss) before taxes and loss from equity in affiliates</b>	<b>(14,107,089)</b>	<b>19,870,583</b>	<b>31,687,100</b>
Income tax benefits (expenses)	1,334,340	(8,989,662)	(10,665,022)
<b>Income (loss) before loss from equity in affiliates</b>	<b>(12,772,749)</b>	<b>10,880,921</b>	<b>21,022,078</b>
Loss from equity in affiliates, net of tax of nil	(78,634)	(9,070)	(23,859)
<b>Net income (loss)</b>	<b>(12,851,383)</b>	<b>10,871,851</b>	<b>20,998,219</b>
Less: Net income (loss) attributable to non-controlling interests	629,144	(650,145)	1,695,981
<b>Net income (loss) attributable to Leju Holdings Limited shareholders</b>	<b>(13,480,527)</b>	<b>11,521,996</b>	<b>19,302,238</b>
<b>Income (loss) per share:</b>			
Basic	(0.10)	0.08	0.14
Diluted	(0.10)	0.08	0.14
<b>Shares used in computation of income (loss) per share</b>			
Basic	135,763,962	135,770,793	136,070,785
Diluted	135,763,962	135,811,751	137,564,567

The accompanying notes are an integral part of these consolidated financial statements.

**LEJU HOLDINGS LIMITED**  
**CONSOLIDATED**  
**STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(In U.S. dollar)**

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net income (loss)	(12,851,383)	10,871,851	20,998,219
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments	(6,678,452)	(3,744,695)	17,938,007
Comprehensive income (loss)	(19,529,835)	7,127,156	38,936,226
Less: Comprehensive income (loss) attributable to non-controlling interests	721,387	(618,640)	1,703,442
Comprehensive income (loss) attributable to Leju Holdings Limited shareholders	<u>(20,251,222)</u>	<u>7,745,796</u>	<u>37,232,784</u>

The accompanying notes are an integral part of these consolidated financial statements.

**LEJU HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In U.S. dollar)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (loss)	Subscription Receivable	Total Leju Holdings Limited Shareholders' Equity	Non-controlling Interests	Total Equity
	Number	\$							
<b>Balance at December 31, 2017</b>	135,763,962	135,764	788,588,692	(515,344,274)	(13,077,311)	—	260,302,871	(3,265,330)	257,037,541
Net income (loss)	—	—	—	(13,480,527)	—	—	(13,480,527)	629,144	(12,851,383)
Share-based compensation	—	—	4,037,843	—	—	—	4,037,843	20,519	4,058,362
Foreign currency translation adjustments	—	—	—	—	(6,770,695)	—	(6,770,695)	92,243	(6,678,452)
<b>Balance at December 31, 2018</b>	135,763,962	135,764	792,626,535	(528,824,801)	(19,848,006)	—	244,089,492	(2,523,424)	241,566,068
Net income (loss)	—	—	—	11,521,996	—	—	11,521,996	(650,145)	10,871,851
Share-based compensation	—	—	3,596,679	—	—	—	3,596,679	—	3,596,679
Exercise of share options	48,757	49	69,165	—	—	—	69,214	—	69,214
Disposal of non-controlling interest	—	—	(100,583)	—	—	—	(100,583)	100,583	—
Foreign currency translation adjustments	—	—	—	—	(3,776,200)	—	(3,776,200)	31,505	(3,744,695)
<b>Balance at December 31, 2019</b>	135,812,719	135,813	796,191,796	(517,302,805)	(23,624,206)	—	255,400,598	(3,041,481)	252,359,117
Net income (loss)	—	—	—	19,302,238	—	—	19,302,238	1,695,981	20,998,219
Share-based compensation	—	—	2,978,026	—	—	—	2,978,026	—	2,978,026
Vesting of restricted shares	83,333	83	(83)	—	—	—	—	—	—
Exercise of share options	429,968	430	611,304	—	—	(50,286)	561,448	—	561,448
Acquisition of non-controlling interest	—	—	(244,436)	—	(1,544)	—	(245,980)	196,123	(49,857)
Foreign currency translation adjustments	—	—	—	—	17,930,546	—	17,930,546	7,461	17,938,007
<b>Balance at December 31, 2020</b>	136,326,020	136,326	799,536,607	(498,000,567)	(5,695,204)	(50,286)	295,926,876	(1,141,916)	294,784,960

The accompanying notes are an integral part of these consolidated financial statements.

**LEJU HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In U.S. dollar)

	Year Ended December 31,		
	2018	2019	2020
<b>Operating activities:</b>			
Net income (loss)	(12,851,383)	10,871,851	20,998,219
Adjustments to reconcile net income (loss) to net cash provided by/(used in) operating activities:			
Depreciation and amortization	15,705,383	15,158,240	14,338,529
Loss from equity in affiliates	78,634	9,070	23,859
Provision for allowance for doubtful accounts	1,892,838	5,530,843	4,877,117
Share-based compensation	4,058,362	3,596,679	2,978,026
Unrealized loss (gain) on marketable securities	606,635	(951,545)	(850,402)
Non-cash lease expenses	—	7,565,795	4,471,324
Interest expenses	—	1,007,354	—
Others	148,593	279,277	688,707
Changes in operating assets and liabilities:			
Accounts receivable	(29,397,718)	(52,118,453)	(65,126,276)
Contract assets	(698,266)	1,306,017	(1,074,573)
Customer deposits	26,142,133	(46,550,954)	44,750,151
Amounts due from related parties	(2,617,571)	(2,978,490)	593,523
Right-of-use assets	—	2,611,584	(3,360,748)
Prepaid expenses and other current assets	2,490,172	2,523,380	211,913
Other non-current assets	(211,771)	812,153	30,398
Accounts payable	(2,061,870)	719,056	1,285,916
Accrued payroll and welfare expenses	(6,198,911)	2,156,113	(3,632,710)
Income tax payable	(5,139,469)	(1,340,282)	6,228,894
Other tax payable	1,061,293	7,167,867	1,035,107
Amounts due to related parties	384,323	929,584	2,699,108
Lease liabilities, current	—	(1,219,464)	271,983
Other current liabilities and accrued expenses	9,944,590	60,209,745	70,262,381
Deferred tax assets	1,569,233	12,171,774	11,132,101
Deferred tax liabilities	(3,212,929)	(3,029,113)	(3,198,793)
Lease liabilities, non-current	—	(6,742,065)	(1,139,046)
Net cash provided by operating activities	1,692,301	19,696,016	108,494,708
<b>Investing activities:</b>			
Deposits for and purchases of property and equipment and intangible assets	(946,967)	(7,968,925)	(1,553,067)
Proceeds from disposal of property and equipment	1,753,131	2,407,734	1,654,838
Net cash provided by/(used in) investing activities	806,164	(5,561,191)	101,771
<b>Financing activities:</b>			
Proceeds from exercise of options	—	69,214	561,448
Prepayment and payment for acquisition of non-controlling interest of subsidiary	—	(28,669)	(21,188)
Net cash provided by financing activities	—	40,545	540,260
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6,539,685)	(2,426,744)	17,557,865
Net increase/(decrease) in cash, cash equivalents and restricted cash	(4,041,220)	11,748,626	126,694,604
Cash, cash equivalents and restricted cash at the beginning of the year	151,304,686	147,263,466	159,012,092
Cash, cash equivalents and restricted cash at the end of the year	147,263,466	159,012,092	285,706,696
<b>Supplemental disclosure of cash flow information:</b>			
Income taxes paid/(refund)	3,088,070	386,563	(52,961)
Non-cash information on lease liabilities arising from obtaining right-of-use assets	—	4,052,129	1,967,269
<b>Non-cash investing and financing activities:</b>			
Additional paid in capital decreased in connection with business acquisition	—	(100,583)	—
Non-controlling interest recognized in connection with business acquisition	—	100,583	—
<b>Reconciliation to amounts on consolidated balance sheets:</b>			
Cash and cash equivalents	147,263,466	159,012,092	284,489,282
Restricted cash	—	—	1,217,414
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	147,263,466	159,012,092	285,706,696

The accompanying notes are an integral part of these consolidated financial statements.

**LEJU HOLDINGS LIMITED**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018, 2019 AND 2020**  
**(In U.S. dollar)**

## 1. Organization and Principal Activities

Leju Holdings Limited (the “Company” or “Leju”) was incorporated on November 20, 2013 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company, through its subsidiaries and consolidated variable interest entities (“VIEs”), is principally engaged in providing online advertising, e-commerce services and listing services for the real estate and home furnishing industries in the People’s Republic of China (“PRC”). The Company, its subsidiaries and consolidated VIEs are collectively referred to as the “Group”.

E-House (China) Holdings Limited (“E-House Holdings”) was the Company’s parent company from its incorporation to December 30, 2016. E-House Holdings, its subsidiaries and VIEs, excluding the Group, are collectively referred to as “E-House”. On December 30, 2016, E-House Holdings repurchased all its ordinary shares held by SINA Corporation (“SINA”) for a total consideration consisting of 40,651,187 ordinary shares of Leju and of \$129,038,150 in cash. As a result of this transaction, E-House Holdings ceased to be Leju’s controlling shareholder but remains as the largest shareholder and SINA became a principal shareholder of Leju from December 30, 2016. E-House Holdings was ultimately controlled by Mr. Xin Zhou.

On November 4, 2020, E-House (China) Enterprise Holdings Limited (“E-House Enterprise”) purchased (i) 51,925,996 ordinary shares of Leju from Mr. Xin Zhou and certain of his affiliated entities (the “Zhou Parties”) and (ii) 24,475,251 ordinary shares of Leju from the SINA. Upon completion of these transactions, E-House Enterprise acquired the beneficial ownership of 76,401,247 ordinary shares of Leju, and Leju has become a subsidiary of E-House Enterprise. SINA remains to be a principal shareholder of Leju.

The following table lists major subsidiaries and the consolidated VIEs of the Company as of December 31, 2020:

	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Percentage of Ownership</u>
Shanghai SINA Leju Information Technology Co., Ltd (“Shanghai SINA Leju”)	08-May-08	PRC	100%
E-House City Re-House Real Estate Agency (Shanghai) Co., Ltd (“City Re-House”)	04-Mar-10	PRC	100%
Shanghai Yi Yue Information Technology Co., Ltd (“Shanghai Yi Yue”)	16-Sep-11	PRC	100%
Beijing Maiteng Fengshun Science and Technology Co., Ltd (“Beijing Maiteng”)	04-Jan-12	PRC	84%
Beijing Yisheng Leju Information Services Co., Ltd. (“Beijing Leju”)	13-Feb-08	PRC	VIE
Shanghai Leju Hao Fang Information Service Co., Ltd. (“Leju Hao Fang”) (formerly known as Shanghai Yi Xin E-Commerce Co., Ltd.)	05-Dec-11	PRC	VIE
Beijing Jiajujiu E-Commerce Co., Ltd. (“Beijing Jiajujiu”)	22-Mar-12	PRC	VIE

## 2. Summary of Principal Accounting Policies

### (a) Basis of presentation

The consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

**(b) Impact of COVID-19**

During the year ended December 31, 2020, the Group's operation was negatively affected by the COVID-19 pandemic. The Group's e-commerce business in the first quarter declined compared to the same period in the year before mainly due to weakness in new residential property sales. The Group's online advertising business in the first quarter was also adversely affected as real estate developers scaled back online advertising expenditures to mitigate the negative impact of COVID-19 on their profits and cash flows. The Group took a series of measures in response to the outbreak to protect its employees, including, among others, temporary closure of some offices, remote working arrangements for employees and travel restrictions or suspension. In general, while these measures reduced the efficiency of its operations, the Group benefitted from economic recovery since the second quarter and was not significantly impacted for the full year 2020.

The Group has assessed various accounting estimates and other matters, including credit losses for financial assets, valuation allowances for deferred tax assets and revenue recognition. Based on current assessment of these estimates, although the COVID-19 outbreak adversely affected the Group's business in the first quarter of 2020, the Group concluded that there would be no material impact on the Group's long-term forecast, and the Group did not identify any impairments related to its long-lived assets as of December 31, 2020 as a result of COVID-19. While the adverse impact from COVID-19 is currently expected to be temporary, there is uncertainty around the duration of these disruptions and the possibility of other adverse effects on the Group's business, and the Group will continue to monitor for potential credit risk as the impact of the COVID-19 pandemic evolves.

**(c) Basis of consolidation**

The consolidated financial statements include the financial statements of Leju, its majority owned subsidiaries and its VIEs, Beijing Leju, Leju Hao Fang and Beijing Jiajujiu. All inter-company transactions and balances have been eliminated in consolidation.

The Group evaluates each of its interests in private companies to determine whether or not the investee is a VIE and, if so, whether the Group is the primary beneficiary of such VIE. In determining whether the Group is the primary beneficiary, the Group considers if the Group (1) has power to direct the activities that most significantly affects the economic performance of the VIE, and (2) receives the economic benefits of the VIE that could be significant to the VIE. If deemed the primary beneficiary, the Group consolidates the VIE.

**VIE arrangements**

PRC regulations currently prohibit or restrict foreign ownership of companies that provide internet content and advertising services. To comply with these regulations, the Group provides such activities through its VIEs and their subsidiaries. To provide the Group effective control over and the ability to receive substantially all of the economic benefits of its VIEs and their subsidiaries, certain of the Company's subsidiaries, Shanghai SINA Leju, Shanghai Yi Yue and Beijing Maiteng (collectively, the "Foreign Owned Subsidiaries") entered into a series of contractual arrangements with Beijing Leju, Leju Hao Fang and Beijing Jiajujiu (collectively the "VIEs") and their respective shareholders, respectively, as summarized below:

<b>Name of Foreign Owned Subsidiaries</b>	<b>Foreign Owned Subsidiaries' Economic Ownership of VIES</b>	<b>Name of VIEs</b>	<b>Activities of VIEs</b>
Shanghai SINA Leju	100%	Beijing Leju	Operate the online advertising and listing business
Shanghai Yi Yue	100%	Leju Hao Fang	Operate the e-commerce business
Beijing Maiteng	100%	Beijing Jiajujiu	Operate the online home furnishing business

The VIEs hold the requisite licenses and permits necessary to conduct internet content and advertising services activities from which foreign ownership of companies are prohibited or restricted. In addition, the VIEs hold leases and other assets necessary to operate such business and generate a majority of the Group's revenues.

**Agreements that Transfer Economic Benefits of the VIEs to the Group**

**Exclusive Consulting and Technical Support Agreement.** Pursuant to an exclusive consulting and technical support agreement between the Foreign Owned Subsidiaries and the respective VIEs, the Foreign Owned Subsidiaries provide the respective VIEs with a series of consulting and technical support services and are entitled to receive related fees. The term of this exclusive technical support agreement will expire upon dissolution of the VIEs. Unless expressly provided by this agreement, without prior written consent of the Foreign Owned Subsidiaries, the VIEs may not engage any third party to provide the services offered by the Foreign Owned Subsidiaries under this agreement.

### ***Agreements that Provide Effective Control over VIEs***

**Exclusive Call Option Agreement.** Each of the shareholders of the VIEs has entered into an exclusive call option agreement with the respective Foreign Owned Subsidiaries. Pursuant to these agreements, each of the shareholders of the VIEs has granted an irrevocable and unconditional option to the respective Foreign Owned Subsidiaries or their designees to acquire all or part of such shareholder's equity interests in VIEs at its sole discretion, to the extent as permitted by PRC laws and regulations then in effect. The consideration for such acquisition of all equity interests in the VIEs will be equal to the registered capital of the VIEs, and if PRC law requires the consideration to be greater than the registered capital, the consideration will be the minimum amount as permitted by PRC law. In addition, the VIEs irrevocably and unconditionally granted the respective Foreign Owned Subsidiaries an exclusive option to purchase, to the extent permitted under the PRC law, all or part of the assets of the VIEs. The exercise price for purchasing the assets of the VIEs will be equal to their respective book values, and if PRC law requires the price to be greater than the book value, the price will be the minimum amount as permitted by PRC law. The call option may be exercised by the respective Foreign Owned Subsidiaries or their designees.

**Loan Agreement.** Under the loan agreement among shareholders of the VIEs and the respective Foreign Owned Subsidiaries, each of the respective Foreign Owned Subsidiaries has granted an interest-free loan to the shareholders of the VIEs, solely for their purchase of the equity interest of the VIEs, investing or operating activities conducted in the VIEs. Each loan agreement will be due upon the earlier of twenty years from the date of execution or the expiration of the term of business of VIEs.

**Shareholder Voting Right Proxy Agreement.** Each of the shareholders of the VIEs has irrevocably granted any person designated by the respective Foreign Owned Subsidiaries the power to exercise all voting rights to which he will be entitled to as shareholder of the VIEs at that time, including the right to declare dividends, appoint and elect board members and senior management members and other voting rights.

Each shareholder voting right proxy agreement has a term of twenty years, unless it is early terminated by all parties in writing or pursuant to provision of this agreement. The term of the agreement will be automatically extended for one year upon the expiration, if the Foreign Owned Subsidiary gives the other parties written notice requiring the extension at least 30 days prior to expiration and the same mechanism will apply subsequently upon the expiration of each extended term.

**Equity Pledge Agreement.** Each of the shareholders of the VIEs has also entered into an equity pledge agreement with the respective Foreign Owned Subsidiaries. Pursuant to which these shareholders pledged their respective equity interest in the VIEs to guarantee the performance of the obligations of the VIEs. The Foreign Owned Subsidiaries, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests. Pursuant to the equity pledge agreement, each shareholder of the VIEs cannot transfer, sell, pledge, dispose of or otherwise create any new encumbrance on their respective equity interest in the VIEs without the prior written consent of the respective Foreign Owned Subsidiaries. The equity pledge right enjoyed by the Foreign Owned Subsidiaries will expire when shareholders of the VIEs have fully performed their respective obligations under the above agreements. The equity pledges of the VIEs have been registered with the relevant local branch of the State Administration for Industry and Commerce, or SAIC.

### ***Risks in relation to the VIE structure***

The Company believes that the Foreign Owned Subsidiaries' contractual arrangements with the VIEs are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce these contractual arrangements and the interests of the shareholders of the VIEs may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms, for example by influencing the VIEs not to pay the service fees when required to do so.

The Company's ability to control the VIEs also depends on the power of attorney, the Foreign Owned Subsidiaries have to vote on all matters requiring shareholder approval in the VIEs. As noted above, the Company believes this power of attorney is legally enforceable but may not be as effective as direct equity ownership.

In addition, if the legal structure and contractual arrangements were found to be in violation of any existing PRC laws and regulations, the Company may be subject to fines or other actions. The Company does not believe such actions would result in the liquidation or dissolution of the Company, the Foreign Owned Subsidiaries or the VIEs.

The Company, through its subsidiaries and through the contractual arrangements, has (1) the power to direct the activities of the VIEs that most significantly affect the entity's economic performance and (2) the right to receive benefits from the VIEs. Accordingly, the Company is the primary beneficiary of the VIEs and has consolidated the financial results of the VIEs.

The following financial statement amounts and balances of the Group's VIEs were included in the accompanying consolidated financial statements, after elimination of inter-company balances and transactions:

	<b>As of December 31,</b>	
	<b>2019</b>	<b>2020</b>
	\$	\$
Cash and cash equivalents	123,865,160	236,976,406
Restricted cash	—	957,242
Accounts receivable, net of allowance for doubtful accounts	142,183,616	199,050,917
Contract assets	817,286	1,884,193
Customer deposits	25,631,835	1,235,041
Amounts due from related parties	14,394,141	15,721,821
Other current assets	5,088,840	4,143,643
<b>Total current assets</b>	<b>311,980,878</b>	<b>459,969,263</b>
<b>Total non-current assets</b>	<b>68,534,715</b>	<b>67,284,289</b>
<b>Total assets</b>	<b>380,515,593</b>	<b>527,253,552</b>
Accounts payable	1,034,281	2,714,357
Accrued payroll and welfare expenses	29,839,798	27,228,398
Income tax payable	25,617,526	27,877,546
Other tax payable	19,150,299	19,184,369
Amounts due to related parties	3,263,567	4,737,776
Advances from customers	33,854,579	95,059,745
Lease liabilities, current	5,128,021	5,375,547
Accrued marketing and advertising expenses	46,724,846	63,973,194
Other current liabilities	28,394,803	19,030,481
<b>Total current liabilities</b>	<b>193,007,720</b>	<b>265,181,413</b>
Deferred tax liabilities	89,943	91,205
Lease liabilities, non-current	22,795,137	21,680,018
<b>Total liabilities</b>	<b>215,892,800</b>	<b>286,952,636</b>

	<b>Year Ended December 31,</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	\$	\$	\$
Total revenues	459,944,563	691,566,168	718,861,490
Cost of revenues	(64,237,782)	(59,822,537)	(65,612,576)
Net income (loss)	952,919	(2,843,984)	14,278,316
Net cash provided by operating activities	33,053,169	44,671,170	100,460,964
Net cash provided by/(used in) investing activities	31,110	(5,813,685)	(1,068,664)
Net cash used in financing activities	—	—	—

There are no consolidated VIEs' assets that are collateral for the VIEs' obligations or are restricted solely to settle the VIEs' obligations. The Company has not provided any financial support that it was not previously contractually required to provide to the VIEs.

**(d) Use of estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates. Significant accounting estimates reflected in the Group's financial statements include (i) revenue recognition, (ii) provision for credit losses of accounts receivable and contract assets, customer deposits, other receivables recorded in prepayments and other current assets and amounts due from related parties, (iii) assessment for impairment of long-lived assets, intangible assets and goodwill, (iv) fair value of financial instruments, (v) valuation and recognition of share-based compensation expenses, (vi) useful lives of property and equipment and intangible assets, (vii) and provision for income tax and valuation allowance for deferred tax assets.

**(e) Fair value of financial instruments**

The Group records its financial assets and liabilities at fair value on a recurring basis. Fair value reflects the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability.

The Group applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. There are three levels of inputs that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Assets measured at fair value on a recurring basis are comprised of marketable securities. The Group uses quoted price in active markets (Level 1) to determine the fair value of marketable securities.

There are no assets or liabilities measured at fair value on a nonrecurring basis in 2018, 2019 and 2020.

For cash and cash equivalents, accounts receivable, contract assets, customer deposits, other receivables, accounts payable, other payables, and amounts due from/to related parties, the carrying value approximates its fair value due to its short-term nature.

**(f) Business combinations**

Business combinations are recorded using the purchase method of accounting and, accordingly, the acquired assets and liabilities are recorded at their fair market value at the date of acquisition. Any excess of acquisition cost over the fair value of the acquired assets and liabilities, including identifiable intangible assets, is recorded as goodwill.

**(g) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and demand deposits, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less.

**(h) Restricted cash**

Any cash that is legally restricted from use is classified as restricted cash. As of December 31, 2020, restricted cash related to collection and payment as a service for real estate developers. The withdrawal of the cash in bank is required to be pre-approved by real estate developers.

**(i) Marketable securities**

Marketable securities include securities that are classified as trading securities. Trading securities represent equity securities that are bought and held principally for the purpose of selling them in the near term, and they are reported at fair value, with both unrealized and realized gains and losses reported as other income (loss). The fair value of marketable securities is based upon the quoted price in an active market for identical instruments (Level 1).

**(j) Customer deposits**

The Group provides online real estate e-commerce services for its developer customers. Some real estate developers require the Group to pay an upfront and refundable deposit to obtain the exclusive right to provide e-commerce services for a real estate development project. These deposits are refunded to the Group subject to certain pre-determined criteria specified in the deposit agreement. Customer deposits are recorded as either current or non-current assets based on the Group's estimate of the date of refund. As of December 31, 2020, all customer deposits are refundable within 12 months and none of them passed the original due date.

**(k) Investment in affiliates**

Affiliated companies are entities over which the Group has significant influence, but which it does not control. The Group generally considers an ownership interest of 20% in common stock or higher to represent a presumption that they are able to exert significant influence.

Investments in affiliates are accounted for by the equity method of accounting. Under this method, the Group's share of the post-acquisition profits or losses of affiliated companies is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. Unrealized gains on transactions between the Group and its affiliated companies are eliminated to the extent of the Group's interest in the affiliated companies; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Group's share of losses in an affiliated company equals or exceeds its interest in the affiliated company, the Group does not recognize further losses, unless the Group has incurred obligations or made payments on behalf of the affiliated company.

The Group is required to perform an impairment assessment of its investments whenever events or changes in business circumstances indicate that the carrying value of the investment may not be fully recoverable. An impairment loss is recorded when there has been a loss in value of the investment that is other than temporary. The Group has not recorded any impairment losses in any of the periods reported. As of December 31, 2019 and 2020, the Group determined that no such events were presented.

**(l) Leases**

Prior to 2019, the Group accounted for leases under ASC 840, Leases. Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rental expense is recognized from the date of initial possession of the leased property on a straight-line basis over the term of the lease. Certain lease agreements contain rent holidays, which are recognized on a straight-line basis over the lease term. Lease renewal periods are considered on a lease-by-lease basis and are generally not included in the initial lease terms.

On January 1, 2019, the Group adopted ASU No. 2016-02, Leases (Topic 842), as amended, which supersedes the lease accounting guidance under Topic 840, and generally requires lessees to recognize operating and financing lease liabilities and corresponding right-of-use assets on the balance sheet and to provide enhanced disclosures surrounding the amount, timing and uncertainty of cash flows arising from leasing arrangements.

The Group elected to apply practical expedients permitted under the transition method that allow the Group to use the beginning of the period of adoption as the date of initial application, to not recognize lease assets and lease liabilities for leases with a term of twelve months or less, to not separate non-lease components from lease components, and to not reassess lease classification, treatment of initial direct costs, or whether an existing or expired contract contains a lease. The Group used modified retrospective method and did not adjust the prior comparative periods. Under the new lease standard, the Group determines if an arrangement is or contains a lease at inception. Right-of-use assets and liabilities are recognized at lease commencement date based on the present value of remaining lease payments over the lease terms. The Group considers only payments that are fixed and determinable at the time of lease commencement.

ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As most of the Group's leases do not provide an implicit rate, the Group uses its incremental borrowing rate as the discount rate for the lease. The Group's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments. The right-of-use asset is 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. The Group's lease terms may include options to extend or terminate the lease. Renewal options are considered within the right-of-use assets and lease liability when it is reasonably certain that the Group will exercise that option.

Lease expense for lease payments is recognized on a straight-line basis over the lease term.

As a result of the adoption, the Group recognized approximately \$36.3 million of assets recorded in "Right of use assets", and corresponding short-term lease liabilities recorded in "Lease liabilities, current" and long-term lease liabilities recorded in "Lease liabilities, non-current", respectively, on the consolidated balance sheet as of January 1, 2019. The adoption had no material impact on the Group's consolidated statement of operations and comprehensive loss for the year ended December 31, 2019 or the opening balance of retained earnings as of January 1, 2019.

***(m) Property and equipment, net***

Property and equipment is recorded at cost less accumulated depreciation. Depreciation is computed on a straight-line basis over the following estimated useful lives:

Leasehold improvements	Over the shorter of the lease term or their estimated useful lives
Buildings	30 years
Furniture, fixtures and equipment	3-5 years
Motor vehicles	5 years

Gains and losses from the disposal of property and equipment are included in income (loss) from operations.

***(n) Intangible assets, net***

Acquired intangible assets mainly consist of the advertising agency agreement and license agreements with SINA, customer relationships, and database license are recorded at fair value on the acquisition date. All intangible assets, with the exception of customer relationships, are amortized ratably over the contract period. Intangible assets resulting out of acquired customer relationships are amortized based on the timing of the revenue expected to be derived from the respective customer.

***(o) Impairment of long-lived assets***

The Group evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When these events occur, the Group measures impairment by comparing the carrying amount of the assets to future undiscounted net cash flow expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the assets.

***(p) Impairment of goodwill***

The Group evaluates the recoverability of goodwill annually or more frequently if an event occurs or circumstances change in the interim that would more likely than not reduce the fair value of the asset below its carrying amount. Goodwill is considered to be impaired when the carrying value of a reporting unit or asset exceeds its fair value. The Group currently has only one reporting unit: Leju online segment.

In the evaluation of goodwill for impairment, the Group first assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Group determines that it is not more likely than not for a reporting unit's fair value to be less than its carrying value, a calculation of the fair value is not performed. If the Group determines that it is more likely than not for a reporting unit's fair value to be less than its carrying value, a calculation of the reporting unit's fair value is performed and compared to the carrying value of that unit. An impairment loss is recorded equal to the excess of the reporting unit's carrying value over its fair value.

Generally, the Group measures fair value of reporting units based on a present value of future discounted cash flows and an income valuation approach. The discounted cash flow models indicate the fair value of the reporting units based on the present value of the cash flow that the reporting units are expected to generate in the future. Significant estimates in the discounted cash flow models include: the weighted average cost of capital; long-term rate of growth and profitability of the Group's business; and working capital effects. Key assumptions used in the income approach, which requires significant management judgment, include forecasted cash flows which consider the historical financial trends, business growth rate and market share, as well as terminal value and discount rate. Significant increases in discount rate or decrease in terminal value in isolation would result in a significantly lower fair value measurement.

**(q) Income taxes**

Deferred income taxes are recognized for temporary differences between the tax basis of assets and liabilities, and their reported amounts in the financial statements, net operating loss carry forwards and credits by applying enacted statutory tax rates applicable to future years when the reported amounts of the asset or liability are expected to be recovered or settled, respectively. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

The Group only recognizes tax benefits related to uncertain tax positions when such positions are more likely than not of being sustained upon examination. For such positions, the amount of tax benefit that the Group recognizes is the largest amount of tax benefit that is more than fifty percent likely of being sustained upon the ultimate settlement of such uncertain position. The Group records interest and penalties as a component of income tax expense.

**(r) Share-based compensation**

Share-based compensation expense is measured on the grant date of the share award, based on the fair value of the award, and recognized as an expense over the requisite service period. Management has made an estimate of expected forfeitures and recognizes compensation cost only for those equity awards expected to vest.

**(s) Revenue recognition**

The Group generates real estate online revenues principally from e-commerce, online advertising, and listing services and enters into separate contracts with its customers under each revenue stream. Revenues are recorded, after considering reductions by estimates for refund allowances and sales related taxes.

The Group has adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and all subsequent ASUs that modified ASC 606 on January 1, 2018 and has elected to apply it retrospectively for the year ended December 31, 2018.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, the Group applies the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The full retrospective method requires an entity to present financial statements for all periods as if the new revenue standard had been applied to all prior periods. The Group concluded that the cumulative effect to the beginning balance of shareholders' equity as of January 1, 2016 by implementation of the ASC 606 is not significant while the Group records contract assets when the Group does not have an unconditional right to consideration for its services rendered.

*E-commerce*

The Group offers individual property buyers discount coupons that enable them to purchase specified properties from real estate developers at discounts greater than the face value of the fees charged by the Group. Discount coupons are collected initially upfront from the property buyers and are refundable at any time before they are used to purchase the specified properties. As such, these fees are recorded as advance from customers in the Group's consolidated balance sheets. In this context, the Group determines its customers to be individual property buyers and has identified one single performance obligation to be the sale of discount coupons. The Group determines the sale of discount coupons to be satisfied at a point in time only when confirmation letters are obtained from its customers or developers that prove the use of the coupons. The transaction price is the discount coupon fees charged by the Group which is fixed in the contract with individual property buyers.

*Online advertising*

In respect of the online advertising services, the Group mainly provides comprehensive advertisement placement services to the advertisers (i.e., property developers) through a packaged online cross-media and cross-platform product portfolio, including those owned by the Group and other independent outlets.

Management considers the Group acts as principal in this arrangement when the Group is a contracting party to its advertisers and is primarily responsible for delivering the specified service to the advertisers. The Group controls the specified service before that service is transferred to an advertiser, because (i) the Group has the discretion to decide which media outlets to use and what type of the advertisements to be placed; (ii) the Group is subject to certain risk of loss to the extent that the cost paid to the media outlets, which is charged to the Group based on a number of methodology, including viewership (CPM) or click (CPC) or others, cannot be compensated by the total consideration obtained from the advertisers; and (iii) the Group has the discretion to determine the cost charged to the advertisers, which affects the Group's margin as the costs incurred might vary. Therefore the Group reports revenue earned from the advertisers and costs paid to media outlets related to these transactions on a gross basis.

In addition, management considers the Group acts as an agent for those arrangements that the Group only earns agreed rebates from certain media outlets and recognizes such rebates as revenue on a net basis. Media outlets grant the Group rebates in the form of prepayments for the media outlets' services or cash, mainly based on the gross spending of the advertisers. In some circumstances, the Group will share with its advertisers certain amount of the rebates earned from the media outlets, which is accounted for as a reduction of the rebates, and the Group recognizes such net amount of rebates as revenue.

*Listing*

Listing services entitle real estate brokers to post and make changes to information for properties in a particular area on the website for a specified period of time, in exchange for a fixed fee.

In this context, the Group determines its customers to be real estate brokers and has identified a single performance obligation that is recognized over time on a straight-line basis over the contract period of display and when collection is probable. The transaction price is the fixed fee outlined in the contract. No rebates are given to the real estate brokers.

*Contract balances*

The Group does not have unconditional right to the consideration for advertising or listing services until all promises have been fulfilled and therefore initially records a contract asset when recognizing revenue. Upon fulfillment of all advertising or listing services, contract assets will be reclassified as a receivable. Contract assets recognized were \$829,723 and \$1,884,193 as of December 31, 2019 and 2020 respectively.

*Disaggregation of revenue*

In accordance with ASC 606-10-50, the Group believes the disaggregation of revenue from contracts with customers by e-commerce, online advertising and listing to sufficiently achieve the disclosure objective of depicting how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

*Practical Expedients and Exemptions*

For the Group's contracts that have an original duration of one year or less, the Group uses the practical expedient applicable to such contracts and has not disclosed the transaction prices for the remaining performance obligations as of the end of the reporting period or when the Group expects to recognize this revenue.

*Financing Component*

In determining the transaction price, the Group adjusts the promised amount of consideration to determine the cash selling price of the service to be delivered and reflect the time value of money if the contract has a significant financing component. As a result of the adjustment to the transaction price, the Group recongnized interest income amounting to \$301,368 and \$4,454,077 for the years ended December 31, 2019 and 2020, respectively.

**(t) Cost of revenue**

Cost of revenue consists of costs associated with the production of websites, which includes fees paid to third parties for internet connection, content and services, editorial personnel related costs, amortization of intangible assets, depreciation associated with website production equipment and fees paid to media outlets for advertising resources.

**(u) Marketing and advertising expenses**

Marketing and advertising expenses consist primarily of targeted online and offline marketing costs for promoting the Group's e-commerce projects and the Group's own brand building, such as Leju property visit, sponsored marketing campaigns, online or print advertising, public relations and sponsored events. The Group expenses all marketing advertising costs as incurred and record these costs within "Selling, general and administrative expenses" on the consolidated statements of operations when incurred. The nature of the Group's direct marketing activities is such that they are intended to attract subscribers for the online advertising and potential property buyers to purchase the discount coupons. The Group incurred marketing and advertising expenses amounting to \$300,773,157, \$487,111,773 and \$523,315,406 for the years ended December 31, 2018, 2019 and 2020, respectively.

**(v) Foreign currency translation**

The functional currency of the Company is the United States dollar ("U.S. dollar") and is used as the reporting currency of the Group. Monetary assets and liabilities denominated in currencies other than the U.S. dollar are translated into U.S. dollar at the rates of exchange ruling at the balance sheet date. Equity accounts are translated at historical exchange rates and revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as foreign currency translation adjustment and are shown as a separate component of other comprehensive income (loss) in the consolidated statements of changes in equity and comprehensive loss.

The financial records of certain of the Company's subsidiaries are maintained in local currencies other than the U.S. dollar, such as Renminbi ("RMB") and Hong Kong dollar ("HKD"), which are their functional currencies. Transactions in other currencies are recorded at the rates of exchange prevailing when the transactions occur. Transaction gains and losses are recognized in the consolidated statements of operations.

The Group recorded an exchange loss \$3,800,728, exchange gain \$412,236 and exchange loss \$815,656 for the years ended December 31, 2018, 2019 and 2020, respectively, as a component of other income (loss), net, in the consolidated statements of operations.

**(w) Government subsidies**

Government subsidies include cash subsidies received by the Company's subsidiaries and VIEs in the PRC from local governments. These subsidies are generally provided as incentives for conducting business in certain local districts and are typically granted based on the amount of value-added tax, business tax, and income tax generated by the Group in certain local districts. Such subsidies allow the Group full discretion in utilizing the funds and are used by the Group for general corporate purposes. The local governments have final discretion as to the amount of cash subsidies. Cash subsidies of \$2,163,443, \$597,853 and \$380,849 were included in other operating income for the years ended December 31, 2018, 2019 and 2020, respectively. Subsidies are recognized when cash is received and when all the conditions for their receipt have been satisfied.

**(x) Concentration of credit risk**

Financial instruments that potentially expose the Group to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and customer deposits. The Group deposits its cash and cash equivalents in the reputable financial institutions.

Prior to January 1, 2020, the Group regularly reviews the creditworthiness of its customers, and requires collateral or other security from its customers in certain circumstances when accounts receivables' aging is over one year. The Group establishes an allowance for doubtful accounts primarily based upon factors surrounding the credit risk of specific customers, including creditworthiness of the clients, aging of the receivables and other specific circumstances related to the accounts. Accounts receivable balances are written off after all collection efforts have been exhausted.

The Group adopted Accounting Standard Update (ASU) 2016-13, Financial Instruments-Credit Losses (codified as Accounting Standard Codification Topic 326), since January 1, 2020, which requires measurement and recognition of current expected credit losses for financial instruments held at amortized cost.

The Group's accounts receivable and contract assets, customer deposits, other receivables recorded in prepayments and other current assets and amounts due from related parties are within the scope of ASC Topic 326.

To estimate expected credit losses, the Group has identified the relevant risk characteristics of its customers and these receivables are assessed on an individual basis for customers with good credit rating (strategic type customers), with pledged credit risk (pledged type customers), with high credit risk (high risk type customers) and the remaining (normal risk type customers). For each customer, the Group considers historical settlement pattern, past default experience of the debtor, overall economic environment in which the debtors operate, and also the assessment of both current and future development of environment as of the date when this report issued. This is assessed at each quarter based on the Group's specific facts and circumstances. No significant impact of changes in the assumptions since adoption.

Movement of the allowance for doubtful accounts for accounts receivable and contract assets is as follows:

	Year Ended December 31,		
	2018	2019	2020
	\$	\$	\$
Balance as of January 1	21,827,663	18,195,382	16,108,520
Provisions for doubtful accounts	1,892,838	5,530,843	4,535,063
Write offs	(4,576,818)	(7,343,322)	(8,809,126)
Changes due to foreign exchange	(948,301)	(274,383)	849,322
Balance as of December 31	<u>18,195,382</u>	<u>16,108,520</u>	<u>12,683,779</u>

Movement of the allowance for other receivables in prepaid expenses and other current assets, is as follows:

	Year Ended December 31,	
	2019	2020
	\$	\$
Balance as of January 1	—	—
Provisions for doubtful accounts	—	335,386
Write offs	—	—
Changes due to foreign exchange	—	—
Balance as of December 31	<u>—</u>	<u>335,386</u>

The balance of expected credit loss for customer deposits and amount due from related parties was \$3,480 and \$3,188, respectively, as of December 31, 2020.

Details of the accounts receivable and contract assets from customers accounting for 10% or more of total net accounts receivable and contract assets are as follows:

	As of December 31,	
	2019	2020
	\$	\$
Customer A	98,015,010	146,284,590

**(y) Income (Loss) per share**

Basic income (loss) per share is computed by dividing income (loss) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

Diluted income (loss) per ordinary share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares.

The following table sets forth the computation of basic and diluted income (loss) per share for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
Net income (loss) attributable to Leju ordinary shareholders—basic and diluted	\$ (13,480,527)	\$ 11,521,996	\$ 19,302,238
Weighted average number of ordinary shares outstanding—basic	135,763,962	135,770,793	136,070,785
Stock options and restricted shares	—	40,958	1,493,782
Weighted average number of ordinary shares outstanding—diluted	135,763,962	135,811,751	137,564,567
Basic income (loss) per share	\$ (0.10)	\$ 0.08	\$ 0.14
Diluted income (loss) per share	\$ (0.10)	\$ 0.08	\$ 0.14

Diluted income (loss) per ordinary share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares. Diluted income (loss) per share does not include the following instruments as their inclusion would have been anti-dilutive:

	Year Ended December 31,		
	2018	2019	2020
Share options and restricted shares	13,776,043	8,440,545	7,207,045

**(z) Non-controlling interest**

Non-controlling interest classified as a separate line item in the equity section and disclosures in the Company's consolidated financial statements have distinguished the interest of Leju from the interest of non-controlling interest holders.

**(aa) Comprehensive income (loss)**

Comprehensive income (loss) includes all changes in equity except those resulting from investments by owners and distributions to owners. For the years presented, total comprehensive income (loss) includes net income (loss) and foreign currency translation adjustments.

**(ab) Impact of newly adopted accounting pronouncement**

In 2016, the FASB issued ASU No. 2016-13, "Financial Instruments — Credit Losses (Topic 326)," which replaced the existing incurred loss methodology with an expected loss methodology that was referred to as the current expected credit loss ("CECL") methodology. The Company adopted Topic 326 using a modified retrospective method for all financial assets measured at amortized cost and liabilities for guarantee arrangements. Results for reporting periods beginning after January 1, 2020 are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. On January 1, 2020, the Group adopted ASU 2016-13 and there was no cumulative effect of adoption. The adoption did not impact the Company's previously reported consolidated financial statements nor did it result in a cumulative effect adjustment to retained earnings as of January 1, 2020.

In August 2018, the FASB issued ASU 2018-13, “Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement.” The ASU is part of the FASB’s disclosure framework project to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles. The ASU modifies disclosure requirements on fair value measurements in Topic 820. The Company adopted ASU 2018-13 effective January 1, 2020. ASU 2018-13 did not have a material impact on disclosures in the Group’s consolidated financial statements.

**(ac) Recent issued accounting pronouncements not yet adopted**

In December 2019, the FASB issued ASU 2019-12, “Simplifying the Accounting for Income Taxes” to remove specific exceptions to the general principles in Topic 740 and to simplify accounting for income taxes. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. The Company is currently evaluating the impact of this accounting standard update on its consolidated financial statements.

In January 2020, the FASB issued ASU 2020-01, “Investments-Equity Securities (Topic 321), Investments-Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815,” which clarifies the interaction of the accounting for equity investments under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The standard is effective for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. The ASU is currently not expected to have a material impact on the Company’s consolidated financial statements.

**3. Leases**

The Group leases office under non-cancelable operating lease agreements, which expire at various dates from 2021 to 2028. As of December 31, 2019 and 2020, the Group’s operating leases had a weighted average remaining lease term of 7.5 and 6.6 years and a weighted average discount rate of 5.61% and 5.54%, respectively. Future lease payments under operating leases as of December 31, 2020 were as follows:

	<u>As of December 31,</u> <u>2020</u>
	<u>\$</u>
2021	5,652,408
2022	4,802,407
2023	4,267,705
2024	4,140,219
2025	4,218,061
Then thereafter	9,627,910
Total future lease payments	32,708,710
Impact of discounting remaining lease payments	(5,520,359)
Total lease liabilities	<u>27,188,351</u>
Lease liabilities, current	<u>5,461,234</u>
Lease liabilities, non-current	<u>21,727,117</u>

Rent expense under operating leases was \$9,900,044 for the year ended December 31, 2018. Operating lease expenses for the years ended December 31, 2019 and 2020 were \$9,439,187 and \$6,016,402, respectively, which did not include short-term lease cost. Short-term lease costs for the years ended December 31, 2019 and 2020 were \$2,950,929 and \$2,306,983, respectively.

Cash paid for amounts included in the measurement of operating lease liabilities were \$7,212,182 and \$5,794,716 for the years ended December 31, 2019 and 2020, respectively. Non-cash transaction amounts of lease liabilities arising from obtaining right-of-use assets were \$4,052,129 and \$1,967,269 for the years ended December 31, 2019 and 2020, respectively.

Future lease payments under non-cancelable operating lease agreements as of December 31, 2019 were as follows:

	<u>As of December 31,</u> <u>2019</u>
	\$
2020	5,383,508
2021	4,674,884
2022	4,095,928
2023	3,788,190
2024	3,714,168
Then thereafter	12,933,103
Total future lease payments	34,589,781
Impact of discounting remaining lease payments	(6,534,367)
<b>Total lease liabilities</b>	<b>28,055,414</b>
Lease liabilities, current	5,189,251
Lease liabilities, non-current	22,866,163

#### 4. Property and Equipment, Net

Property and equipment, net consists of the following:

	<u>As of December 31,</u>	
	<u>2019</u>	<u>2020</u>
	\$	\$
Furniture, fixtures and equipment	10,931,031	10,994,461
Leasehold improvements	4,817,117	5,010,384
Buildings	10,631,419	11,041,259
Motor vehicles	1,136,398	1,141,491
Total	27,515,965	28,187,595
Accumulated depreciation	(9,407,535)	(11,185,482)
<b>Property and equipment, net</b>	<b>18,108,430</b>	<b>17,002,113</b>

Depreciation expenses were \$2,465,421, \$2,287,325 and \$2,701,577 for the years ended December 31, 2018, 2019 and 2020, respectively.

#### 5. Intangible Assets, Net

	<u>As of December 31,</u>		<b>Weighted Average Remaining Amortization Period in Years</b>
	<u>2019</u>	<u>2020</u>	
	\$	\$	
Intangible assets subject to amortization are comprised of the following:			
Advertising agency agreement with SINA	106,790,000	106,790,000	3.25
License agreements with SINA	80,660,000	80,660,000	3.25
Customer relationship	10,247,802	—	—
Computer software licenses	7,373,828	1,739,166	2.17
	205,071,630	189,189,166	3.23
Less: Accumulated amortization			
Advertising agency agreement with SINA	81,561,152	87,616,075	
License agreements with SINA	61,895,348	66,398,866	
Customer relationship	10,229,252	—	
Computer software licenses	5,805,180	960,883	
<b>Intangible assets subject to amortization, net</b>	<b>45,580,698</b>	<b>34,213,342</b>	
<b>Total intangible assets, net</b>	<b>45,580,698</b>	<b>34,213,342</b>	

The advertising agency agreement and license agreements with SINA (the “SINA Agreements”) were recognized in connection with the Group’s acquisition of China Online Housing Technology Corporation (“COHT”) in 2009, and provide the Group with exclusive rights to operate SINA’s real estate and home furnishing related channels and the exclusive right to sell advertising relating to real estate, home furnishing and construction materials on these channels as well as SINA’s other websites. If the Group sells advertising on SINA’s websites other than the above channels, it will pay SINA fees of approximately 15% of the revenues generated from these sales. The SINA Agreements had an original expiration date in 2019. In March 2014, the SINA Agreements were extended by five years to 2024 for no additional consideration. All other terms of the SINA Agreements remained the same. The acquisition cost was recognized as an intangible asset and amortized over the term of the agreement.

Amortization expenses were \$13,239,962, \$12,870,915 and \$11,636,952 for the years ended December 31, 2018, 2019 and 2020, respectively. The Group expects to record amortization expenses of \$10,984,069, \$10,819,721, \$10,607,412, \$1,794,913 and \$7,229 for the years ending December 31, 2021, 2022, 2023, 2024 and 2025, respectively.

## 6. Other Income (Loss), Net

	Year Ended December 31,		
	2018 \$	2019 \$	2020 \$
Unrealized gain (loss) on marketable securities	(606,635)	951,545	850,402
Income from sales of properties held for sales	—	363,012	14,141
Foreign exchange gain (loss)	(3,800,728)	412,236	(815,656)
Others	188,170	251,718	251,169
Total	<u>(4,219,193)</u>	<u>1,978,511</u>	<u>300,056</u>

## 7. Income Tax

The following table summarizes income (loss) before income taxes incurred in the PRC and outside of the PRC:

	Year Ended December 31,		
	2018 \$	2019 \$	2020 \$
Income (loss) before income taxes:			
PRC	(2,917,703)	24,990,443	40,605,716
Outside of PRC	(11,189,386)	(5,119,860)	(8,918,616)
Total	<u>(14,107,089)</u>	<u>19,870,583</u>	<u>31,687,100</u>

Expenses (benefits) for income taxes are comprised of:

	Year Ended December 31,		
	2018 \$	2019 \$	2020 \$
Current Tax			
PRC	307,689	(378,008)	2,725,114
Outside of PRC	1,667	225,009	6,600
	<u>309,356</u>	<u>(152,999)</u>	<u>2,731,714</u>
Deferred Tax			
PRC	(1,643,696)	9,142,661	7,933,308
Outside of PRC	—	—	—
	<u>(1,643,696)</u>	<u>9,142,661</u>	<u>7,933,308</u>
Income tax expense (benefits)	<u>(1,334,340)</u>	<u>8,989,662</u>	<u>10,665,022</u>

The Company is incorporated in the Cayman Islands, which is exempted from tax.

Enterprise Income Tax Law in China applies a statutory 25% enterprise income tax rate to both foreign invested enterprises and domestic enterprises.

Shanghai SINA Leju was granted a high and new technology enterprise (“HNTE”) status and was entitled to a favorable statutory tax rate of 15% from 2015 through 2017. Shanghai SINA Leju renewed its qualification of “high and new technology enterprise” in 2018 and was entitled to a favorable statutory tax rate of 15% from 2018 through 2020.

The Group’s subsidiaries in Hong Kong are subject to a profit tax at the rate of 16.5% on assessable profit determined under relevant Hong Kong tax regulations. The Company’s subsidiaries incorporated in the BVI are not subject to taxation.

The Group does not have uncertain tax positions in accordance with ASC740-10, nor does it anticipate any significant increase to its liability for unrecognized tax benefit within next 12 months. The Group will classify interest and penalties related to income tax matters, if any, as income tax expense.

According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of taxes is due to tax authority’s mistake or due to computational errors made by the taxpayer. The statute of limitations will be extended to five years under special circumstances, which are not clearly defined, but an underpayment of tax liability exceeding RMB100,000 (\$15,326) is specifically listed as a special circumstance. In the case of a transfer pricing related adjustment, the statute of limitations is 10 years. There is no statute of limitations in the case of tax evasion.

The principal components of the deferred income tax assets/liabilities are as follows:

	As of December 31,	
	2019	2020
	\$	\$
<b>Deferred tax assets:</b>		
Accrued salary expenses	8,156,419	6,904,617
Bad debt provision	4,027,130	3,243,962
Net operating loss carry forwards	41,489,149	35,417,606
Advertising expenses	1,077,541	433,300
Others	195,265	619,872
Gross deferred tax assets	54,945,504	46,619,357
Valuation allowance	(5,634,684)	(5,714,480)
<b>Total deferred tax assets</b>	<b>49,310,820</b>	<b>40,904,877</b>
<b>Deferred tax liabilities:</b>		
Intangible assets from acquisition and other assets	11,741,607	8,558,649
<b>Total deferred tax liabilities</b>	<b>11,741,607</b>	<b>8,558,649</b>

The majority of deferred tax liabilities were recognized for temporary differences between the tax basis of intangible assets recognized from acquisitions and their reported amounts in the financial statements.

Movement of the valuation allowance is as follows:

	Year Ended December 31,		
	2018	2019	2020
	\$	\$	\$
Balance as of January 1	(602,135)	(480,689)	(5,634,684)
Reverse/(Additions)	—	(5,220,332)	291,962
Write off	96,091	—	—
Changes due to exchange rate translation	25,355	66,337	(371,758)
<b>Balance as of December 31</b>	<b>(480,689)</b>	<b>(5,634,684)</b>	<b>(5,714,480)</b>

The Group has recognized a valuation allowance against deferred tax assets on tax loss carry forwards of nil and \$5,220,332 for the years ended December 31, 2018 and 2019, respectively. The Group has reversed a valuation allowance against deferred tax assets on tax loss carry forwards of \$291,962 for the year ended December 31, 2020.

The Group assesses available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2020. Such objective evidence limits the Group's ability to consider other subjective evidence such as its projections for future growth.

On the basis of this evaluation, as of December 31, 2020, a valuation allowance of \$5,714,480 was recorded to reflect only the portion of the deferred tax assets that is not more likely than not to be realized. The amount of the deferred tax assets considered realizable, however, could be adjusted if estimates of future taxable income during the carry forwards period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as the Group's projections for growth.

Reconciliation between the provision for income tax computed by applying the statutory tax rate to income before income taxes and the actual provision for income taxes is as follows:

	Year Ended December 31,		
	2018	2019	2020
PRC income tax rate	25.00%	25.00%	25.00%
Share based compensation expenses not deductible for tax purposes	(7.19)%	4.53%	2.35%
Other expenses not deductible for tax purposes	(2.26)%	(1.13)%	(0.12)%
Effect of tax holiday	1.18%	(9.32)%	(0.27)%
Effect of different tax rate of subsidiary operation in other jurisdiction	(6.58)%	2.27%	3.20%
Valuation allowance movement	—	26.29 %	(0.82)%
Withholding tax	(0.69)%	(2.39)%	4.32%
	9.46%	45.25%	33.66%

The aggregate amount and per share effect of the tax holiday are as follows:

	Year Ended December 31,		
	2018	2019	2020
	\$	\$	\$
The aggregate dollar effect	166,874	1,852,419	85,461
Per share effect—basic	0.00	0.01	0.00
Per share effect—diluted	0.00	0.01	0.00

As of December 31, 2019 and 2020, the Group had tax operating loss carry forwards of \$182,439,045, and \$159,850,210, respectively. The tax operating losses of entities not qualified as HNTE are available for offset against future profits that may be carried forward until calendar years 2024 and 2025, respectively and further to 2029 and 2030, respectively for qualified HNTE according to the public announcement made by the State Administration of Taxation in China in 2018.

Undistributed earnings of the Company's PRC subsidiaries of approximately \$138,560,528 at December 31, 2020 are considered to be indefinitely reinvested and, accordingly, no provision for PRC dividend withholding tax has been provided thereon. Upon distribution of those earnings generated after January 1, 2009, in the form of dividends or otherwise, the Group would be subject to the then applicable PRC tax laws and regulations. The amounts of unrecognized deferred tax liabilities for these earnings are in the range of \$6,928,026 to \$13,856,053, as the withholding tax rate of the profit distribution will be 5% or 10% depending on whether the immediate offshore companies can enjoy the preferential withholding tax rate of 5%.

**8. Share-Based Compensation****Leju Plan**

In November 2013, the Company adopted a share incentive plan (“Leju Plan”), which allows the Company to offer a variety of share-based incentive awards to employees, officers, directors and individual consultants who render services to the Group. Under the Leju Plan, the maximum number of shares that may be issued would be 8% of the total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan, and would be increased automatically by 5% of the then total outstanding shares on an as-converted fully diluted basis on each of the third, sixth and ninth anniversaries of the effective date of the Leju Plan. On December 1, 2016, the award pool under Leju plan was automatically increased by 7,553,422 ordinary shares. On December 1, 2019, the award pool under Leju plan was automatically increased by 7,833,224 ordinary shares. Options have a ten-year life.

**Share Options:**

During 2018, the Company granted 5,968,000 options to purchase its ordinary shares to certain of the Group’s employees at an exercise price from \$1.41 to \$1.55 per share. The options expire ten years from the date of grant and vest ratably at each grant date anniversary over a period of three years.

During 2019 and 2020, there were no options granted under Leju Plan.

The Company has used the binomial model to estimate the fair value of the options granted under the Leju Plan. The fair value per option was estimated at the date of grant using the following assumptions:

	<u>2018</u>
Risk-free rate of return	2.96%
Contractual life of option	10 years
Estimated volatility rate	66.34%
Dividend yield	1.00%

A summary of option activities under the Leju Plan during the year ended December 31, 2020 is presented below:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price</u> \$	<u>Weighted Average Remaining Contractual Term (in years)</u>	<u>Aggregate Intrinsic Value of Options</u> \$
Outstanding, as of January 1, 2020	12,768,545	3.33	6.46	
Granted				
Exercised	(429,968)	1.42		471,610
Forfeited	(535,173)	3.66		
Outstanding, as of December 31, 2020	<u>11,803,404</u>	3.39	5.39	
Vested and expected to vest as of December 31, 2020	11,714,361	3.40	5.37	
Exercisable as of December 31, 2020	10,246,364	3.69	5.07	

The weighted average grant-date fair value of the options granted in 2018 was \$0.75 per share. For the years ended December 31, 2018, 2019 and 2020, the Company recorded compensation expenses of \$4,010,147, \$2,268,554 and \$1,415,526 for the share options granted to the Group’s employees, respectively. During the years ended December 31, 2018, 2019 and 2020, nil, 48,757 and 429,968 options were exercised having a total intrinsic value of \$ nil, \$20,441 and \$471,610, respectively. The proceeds from exercise of options were nil, \$69,214 and \$611,734 for the years ended December 31, 2018, 2019 and 2020, respectively.

As of December 31, 2020, there was \$561,737 of total unrecognized compensation expense related to unvested share options granted under the Leju Plan. That cost is expected to be recognized over a weighted-average period of 0.46 years.

**Restricted Shares:**

Restricted shares are restricted from voting or receiving dividends until the shares are vested based on the stipulated service periods as set out in the award agreements.

There were no restricted shares granted under Leju Plan in 2018.

The Company granted 250,000 restricted shares to certain employees in 2019. Under the terms of each restricted shares, restricted shares vest over three years.

On March 15, 2019, the board of directors approved that portion of bonus for the senior management team would be paid in the form of restricted shares. For the year ended December 31, 2019, the Company recorded compensation expenses of \$1,225,000 for 800,000 restricted shares that were granted to the senior management team in June, 2020.

On May 28, 2020, the board of directors also approved that portion of bonus for the senior management team would be paid in the form of restricted shares. For the year ended December 31, 2020, the Company recorded compensation expenses of \$1,425,000 and the restricted shares have not been granted as of report date.

A summary of restricted share activity under the Leju Plan during the year ended December 31, 2020 is presented below:

	Number of Restricted Shares	Weighted Average Grant-date Fair Value \$
Outstanding, as of January 1, 2020	250,000	1.65
Granted	800,000	1.50
Vested	(83,333)	1.65
Forfeited	—	
Outstanding, as of December 31, 2020	<u>966,667</u>	1.53

The total grant-date fair value of restricted shares vested in 2018, 2019 and 2020 was nil, nil and \$137,500, respectively.

For the years ended December 31, 2018, 2019 and 2020, the Company recorded compensation expenses of nil, \$103,125 and \$137,500 for the restricted shares granted to the Group's employees which did not include the restricted shares granted as the bonus for the senior management team, respectively.

As of December 31, 2020, there was \$171,875 of total unrecognized compensation expense related to unvested restricted shares granted under the Leju Plan. That cost is expected to be recognized over a weighted-average period of 1.25 years.

**Omnigold Plan:**

In 2015, the Group's subsidiary, Omnigold Holdings Limited ("Omnigold"), adopted a share incentive plan ("Omnigold Plan"), which proposed that (i) the maximum number of shares of Omnigold available for issuance pursuant to all awards under the Ominigold Plan would initially be 5,000,000 as of the date of the Ominigold Plan was approved and adopted by the Board of Omnigold (the "Effective Dare"), and (ii) the Ominigold Plan would be increased automatically by 5% of the then total issued and outstanding shares of Omnigold on an as-converted fully diluted basis on each of the third, sixth and ninth anniversary of the Effective Date. The options expire ten years from the date of grant and vest ratably at each grant date anniversary over a period of three years.

There were no options granted under Omnigold Plan in 2018, 2019 and 2020.

For the years ended December 31, 2018, 2019 and 2020, the Company recorded compensation expenses of \$48,215, nil and nil, respectively.

There were no options exercised during the years ended December 31, 2018, 2019 and 2020.

As of December 31, 2020, there was no unrecognized compensation expense given that all share options granted under the Omnigold Plan had been vested.

## 9. Employee Benefit Plans

The Group's PRC subsidiaries and VIEs are required by law to contribute a certain percentage of applicable salaries for retirement benefits, medical insurance benefits, housing funds, unemployment and other statutory benefits. The PRC government is directly responsible for the payments of such benefits. The Group contributed \$15,096,793, \$14,444,210, and \$8,027,949 for the years ended December 31, 2018, 2019 and 2020, respectively, for such benefits.

## 10. Distribution of Profits

Relevant PRC statutory laws and regulations permit payment of dividends by the Group's PRC subsidiaries and VIEs only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of the Group's PRC subsidiaries and VIEs is required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of its registered capital. Each of the Group's subsidiaries with foreign investment is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund at the discretion of the board. Although the statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, the reserve funds are not distributable as cash dividends, loans or advances except in the event of liquidation of these subsidiaries.

The amounts of the reserve fund for the Group as of December 31, 2019 and 2020 were \$9,170,389 and \$9,705,317, respectively.

As a result of these PRC laws and regulations, the Group's PRC subsidiaries and VIEs are restricted in their ability to transfer a portion of their net assets, including general reserve and registered capital, either in the form of dividends, loans or advances. Such restricted portion amounted to \$35,493,857, of which \$9,093,749 was attributed to general reserve and registered capital of the VIEs, as of December 31, 2020.

## 11. Segment Information

The Group operates and manages its business as a single segment. The Group uses the management approach to determine operating segments. The management approach considers the internal organization and reporting used by the Group's chief operating decision maker ("CODM") for making decisions, allocating resources and assessing performance. The Group's CODM has been identified as the chief executive officer, who reviews the consolidated results of the Group as a whole when making decisions about allocating resources and assessing performance.

The following table summarizes the revenue information of the Group:

	Year Ended December 31,		
	2018	2019	2020
	\$	\$	\$
E-commerce	320,271,080	547,184,192	547,895,262
Online advertising	138,371,646	143,778,573	170,782,688
Listing	3,387,930	1,642,190	848,033
	<u>462,030,656</u>	<u>692,604,955</u>	<u>719,525,983</u>

### Geographic

Substantially all of the Group's revenues from external customers are located in the PRC.

### **Major customers**

There were no customers from whom revenue accounted for 10% or more of total revenue for the years ended December 31, 2018, 2019 and 2020, respectively.

## 12. Related Party Balances and Transactions

The table below sets forth major related parties and their relationships with the Group:

Company Name	Relationship with the Group
E-House Enterprise	Mr. Xin Zhou, executive chairman of Leju, is E-House Enterprise's chairman. E-House Enterprise was a subsidiary of E-House before it became a listed company in Hong Kong in July, 2018. Leju has been a subsidiary of E-House Enterprise since November 4, 2020. (Note 1)
E-House	Under the common control of E-House Holdings until December 30, 2016, and E-House Holdings became largest shareholder from December 31, 2016 to November 4, 2020. Mr. Xin Zhou, executive chairman of Leju, is E-House's ultimate controller. (Note 1).
SINA	A shareholder with significant influence
Shanghai Yicang Enterprise Management Ltd. ("Yicang")	Mr. Xin Zhou, executive chairman of Leju, is Yicang's chairman and ultimate controller before April 2019. Yicang was disposed of in April, 2019.
Shanghai Tianji Network Services Ltd. ("Tianji Network") (formerly known as Shanghai Yunchuang Information & Technology Ltd.)	Mr. Xin Zhou, executive chairman of Leju, is Tianji Network's ultimate controller
Yunnan Huixiangju Information & Consultant Ltd. ("Huixiangju")	One of the Group's investment affiliates and the Group owns 51% equity interest and has significant influence
Suzhou Qianyisheng Information & Consultant Ltd. ("Qianyisheng")	One of the Group's investment affiliates and the Group owns 19% equity interest and has significant influence
Shanghai Quanzhuyi Home Furnishing Accessories Ltd. ("QuanZhuYi")	One of the Group's investment affiliates and the Group owns 13.5% equity interest and has significant influence
Tencent Holdings Ltd. or certain of its affiliates ("Tencent")	A shareholder with significant influence
Jupai Holdings Ltd. ("Jupai")	Mr. Xin Zhou, executive chairman of Leju, is Jupai's director. E-House Holdings has significant influence on Jupai and Leju

Subsequent to Leju's IPO, E-House began charging the Group corporate service fees pursuant to agreements entered into in March 2014 in connection with Leju's IPO. Under these service arrangements, E-House provides various corporate support services to the Group, including general finance and accounting, human resource management, administrative, internal control and internal audit, operational management, legal and information technology. The termination provisions in the arrangements were amended on November 4, 2020 and E-House continues to provide such services under the amended services arrangements. E-House charges the Group a fee based on an estimate of the actual cost incurred to provide such services, which amounted to \$1,942,495, \$1,772,642 and \$1,910,204 for the years ended December 31, 2018, 2019 and 2020, respectively.

During the years ended December 31, 2018, 2019 and 2020, significant related party transactions were as follows:

	Year Ended December 31,		
	2018	2019	2020
	\$	\$	\$
Corporate service provided by E-House under service agreements	1,942,495	1,772,642	1,910,204
Online advertising resources fee recognized as cost of revenues purchased from SINA	19,828,784	18,281,406	29,322,241
Online advertising resources fee recognized as cost of revenues purchased from Tencent	23,488,344	21,441,779	17,790,501
Services purchased from/rental cost paid to E-House	1,950,976	1,478,163	764,952
Services purchased from E-House Enterprise	4,269,565	7,427,364	21,429,920
Services purchased from Jupai	236,432	132,586	34,160
Services purchased from Tianji Network	17,216	1,090,583	493,176
Services purchased from Yicang (Note B)	9,438	17,767	—
<b>Total services purchased from related parties</b>	<b>51,743,250</b>	<b>51,642,290</b>	<b>71,745,154</b>
Online advertising services provided to E-House	—	23,168	—
Compensation from E-House (Note A)	3,425,741	—	—
Services provided to E-House Enterprise	1,904,027	1,391,448	1,392,190
Services provided to Investing affiliates	—	1,319,805	2,393,204
<b>Total online advertising services provided to related parties</b>	<b>5,329,768</b>	<b>2,734,421</b>	<b>3,785,394</b>
Fee paid to Tencent for advertising resources on behalf of customers (Note C)	—	9,247,005	43,083,548

Note A: On May 28, 2018, the Company entered into an agreement with E-House to entrust the operation of its Online Furnishing platform business to E-House. E-House agreed to compensate the Company for any losses generated from the operation. Likewise, any profit from the operation would be equally shared by the Company and E-House. The amounts represent compensation receivable from E-House due to losses generated from the operation. The compensation was netted of “Selling, general and administrative expenses”. Such agreement was terminated on December 20, 2018.

Note B: Yicang was a related party before it was disposed of in April, 2019. The transactions with Yicang in 2019 represent the services purchased from Yicang from January to April, 2019.

Note C: The Group has determined that it acts as an agent for those arrangements as the Group only earns agreed rebates from certain media outlets and recognizes such rebates as revenue on a net basis. Media outlets grant the Group rebates in the form of prepayments for the media outlets’ services or cash, mainly based on the gross spending of the advertisers. For performance obligations for which it acts as the agent, revenue is recorded net of the costs for advertising placements from suppliers, equal to the amount retained for its fee or commission. Fees paid to Tencent for advertising resources on behalf of customers represent costs paid to Tencent for such arrangements.

The transactions are measured at the amount of consideration established and agreed to by the related parties.

As of December 31, 2019 and 2020, amounts due from related parties were comprised of the following:

	As of December 31,	
	2019	2020
	\$	\$
E-House <sup>(1)</sup>	555,652	—
E-House Enterprise <sup>(2)</sup>	906,009	—
Investing affiliates <sup>(3)</sup>	1,384,378	692
Tencent <sup>(4)</sup>	6,827,030	9,078,854
Allowance for current expected credit losses	—	(3,188)
Total	<u>9,673,069</u>	<u>9,076,358</u>

As of December 31, 2019 and 2020, amounts due to related parties were comprised of the following:

	As of December 31,	
	2019	2020
	\$	\$
E-House <sup>(1)</sup>	—	129,566
SINA <sup>(5)</sup>	3,263,565	3,238,329
Tianji Network <sup>(6)</sup>	1,143,212	1,499,447
E-House Enterprise <sup>(2)</sup>	—	2,238,543
Total	<u>4,406,777</u>	<u>7,105,885</u>

- (1) The amounts due from/to E-House as of December 31, 2019 and 2020 were primarily for net results for compensation receivable from E-House (See Note A) and payable for corporate service fees charged by E-House.
- (2) The amounts due from/to E-House Enterprise as of December 31, 2019 and 2020 represent net results for receivable for online advertising revenue from E-House Enterprise and payable for marketing service fees charged by E-House Enterprise.
- (3) The amounts due from affiliates as of December 31, 2019 and 2020 represent receivable for e-commerce platform service fee from Huixiangju and the expense paid on behalf of Qianyisheng.

- (4) The amounts due from Tencent as of December 31, 2019 and 2020 represent prepaid fees for online advertising resources.
- (5) The amounts due to SINA as of December 31, 2019 and 2020 represent payable for online advertising resources fee.
- (6) The amounts due to Tianji Network as of December 31, 2019 and 2020 represent payable for technical service fees.

The roll forward of the payable to / (receivable from) E-House for the years ended December 31, 2018, 2019 and 2020 is as follows:

		Year Ended December 31,		
		2018	2019	2020
		\$	\$	\$
Balance at January 1		1,376,955	(894,222)	(555,652)
Receivable from E-House Enterprise as of January 1, 2018	(A)	466,722	—	—
Corporate service provided by E-House under services agreements	(B)	1,942,495	1,772,642	1,910,204
Service provided to E-House	(B)	—	(23,168)	—
Service purchased from/rental cost paid to E-House	(B)	1,950,976	1,478,163	764,952
Compensation from E-House	(C)	(3,425,741)	—	—
Net payment	(D)	(3,205,629)	(2,889,067)	(1,989,938)
Balance at December 31		(894,222)	(555,652)	129,566
			As of December 31,	
			2019	2020
			\$	\$
Net results for service fee (B) and compensation from E-House (C)			(555,652)	129,566
Amounts due to/(due from) E-House			(555,652)	129,566

(A) Represents receivable from E-House Enterprise as of January 1, 2018. E-House Enterprise was no longer a subsidiary of E-House from 2018. Therefore, the amount due from E-House Enterprise as of January 1, 2018 has been carved out from the current period's reconciliation.

(B) Represents services provided by or to E-House.

(C) Represents compensation from E-House. See Note A above.

(D) Represents net cash payment for activities (B and C) between the Company and E-House.

The roll forward of the payable to / (receivable from) E-House Enterprise for the year ended December 31, 2020 are as follows:

		Year Ended December 31,	
		2020	
		\$	
Balance at January 1			(906,009)
Service provided to E-House Enterprise	(E)		(1,392,190)
Service purchased from E-House Enterprise	(E)		21,429,920
Net payment	(F)		(16,893,178)
Balance at December 31			2,238,543

(E) Represents services provided by or to E-House Enterprise.

(F) Represents net cash flow for the activities E between the Company and E-House Enterprise.

### **13. Commitments and Contingencies**

The Group is subject to claims and legal proceedings that arise in the ordinary course of its business. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be decided unfavorably to the Group. The Group does not believe that any of these matters will have a material effect on its business, assets or operations.

### **14. Subsequent Events**

There is no significant subsequent event occurred.

## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Shanghai SINA Leju Information Technology Co., Ltd.**

Address: Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China

**Party B: Yinyu HE**

Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party C: Beijing Yisheng Leju Information Services Co., Ltd.**

Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 20% of equity interest in Party C, representing RMB 2 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 2 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest**

1.1 Grant of Option

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

1.2 Steps for Exercise

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”), specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB 2 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement, Party A may upon its exercising the Equity Interest Call Option choose to pay the Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Purchase Price set forth herein, as a result of which the minimum Purchase Price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertakings

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
- 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
- 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
- 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
- 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
- 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
- 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
- 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
- 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.

## 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the Exclusive Call Option Agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

### 4 Term of Agreement

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

## **5 Governing Law and Resolution of Disputes**

### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

## **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;

7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and

7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

## **9 Further Warranties**

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

## **10 Default Liability**

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A.

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

## **11 Miscellaneous**

### 11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

### 11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

### 11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

### 11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

### 11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

This Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on February 17, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on February 17, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: /s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Shanghai SINA Leju Information Technology Co., Ltd.**

Address: Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China

**Party B: Xudong ZHU**

Address: 5F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

**Party C: Beijing Yisheng Leju Information Services Co., Ltd.**

Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 80% of equity interest in Party C, representing RMB 8 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 8 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest****1.1 Grant of Option**

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

**1.2 Steps for Exercise**

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”), specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB 4.5 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement, Party A may upon its exercising the Equity Interest Call Option choose to pay the Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Purchase Price set forth herein, as a result of which the minimum Purchase Price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertakings

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
  - 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
  - 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
  - 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
  - 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
  - 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
  - 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
  - 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
  - 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
  - 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
  - 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.
- 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the Exclusive Call Option Agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

### 4 Term of Agreement

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

## **5 Governing Law and Resolution of Disputes**

### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

## **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;

7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and

7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Xudong ZHU  
Address: 5F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Xudong ZHU  
Fax: 021-60868860  
E-mail: jinyue200608@163.com

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

**9 Further Warranties**

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

**10 Default Liability**

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A.

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

**11 Miscellaneous**

11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

This Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on February 17, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on February 17, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Xudong ZHU**

By: /s/ Xudong ZHU

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

Shanghai SINA Leju Information Technology Co., Ltd., (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China; and

Yinyu HE (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”).

**Whereas:**

- A. Beijing Yisheng Leju Information Services Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 10 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 2 million, holding 20% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB 2 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

**1 Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 2 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the Exclusive Call Option Agreement (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with for the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
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- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the exclusive option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to:
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
  - 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
  - 3.2 The Borrower undertakes that during the valid term hereof, it shall:
    - 3.2.1 Make its best effort to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
    - 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
    - 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
    - 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
    - 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
    - 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
    - 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
    - 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
    - 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;
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- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.

- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.
- 8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated February 16, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on February 16, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Shanghai SINA Leju Information Technology Co., Ltd. (Seal)

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Yinyu HE

By:  /s/ Yinyu HE

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

Shanghai SINA Leju Information Technology Co., Ltd., (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China; and

Xudong ZHU (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”).

**Whereas:**

- A. Beijing Yisheng Leju Information Services Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 10 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 8 million, holding 80% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB 8 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

**1 Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 8 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the Exclusive Call Option Agreement Exclusive Call Option Exclusive Call Option (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with for the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
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- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the exclusive option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to:
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
- 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
- 3.2 The Borrower undertakes that during the valid term hereof, it shall:
- 3.2.1 Make its best efforts to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
- 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
- 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
- 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
- 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
- 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
- 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
- 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
- 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;

- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Xudong ZHU  
Address: 5F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Xudong ZHU  
Fax: 021- 60868860  
E-mail: jinyue200608@163.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.

- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.
- 8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated February 16, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on February 16, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Shanghai SINA Leju Information Technology Co., Ltd. (Seal)

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Xudong ZHU

By:  /s/ Xudong ZHU

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## Powers of Attorney

I, Yinyu HE, a Chinese citizen with ID card number of [\*]. I, as of the date of this Powers of Attorney, own 20% of the equity interest of Beijing Yisheng Leju Information Services Co., Ltd. (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Shanghai SINA Leju Information Technology Co., Ltd. (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China Online Housing (Hong Kong) Co., Limited, and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized hereunder, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Call Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Interest Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed by me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

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Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated February 17, 2017 by and among myself, Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Xudong ZHU, and the Powers of Attorney dated February 17, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated February 17, 2017 by and among myself, Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Xudong ZHU and the Powers of Attorney dated February 17, 2017 issued by myself shall be invalid immediately.

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IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Yinyu HE**

By: /s/ Yinyu HE

Accepted by:

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

By: /s/ Yinyu HE  
Name: Yinyu HE  
Title: Legal Representative

Acknowledged by:

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

By: /s/ Yinyu HE  
Name: Yinyu HE  
Title: Legal Representative

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### Powers of Attorney

I, Xudong ZHU, a Chinese citizen with ID card number of [\*]. I, as of the date of this Powers of Attorney, own 80% of the equity interest of Beijing Yisheng Leju Information Services Co., Ltd. (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Shanghai SINA Leju Information Technology Co., Ltd. (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China Online Housing (Hong Kong) Co., Limited, and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized hereunder, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Call Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed by me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

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Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated February 17, 2017 by and among myself, Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Yinyu HE, and the Powers of Attorney dated February 17, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated February 17, 2017 by and among myself, Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd. and Yinyu HE and the Powers of Attorney dated February 17, 2017 issued by myself shall be invalid immediately.

*(The remainder of this page intentionally left blank)*

IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Xudong ZHU**

By: /s/ Xudong ZHU

Accepted by:

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

Acknowledged by:

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Shanghai SINA Leju Information Technology Co., Ltd. (the “**the Pledgee**”)  
Address: Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China

Party B: Yinyu HE (the “**Pledgor**”)  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [\*] and as of the date hereof holds 20% of equity interest in Party C, representing RMB 2 million of the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaged in information service and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
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- 1.2 Pledged Equity Interest: shall refer to 20% equity interest in Party C currently held by the Pledgor, representing RMB 2 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contractual Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent administration for industry and commerce. The Pledge shall remain effective until (1) all Contractual Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent administration for industry and commerce within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent administration for industry and commerce, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the administration for industry and commerce having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**"). Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the administration for industry and commerce to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and

- 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.
- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contractual Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor.

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contractual Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contractual Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## 14 Governing Law and Resolution of Disputes

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, notice shall be deemed to have been received on the next business day.
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated February 17, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated February 17, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: /s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Shanghai SINA Leju Information Technology Co., Ltd. (the “**the Pledgee**”)  
Address: Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China

Party B: Xudong ZHU (the “**Pledgor**”)  
Address: 5F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [\*] and as of the date hereof holds 80% of equity interest in Party C, representing RMB 8 million of the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaged in information service and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
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- 1.2 Pledged Equity Interest: shall refer to 80% equity interest in Party C currently held by the Pledgor, representing RMB 8 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contractual Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge shall take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent administration for industry and commerce. The Pledge shall remain effective until (1) all Contractual Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent administration for industry and commerce within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent administration for industry and commerce, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the administration for industry and commerce having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**"). Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the administration for industry and commerce to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and
  - 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contractual Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor.

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contractual Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contractual Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **14 Governing Law and Resolution of Disputes**

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, notice shall be deemed to have been received on the next business day.
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Xudong ZHU  
Address: 5F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Xudong ZHU  
Fax: 021- 60868860  
E-mail: jinyue200608@163.com

Party C: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated February 17, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated February 17, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Xudong ZHU**

By:     /s/ Xudong ZHU    

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this “**Agreement**”) is entered into by and between the following parties on November 4, 2020 in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

**Party A: Shanghai SINA Leju Information Technology Co., Ltd.**

Address: Room 204-B, 128 North Zhangjiabang Road, Free Trade Pilot Zone (Shanghai), China

**Party B: Beijing Yisheng Leju Information Services Co., Ltd.**

Address: Rooms 806-810, Ideal Plaza, 58 Bei Si Huan Xi Road, Haidian District, Beijing

(The above parties are hereinafter referred to as a “**Party**” individually, and as the “**Parties**” collectively.)

**Whereas:**

- (1) Party A is a wholly foreign-owned enterprise established in China, and has the necessary resources to provide technical support, consultation and other services;
- (2) Party B is a domestic company established in China engaged in information service related business (the businesses activities operated and developed by Party B currently and any time during the term of this Agreement are collectively referred to as the “**Principal Business**”); and
- (3) Party A is willing to utilize its advantages in technology, human resources, and information to provide Party B with technical support, consulting services and other services on exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or its designee(s) pursuant to the terms set forth herein.

The Parties, after consultations, hereby agree as follows:

### 1 Services Provided by Party A

- 1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as the exclusive services provider to provide Party B with comprehensive technical support, consultation and other services during the term of this Agreement, including but not limited to the following:
    - (1) License Party B to use the relevant applications legally owned by Party A;
    - (2) Development, maintenance and updating of relevant applications required for Party B’s business;
    - (3) Design, installation, daily management, maintenance and updating of network systems, hardware and database;
    - (4) Provide technical support and professional training to employees of Party B;
-

- (5) Assist Party B in consulting, collecting and investigating relevant technical and market information (excluding market research business which wholly foreign-owned enterprises are prohibited from operation under PRC Laws);
- (6) Provide business management consultation to Party B;
- (7) Provide marketing and promotional services to Party B;
- (8) Provide customer order management and customer services to Party B;
- (9) Transfer, lease and disposal of equipment and assets; and
- (10) Other services provided from time to time at the request of Party B, to the extent permitted by PRC Laws.

1.2 Party B shall accept the services provided by Party A and further agree that, without the prior written consent of Party A, during the term of this Agreement and with respect to the services subject to service under this Agreement and other matters, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed under this Agreement with any third party. The Parties agree that Party A may appoint any other party (such party may enter into certain agreements described under Section 1.5 hereof with Party B) to provide Party B with the services under this Agreement.

1.3 Party A shall have the right to check the accounts of Party B regularly and at any time, and Party B shall keep the accounts in a timely and accurate manner and provide the accounts to Party A upon request. During the term of this Agreement and to the extent not in violation of the applicable laws, Party B agrees to cooperate with Party A and Party A's shareholders (including direct or indirect shareholders ) in conducting audits (including but not limited to audit of connected transactions and other various audits), provide Party A, Party A's shareholders and/or the auditor engaged by them with the relevant information and materials relating to Party B's operation, business, customers, finance, and employees, and consents Party A's shareholders to disclose such information and materials to satisfy the regulatory requirements in connection with listing of its securities.

1.4 When Party B is liquidated or dissolved due to various reasons, to the extent permitted under the PRC Laws and regulations, Party B shall appoint a liquidation team composed of the persons recommended by Party A to administer the assets of Party B and its subsidiaries. Party B acknowledges that in the event of its liquidation or dissolution, Party B agrees to deliver all the remaining assets obtained by Party B from such liquidation to Party A in accordance with the PRC Laws and regulations, regardless of whether this Agreement can be enforced or not.

#### 1.5 Methods of Service Provision

1.5.1 Party A and Party B agree that during the term of this Agreement, Party B may enter into supplementary service agreements with Party A or its designee(s), to agree on, among other things, the specific contents, methods, personnel, and fees of such service.

1.5.2 To facilitate performing this Agreement, Party A and Party B agree that during the term of this Agreement, Party B may enter into equipment or assets leases agreement with Party A or its designee(s) at any time based on the needs of business, and Party A shall provide the relevant equipment and assets to Party B for use.

- 1.5.3 Party B hereby grants to Party A an exclusive and irrevocable option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted by the PRC Laws, and at the lowest purchase price permitted by PRC Laws. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

## **2 The Calculation and Payment of the Service Fees**

- 2.1 The Service Fees under this Agreement shall be 100% of the total consolidated profit of Party B for any fiscal year, *less* any accumulated deficit of Party B and its subsidiaries, and further *less* any operating costs, expenses, taxes and other statutory contributions incurred in any fiscal year. Notwithstanding the foregoing, Party A may adjust the scope and amount of the Service Fees in accordance with PRC tax laws, regulations and practices and with reference to Party B's needs for working capital, and Party B shall accept such adjustments.
- 2.2 Party A shall calculate the Service Fees on a monthly basis and issue relevant invoice to Party B. Party B shall pay the Service Fees to the bank account designated by Party A within ten (10) business days after receiving the invoice, and will send the copy of payment voucher to Party A by fax or email within ten (10) business days after the payment. Party A shall issue the receipt for such payment within ten (10) business days after its receipt of the service fee. Notwithstanding the foregoing, Party A may adjust the payment time and methods of the Service Fees at its sole discretion. Party B shall accept such adjustment.

## **3 Intellectual Property Rights and Confidentiality Clauses**

- 3.1 Party A shall have sole and exclusive ownership, rights and interests in any and all intellectual properties or intangible assets (including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others) created or developed during the Parties' performance of this Agreement (to the extent not prohibited by PRC Laws). Unless expressly authorized by Party A, Party B shall not have any rights or interest in the intellectual properties used in connection with the Services provided by Party A under this Agreement. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of granting any ownership, right or interest of any such intellectual properties and intangible assets to Party A, and/or perfecting the protections for any such intellectual properties and intangible assets of Party A (including, without limitation, registering such intellectual properties and intangible assets under the name of Party A).
- 3.2 The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

## 4 Representations and Warranties

4.1 Party A hereby represents, warrants and covenants as follows:

- 4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing in accordance with PRC Laws; Party A or the service providers designated by Party A will obtain all government permits and licenses necessary for providing the service under this Agreement before providing such services.
- 4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if any) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation binding on Party A.
- 4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against Party A in accordance with its terms.

4.2 Party B hereby represents, warrants and undertakes as follows:

- 4.2.1 Party B is a company legally established and validly existing in accordance with the PRC Laws and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.
- 4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any law or regulation binding on Party B.
- 4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, enforceable against Party B in accordance with its terms.

## 5 Term of Agreement

- 5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective permanently.
- 5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by the relevant governmental authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

## 6 Governing Law and Dispute Resolution

- 6.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 6.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief including, but not limited to, those required for the conduct of business, limit or restrict the transfer of assets or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in PRC, the courts located in Hong Kong and the courts located in Cayman Islands) during formation of the arbitration tribunal.
- 6.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 7 Default Liability And Indemnification

- 7.1 If Party B materially violates any term of this Agreement, Party A shall be entitled to (1) terminate this Agreement and require Party B to fully indemnify all damages; or (2) to enforce the performance by Party B of its obligations under this Agreement and to demand all damages from Party B. This Section 7.1 shall not preclude Party A's exercise of any of its other rights under this Agreement.
- 7.2 Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.
- 7.3 Party B shall indemnify and hold Party A harmless from any losses, damage, liabilities or expenses incurred in connection with any action, claim or other demand against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, unless such loss, damage, liability or expense arises out of Party A gross negligence or willful misconduct.

## 8 Force Majeure

- 8.1 In the case of any force majeure events (the "**Force Majeure**") such as earthquake, typhoon, flood, fire, flu, war, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which directly or indirectly causes the failure of either Party to perform or completely perform this Agreement, then the Party affected by such Force Majeure event shall not be liable for such non-performance or partial performance, provided that such affected Party shall immediately give written notice to the other Party without delay and shall, within fifteen days of such written notice, provide the other Party with details of the Force Majeure event explaining the reasons for such failure, partial failure or delay in performance.

- 8.2 The Party encountering the Force Majeure event shall not be released from the liability for failure to perform its obligations under this Agreement if it fails to notify the other party and provide appropriate proof in accordance with the above provisions. The Party affected by Force Majeure shall make reasonable efforts to mitigate the consequences of such Force Majeure event and shall resume performance of all relevant obligations as soon as possible after the elimination of such Force Majeure event. If the Party affected by the Force Majeure event fails to resume performance of its obligations after elimination of the Force Majeure event, that Party shall be liable to the other Party for such non-performance.
- 8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavors to minimize the consequences of such Force Majeure.

## 9 Notices

- 9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand, or registered mail with postage prepaid, or commercial courier service, or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The date on which such notice is deemed to have been validly served is determined as follows:
- 9.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 9.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail;
- 9.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.
- 9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai SINA Leju Information Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Beijing Yisheng Leju Information Services Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

9.3 Either party may change its address for receipt of notices by giving notice to the other party in the manner provided in this Article.

#### **10 Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B but without the consent of Party B.

#### **11 Miscellaneous**

11.1 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.2 Any amendments and supplements to this Agreement shall be in writing. Any amendment and supplement to this Agreement that have been signed by the Parties shall be an integral part of this Agreement and shall have the same effect as this Agreement.

11.3 This Agreement shall be executed in duplicate, and each of Party A and Party B shall have one thereof.

11.4 This Agreement supersedes and replaces the exclusive technology provision agreement entered into between the Parties on May 8, 2008. Upon the effectiveness of this Agreement, the exclusive technology provision agreement executed by the Parties on May 8, 2008 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Business Cooperation Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai SINA Leju Information Technology Co., Ltd. (Seal)**

/seal/ Shanghai SINA Leju Information Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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**IN WITNESS WHEREOF**, the Parties have caused this Exclusive Business Cooperation Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Yisheng Leju Information Services Co., Ltd. (Seal)**

/seal/ Beijing Yisheng Leju Information Services Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Shanghai Yi Yue Information Technology Co. Ltd**

Address: Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai

**Party B: Yinyu HE**

Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party C: Shanghai Yi Xin E-Commerce Co., Ltd.**

Address: Ground Floor, 10A, 393 Lane, Zhijiang West Road, Zhabei District, Shanghai

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 70% of equity interest in Party C, representing RMB 10.5 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 10.5 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest****1.1 Grant of Option**

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

**1.2 Steps for Exercise**

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”), specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB 10.5 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement, Party A may upon its exercising the Equity Interest Call Option choose to pay the Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Purchase Price set forth herein, as a result of which the minimum Purchase Price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertaking

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
- 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
- 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
- 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
- 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
- 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
- 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
- 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
- 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.

## 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the exclusive option agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

### 4 Term of Agreement

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

## **5 Governing Law and Resolution of Disputes**

### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

## **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;

7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and

7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

## **9 Further Warranties**

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

## **10 Default Liability**

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A.

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

## **11 Miscellaneous**

### 11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

### 11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

### 11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

### 11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

### 11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

The Parties agree that this Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on March 2, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on March 2, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: /s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Xin E-Commerce Co., Ltd.** (Seal)

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

By: \_\_\_\_\_  
Name: Jing FU  
Title: Legal Representative

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## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Shanghai Yi Yue Information Technology Co. Ltd.**

Address: Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai

**Party B: Weijie MA**

Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

**Party C: Shanghai Yi Xin E-Commerce Co., Ltd.**

Address: Ground Floor, 10A, 393 Lane, Zhijiang West Road, Zhabei District, Shanghai

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 30% of equity interest in Party C, representing RMB 4.5 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 4.5 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest****1.1 Grant of Option**

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

**1.2 Steps for Exercise**

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”), specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Equity Interest Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB4.5 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Equity Interest Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Equity Interest Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement Party A may upon its exercising the Equity Interest Call Option choose to pay the Equity Interest Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Equity Interest Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Equity Interest Purchase Price set forth herein, as a result of which the minimum equity interest purchase price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertaking

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
- 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
- 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
- 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
- 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
- 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
- 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
- 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
- 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.

## 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the Exclusive Call Option Agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

#### **4 Term of Agreement**

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

#### **5 Governing Law and Resolution of Disputes**

##### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

##### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

#### **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

#### **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

- 7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and
- 7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business days in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021-61330707  
E-mail: wajor@ehousechina.com

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

## 9 Further Warranties

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

## 10 Default Liability

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

## 11 Miscellaneous

### 11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

### 11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

### 11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

### 11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

The Parties agree that this Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on March 2, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on March 2, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Weijie MA**

By:  /s/ Weijie MA

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Xin E-Commerce Co., Ltd.** (Seal)

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

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

Name: Jing FU

Title: Legal Representative

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

**Shanghai Yi Yue Information Technology Co. Ltd.**, (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai; and

**Yinyu HE** (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”.)

### Whereas:

- A. Shanghai Yi Xin E-Commerce Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 15 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 10.5 million, holding 70% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB10.5 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

### 1 **Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 10.5 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the Exclusive Call Option Agreement (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
-

- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the Exclusive Call Option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to:
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
- 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
- 3.2 The Borrower undertakes that during the valid term hereof, it shall:
- 3.2.1 Make its best efforts to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
- 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
- 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
- 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
- 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
- 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
- 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
- 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
- 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;

- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.

7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.
- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated March 1, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on March 1, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Shanghai Yi Yue Information Technology Co. Ltd. (Seal)

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Yinyu HE

By: /s/ Yinyu HE

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

Shanghai Yi Yue Information Technology Co. Ltd. (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai; and

Weijie MA (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”.)

**Whereas:**

- A. Shanghai Yi Xin E-Commerce Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 15 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 4.5 million, holding 30% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB4.5 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

**1 Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 4.5 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the Exclusive Call Option Agreement (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
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- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the exclusive option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to :
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
- 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
- 3.2 The Borrower undertakes that during the valid term hereof, it shall:
- 3.2.1 Make its best efforts to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
- 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
- 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
- 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
- 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
- 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
- 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
- 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
- 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;

- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021- 61330707  
E-mail: wajor@ehousechina.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.
- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated March 1, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on March 1, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Shanghai Yi Yue Information Technology Co. Ltd. (Seal)

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Weijie MA

By: /s/ Weijie MA

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## Powers of Attorney

I, Yinyu HE, a Chinese citizen with ID number of [\*]. I, as of the date of this Powers of Attorney, own 70% of the equity interest of Shanghai Yi Xin E-Commerce Company Limited (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Shanghai Yi Yue Information Technology Co. Ltd. (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China E-Real Estate Group Ltd., and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized hereunder, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed by me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

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The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated March 2, 2017 by and among myself, Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Weijie MA, and the Powers of Attorney dated March 2, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated March 2, 2017 by and among myself, Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Weijie MA and the Powers of Attorney dated March 2, 2017 issued by myself shall be invalid immediately.

*(The remainder of this page intentionally left blank)*

IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Yinyu HE**

By: /s/ Yinyu HE

Accepted by:

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

Acknowledged by:

**Shanghai Yi Xin E-Commerce Co., Ltd. (Seal)**

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

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

Name: Jing FU

Title: Legal Representative

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## Powers of Attorney

I, Weijie MA, a Chinese citizen with ID number of [\*]. I, as of the date of this Powers of Attorney, own 30% of the equity interest of Shanghai Yi Xin E-Commerce Company Limited (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Shanghai Yi Yue Information Technology Co. Ltd. (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China E-Real Estate Group Ltd., and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized here under, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Call Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

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The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those portions that in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated March 2, 2017 by and among myself, Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Yinyu HE, and the Powers of Attorney dated March 2, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated March 2, 2017 executed by and among myself, Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd. and Yinyu HE and the Powers of Attorney dated March 2, 2017 issued by myself shall be invalid immediately.

*(The remainder of this page intentionally left blank)*

IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Weijie MA**

By: /s/ Weijie MA

Accepted by:

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

Acknowledged by:

**Shanghai Yi Xin E-Commerce Co., Ltd. (Seal)**

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

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

Name: Jing FU

Title: Legal Representative

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## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Shanghai Yi Yue Information Technology Co. Ltd. (the “**the Pledgee**”)  
Address: Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai

Party B: Yinyu HE (the “**Pledgor**”)  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: Ground Floor, 10A, 393 Lane, Zhijiang West Road, Zhabei District, Shanghai

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [\*] and as of the date hereof holds 70% of equity interest in Party C, representing RMB10.5 million of the registered capital of Party C. Party C is a limited liability company registered in Shanghai, China, engaged in e-commerce and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
-

- 1.2 Pledged Equity Interest: shall refer to 70% equity interest in Party C currently held by the Pledgor, representing RMB10.5 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contractual Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge shall take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent administration for industry and commerce. The Pledge shall remain effective until (1) all Contractual Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent administration for industry and commerce within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent administration for industry and commerce, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the administration for industry and commerce having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**"). Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the administration for industry and commerce to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association, bylaws or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and
  - 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contractual Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor..

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contractual Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contractual Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **14 Governing Law and Resolution of Disputes**

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal .
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, notice shall be deemed to have been received on the next business day .
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated March 2, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated March 2, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: /s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Xin E-Commerce Co., Ltd.** (Seal)

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

By: \_\_\_\_\_  
Name: Jing FU  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Shanghai Yi Yue Information Technology Co. Ltd. (the “**the Pledgee**”)  
Address: Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai

Party B: Weijie MA (the “**Pledgor**”)  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: Ground Floor, 10A, 393 Lane, Zhijiang West Road, Zhabei District, Shanghai

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [\*] and as of the date hereof holds 30% of equity interest in Party C, representing RMB 4.5 million of the registered capital of Party C. Party C is a limited liability company registered in Shanghai, China, engaged in e-commerce and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
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- 1.2 Pledged Equity Interest: shall refer to 30% equity interest in Party C currently held by the Pledgor, representing RMB 4.5 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations..
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contractual Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge shall take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent administration for industry and commerce. The Pledge shall remain effective until (1) all Contractual Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent administration for industry and commerce within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent administration for industry and commerce, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the administration for industry and commerce having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**"). Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the administration for industry and commerce to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association, bylaws or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and
  - 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contractual Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor.

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contractual Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contractual Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be born by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **14 Governing Law and Resolution of Disputes**

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Shanghai, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, notice shall be deemed to have been received on the next business day.
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021- 61330707  
E-mail: wajor@ehousechina.com

Party C: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated March 2, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated March 2, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Weijie MA**

By: /s/ Weijie MA

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Xin E-Commerce Co., Ltd.** (Seal)

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

By: \_\_\_\_\_  
Name: Jing FU  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this “**Agreement**”) is entered into by and between the following parties on November 4, 2020 in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

**Party A: Shanghai Yi Yue Information Technology Co. Ltd.**

Address: Room A463, Building 7, 700 Wanrong Road, Jing’an District, Shanghai

**Party B: Shanghai Yi Xin E-Commerce Co., Ltd.**

Address: Ground Floor, 10A, 393 Lane, Zhijiang West Road, Zhabei District, Shanghai

(The above parties are hereinafter referred to as a “**Party**” individually, and as the “**Parties**” collectively.)

**Whereas:**

- (1) Party A is a wholly foreign-owned enterprise established in China, and has the necessary resources to provide technical support, consultation and other services;
- (2) Party B is a domestic company established in China engaged in e-commerce related business (the businesses activities operated and developed by Party B currently and any time during the term of this Agreement are collectively referred to as the “**Principal Business**”); and
- (3) Party A is willing to utilize its advantages in technology, human resources, and information to provide Party B with technical support, consulting services and other services on exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or its designee(s) pursuant to the terms set forth herein.

The Parties, after consultations, hereby agree as follows:

### 1 Services Provided by Party A

- 1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as the exclusive services provider to provide Party B with comprehensive technical support, consultation and other services during the term of this Agreement, including but not limited to the following:
    - (1) License Party B to use the relevant applications legally owned by Party A;
    - (2) Development, maintenance and updating of relevant applications required for Party B’s business;
    - (3) Design, installation, daily management, maintenance and updating of network systems, hardware and database;
    - (4) Provide technical support and professional training to employees of Party B;
-

- (5) Assist Party B in consulting, collecting and investigating relevant technical and market information (excluding market research business which wholly foreign-owned enterprises are prohibited from operation under PRC law);
- (6) Provide business management consultation to Party B;
- (7) Provide marketing and promotional services to Party B;
- (8) Provide customer order management and customer services to Party B;
- (9) Transfer, lease and disposal of equipment and assets; and
- (10) Other services provided from time to time at the request of Party B, to the extent permitted by PRC Laws.

1.2 Party B shall accept the services provided by Party A and further agree that, without the prior written consent of Party A, during the term of this Agreement and with respect to the services subject to service under this Agreement and other matters, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed under this Agreement with any third party. The Parties agree that Party A may appoint any other party (such party may enter into certain agreements described under Section 1.5 hereof with Party B) to provide Party B with the services under this Agreement.

1.3 Party A shall have the right to check the accounts of Party B regularly and at any time, and Party B shall keep the accounts in a timely and accurate manner and provide the accounts to Party A upon request. During the term of this Agreement and to the extent not in violation of the applicable laws, Party B agrees to cooperate with Party A and Party A's shareholders (including direct or indirect shareholders ) in conducting audits (including but not limited to audit of connected transactions and other various audits), provide Party A, Party A's shareholders and/or the auditor engaged by them with the relevant information and materials relating to Party B's operation, business, customers, finance, and employees, and consents Party A's shareholders to disclose such information and materials to satisfy the regulatory requirements in connection with listing of its securities.

1.4 When Party B is liquidated or dissolved due to various reasons, to the extent permitted under the PRC laws and regulations, Party B shall appoint a liquidation team composed of the persons recommended by Party A to administer the assets of Party B and its subsidiaries. Party B acknowledges that in the event of its liquidation or dissolution, Party B agrees to deliver all the remaining assets obtained by Party B from such liquidation to Party A in accordance with the PRC laws and regulations, regardless of whether this Agreement can be enforced or not.

#### 1.5 Methods of Service Provision

1.5.1 Party A and Party B agree that during the term of this Agreement, Party B may enter into supplementary service agreements with Party A or its designee(s), to agree on, among other things, the specific contents, methods, personnel, and fees of such service.

1.5.2 To facilitate performing this Agreement, Party A and Party B agree that during the term of this Agreement, Party B may enter into equipment or assets leases agreement with Party A or its designee(s) at any time based on the needs of business, and Party A shall provide the relevant equipment and assets to Party B for use.

1.5.3 Party B hereby grants to Party A an exclusive and irrevocable option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted by the PRC laws, and at the lowest purchase price permitted by PRC Laws. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

## **2 The Calculation and Payment of the Service Fees**

2.1 The Service Fees under this Agreement shall be 100% of the total consolidated profit of Party B for any fiscal year, *less* any accumulated deficit of Party B and its subsidiaries, and further *less* any operating costs, expenses, taxes and other statutory contributions incurred in any fiscal year. Notwithstanding the foregoing, Party A may adjust the scope and amount of the Service Fees in accordance with PRC tax laws, regulations and practices and with reference to Party B's needs for working capital, and Party B shall accept such adjustments.

2.2 Party A shall calculate the Service Fees on a monthly basis and issue relevant invoice to Party B. Party B shall pay the Service Fees to the bank account designated by Party A within ten (10) business days after receiving the invoice, and will send the copy of payment voucher to Party A by fax or email within ten (10) business days after the payment. Party A shall issue the receipt for such payment within ten (10) business days after its receipt of the service fee. Notwithstanding the foregoing, Party A may adjust the payment time and methods of the Service Fees at its sole discretion. Party B shall accept such adjustment.

## **3 Intellectual Property Rights and Confidentiality Clauses**

3.1 Party A shall have sole and exclusive ownership, rights and interests in any and all intellectual properties or intangible assets (including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others) created or developed during the Parties' performance of this Agreement (to the extent not prohibited by PRC Laws). Unless expressly authorized by Party A, Party B shall not have any rights or interest in the intellectual properties used in connection with the Services provided by Party A under this Agreement. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of granting any ownership, right or interest of any such intellectual properties and intangible assets to Party A, and/or perfecting the protections for any such intellectual properties and intangible assets of Party A (including, without limitation, registering such intellectual properties and intangible assets under the name of Party A).

3.2 The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

## 4      **Representations and Warranties**

4.1      Party A hereby represents, warrants and covenants as follows:

- 4.1.1    Party A is a wholly foreign-owned enterprise legally established and validly existing in accordance with PRC Laws; Party A or the service providers designated by Party A will obtain all government permits and licenses necessary for providing the service under this Agreement before providing such services.
- 4.1.2    Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if any) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation binding on Party A.
- 4.1.3    This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against Party A in accordance with its terms.

4.2      Party B hereby represents, warrants and undertakes as follows:

- 4.2.1    Party B is a company legally established and validly existing in accordance with the PRC Laws and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.
- 4.2.2    Party B has taken all necessary corporate actions, obtained all necessary authorizations as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any law or regulation binding on Party B.
- 4.2.3    This Agreement constitutes Party B's legal, valid and binding obligations, enforceable against Party B in accordance with its terms.

## 5      **Term of Agreement**

- 5.1      This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective permanently.
- 5.2      During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by the relevant governmental authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

## 6 Governing Law and Dispute Resolution

- 6.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 6.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief including, but not limited to, those required for the conduct of business, limit or restrict the transfer of assets or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in PRC, the courts located in Hong Kong and the courts located in Cayman Islands) during formation of the arbitration tribunal.
- 6.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 7 Default Liability And Indemnification

- 7.1 If Party B materially violates any term of this Agreement, Party A shall be entitled to (1) terminate this Agreement and require Party B to fully indemnify all damages; or (2) to enforce the performance by Party B of its obligations under this Agreement and to demand all damages from Party B. This Section 7.1 shall not preclude Party A's exercise of any of its other rights under this Agreement.
- 7.2 Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.
- 7.3 Party B shall indemnify and hold Party A harmless from any losses, damage, liabilities or expenses incurred in connection with any action, claim or other demand against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, unless such loss, damage, liability or expense arises out of Party A gross negligence or willful misconduct.

## 8 Force Majeure

- 8.1 In the case of any force majeure events (the "**Force Majeure**") such as earthquake, typhoon, flood, fire, flu, war, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which directly or indirectly causes the failure of either Party to perform or completely perform this Agreement, then the Party affected by such Force Majeure event shall not be liable for such non-performance or partial performance, provided that such affected Party shall immediately give written notice to the other Party without delay and shall, within fifteen days of such written notice, provide the other Party with details of the Force Majeure event explaining the reasons for such failure, partial failure or delay in performance.

- 8.2 The Party encountering the Force Majeure event shall not be released from the liability for failure to perform its obligations under this Agreement if it fails to notify the other party and provide appropriate proof in accordance with the above provisions. The Party affected by Force Majeure shall make reasonable efforts to mitigate the consequences of such Force Majeure event and shall resume performance of all relevant obligations as soon as possible after the elimination of such Force Majeure event. If the Party affected by the Force Majeure event fails to resume performance of its obligations after elimination of the Force Majeure event, that Party shall be liable to the other Party for such non-performance.
- 8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavors to minimize the consequences of such Force Majeure.

## 9 Notices

- 9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand, or registered mail with postage prepaid, or commercial courier service, or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The date on which such notice is deemed to have been validly served is determined as follows:
- 9.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 9.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail;
- 9.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.
- 9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Shanghai Yi Yue Information Technology Co. Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Shanghai Yi Xin E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

9.3 Either party may change its address for receipt of notices by giving notice to the other party in the manner provided in this Article.

#### **10 Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B but without the consent of Party B.

#### **11 Miscellaneous**

11.1 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.2 Any amendments and supplements to this Agreement shall be in writing. Any amendment and supplement to this Agreement that have been signed by the Parties shall be an integral part of this Agreement and shall have the same effect as this Agreement.

11.3 This Agreement shall be executed in duplicate, and each of Party A and Party B shall have one thereof.

11.4 This Agreement supersedes and replaces the exclusive technology provision agreement entered into between the Parties on December 5, 2011. Upon the effectiveness of this Agreement, the exclusive technology provision agreement executed by the Parties on December 5, 2011 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Business Cooperation Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Yue Information Technology Co. Ltd. (Seal)**

/seal/ Shanghai Yi Yue Information Technology Co. Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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**IN WITNESS WHEREOF**, the Parties have caused this Exclusive Business Cooperation Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Shanghai Yi Xin E-Commerce Co., Ltd.** (Seal)

/seal/ Shanghai Yi Xin E-Commerce Co., Ltd.

By: \_\_\_\_\_  
Name: Jing FU  
Title: Legal Representative

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## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.**

Address: Room 103, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party B: Yinyu HE**

Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party C: Beijing Jiajujiu E-Commerce Co., Ltd.**

Address: Room G101, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 70% of equity interest in Party C, representing RMB 10.5 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 10.5 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest****1.1 Grant of Option**

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

**1.2 Steps for Exercise**

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”),

specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB10.5 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement. Party A may upon its exercising the Equity Interest Call Option choose to pay the Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Purchase Price set forth herein, as a result of which the minimum Purchase Price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertaking

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
- 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
- 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
- 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
- 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
- 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
- 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
- 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
- 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.

## 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the Exclusive Call Option Agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

### 4 Term of Agreement

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

## **5 Governing Law and Resolution of Disputes**

### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

## **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;

7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and

7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

## **9 Further Warranties**

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

## **10 Default Liability**

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A.

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

## **11 Miscellaneous**

### 11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

### 11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

### 11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

### 11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

### 11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

The Parties agree that this Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on February 27, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on February 27, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Maiteng Fengshun Science and Technology Co., Ltd.** (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Jiajuju E-Commerce Co., Ltd.** (Seal)

/seal/ Beijing Jiajuju E-Commerce Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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## EXCLUSIVE CALL OPTION AGREEMENT

This Exclusive Call Option Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) as of November 4, 2020 by and among:

**Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.**

Address: Room 103, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party B: Weijie MA**

Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

**Party C: Beijing Jiajujiu E-Commerce Co., Ltd.**

Address: Room G101, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

(Each of Party A, Party B and Party C shall be hereinafter referred to as a “**Party**” individually, and they shall be collectively referred to as the “**Parties**”.)

**Whereas:**

1. Party B is a shareholder of Party C and as of the date hereof holds 30% of equity interest in Party C, representing RMB 4.5 million of the registered capital of Party C;
2. Party A and Party B have entered into a Loan Agreement (the “**Loan Agreement**”) on November 4, 2020, pursuant to which Party A acknowledges that it has provided Party B with a loan in the amount of RMB 4.5 million to be used by Party B as capital contribution to Party C.

Therefore, the Parties, after consultations, hereby agree as follows:

**1 Sale and Purchase of Equity Interest****1.1 Grant of Option**

Party B hereby irrevocably grants Party A an irrevocable and exclusive right to purchase any part or all of the equity interests in Party C then held by Party B in one or more than one installments at any time in such steps determined by Party A at its sole discretion to the extent permitted by PRC Laws at the price described in Section 1.3 herein (such rights shall be referred to as the “**Equity Interest Purchase Option**”). Except for Party A and the Designee(s), no other Person shall be entitled to the Equity Interest Purchase Option or other rights with respect to the equity interests of Party B. Party C hereby agrees to the grant by Party B of the Equity Interest Purchase Option to Party A. The “**person**” referred to in this section and this Agreement shall mean any individual, company, joint venture, partnership, enterprise, trust or unincorporated organization.

**1.2 Steps for Exercise**

Party A’s exercise of the Equity Interest Purchase Option shall be subject to compliance with the provisions of PRC Laws and Regulations. Party A may exercise the Equity Interest Purchase Option upon giving a written notice to Party B (the “**Equity Interest Purchase Option Notice**”), specifying: (a) Party A’s or the Designee’s decision to exercise the Equity Interest Purchase Option; (b) the portion of equity interests to be purchased by Party A or the Designee(s) from Party B (the “**Purchased Equity Interest**”); and (c) the date for purchasing the Purchased Equity Interest and/or the date for transfer of the Purchased Equity Interest. After receiving the Equity Interest Purchase Option Notice, Party B shall, in accordance with Section 1.4 hereof, transfer all of the Purchased Equity Interest to Party A and/or the Designee(s).

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### 1.3 Purchase Price

The total price for Party A exercising the Equity Interest Purchase Option to purchase all equity interests in Party C of Party B shall be RMB4.5 million; when Party A exercises the Equity Interest Purchase Option to purchase part of equity interests held by Party B in Party C, the Purchase Price shall be calculated on a pro-rata basis. But if the lowest price permitted by the then-effective PRC Laws is higher than the aforementioned price, the transfer price shall be the lowest price permitted by the PRC Laws (collectively, the “**Purchase Price**”).

### 1.4 Transfer of Purchased Equity Interest

When Party A exercises the Equity Interest Purchase Option each time,

- 1.4.1 Party B shall cause Party C to promptly convene a shareholders meeting, at which a resolution shall be adopted approving Party B’s transfer of the Purchased Equity Interest to Party A and/or the Designee(s);
- 1.4.2 Party B shall obtain written statements from the other shareholders of Party C giving consent to the transfer of the equity interest to Party A and/or the Designee(s) and waiving any right of first refusal related thereto;
- 1.4.3 Party B shall enter into an equity interest transfer contract with respect to each transfer with Party A and/or each Designee (whichever is applicable) in the form and substance satisfactory to Party A and/or the Designee(s), in accordance with the provisions of this Agreement and the Equity Interest Purchase Option Notice regarding the Purchased Equity Interest;
- 1.4.4 Party B shall execute all other necessary contracts, agreements or documents with the relevant parties, obtain all necessary government licenses and permits and take all necessary actions to transfer valid ownership of the Purchased Equity Interest without any security interest to Party A and/or the Designee(s), and cause Party A and/or the Designee(s) to become the registered owner (s) of the Purchased Equity Interest. For the purpose of this Section and this Agreement, “**security interests**” shall include securities, mortgages, third party’s rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement, Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney. For the purpose of this Agreement, “Party B’s Equity Pledge Agreement” shall refer to the Equity Pledge Agreement executed by and among Party A, Party B and Party C on the date hereof and any modification, amendment and restatement thereto.” For the purpose of this Agreement, Party B’s Powers of Attorney shall refer to the Powers of Attorney executed by Party B on the date hereof granting authorization to Party and any modification, amendment and restatement thereto.

## 1.5 Payment

Considering that the Loan Agreement provides that any proceeds received by Party B from transfer of its equity interest in Party C shall be used for repayment of the loan (and any interest accrued thereon) to Party A by Party B pursuant to the Loan Agreement. Party A may upon its exercising the Equity Interest Call Option choose to pay the Purchase Price by canceling all debts owed by Party B to Party A, including, without limitation, the loans and interest accrued thereon owed by Party B to Party A (such debt is referred to as the “**Offsetting Debt**”); if no adjustment to the Purchase Price set forth herein is required by applicable laws, then Party A shall have no obligation to pay any additional price to Party B. In the event there is any mandatory provision of the PRC Laws in respect of the Purchase Price set forth herein, as a result of which the minimum Purchase Price permitted by law is higher than the Offsetting Debt, Party B hereby waives its right to obtain the portion of the price higher than the Offsetting Debt.

## 2 Undertaking

### 2.1 Undertakings Concerning Party C

Party B (as the shareholder of Party C) and Party C hereby undertake that:

- 2.1.1 Without the prior written consent of Party A, Party B and Party C shall not in any manner supplement, change or amend the articles of association and bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;
- 2.1.2 Party C shall maintain corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating its business and handling its affairs;
- 2.1.3 Without the prior written consent of Party A, Party B and Party C shall not at any time following the date hereof, sell, transfer, mortgage or dispose of in any manner any material assets of Party C or legal or beneficial interest in the material assets, businesses or income of Party C of more than RMB 1,000,000, or allow the encumbrance thereon of any security interest;
- 2.1.4 Without the prior written consent of Party A, no debt shall be incurred, inherited, guaranteed or allowed to exist, except for accounts payable arising in the day-to-day business other than generated by borrowing;
- 2.1.5 They shall always operate all of Party C’s businesses in ordinary course to maintain the asset value of Party C and refrain from any action/omission that may affect Party C’s operating status and asset value;
- 2.1.6 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except for the contracts executed in the ordinary course of business (for purpose of this subsection, a contract with a price exceeding RMB 1,000,000 shall be deemed as a major contract);
- 2.1.7 Without the prior written consent of Party A, Party C shall not provide any person with any loan or credit;

- 2.1.8 The information on Party C's business operations and financial condition shall be provided to Party A at Party A's request;
- 2.1.9 If requested by Party A, Party C shall procure and maintain insurance in respect of Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;
- 2.1.10 Without the prior written consent of Party A, Party C shall not merge or combine with, or make an acquisition of or investment in, any person;
- 2.1.11 The occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to Party C's assets, business or income shall be notified to Party A immediately;
- 2.1.12 To maintain the ownership of Party C of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and make necessary or appropriate defenses against all claims;
- 2.1.13 Without the prior written consent of Party A, Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;
- 2.1.14 At the request of Party A, they shall appoint the designee(s) of Party A as director and senior officers of Party C;
- 2.1.15 Without Party A's prior written consent, they shall not engage in any business in competition with Party A or its affiliates;
- 2.1.16 Unless mandatorily required by PRC Laws, Party C shall not be dissolved or liquidated without prior written consent by Party A;
- 2.1.17 Once PRC Laws allow foreign investors to hold controlling and/or all interests in China in the principal business carried on by Party C and the relevant competent authorities of the PRC will accept application for such investment for approval, upon exercise of the Equity Purchase Option by Party A, Party B shall immediately transfer its equity interest in Party C to Party A or the Designee(s), and Party C shall cooperate with the completion of equity transfer procedures;
- 2.1.18 With respect to the undertaking applicable to Party C under this Article 2.1, Party B and Party C shall cause the Subsidiaries of Party C to comply with such undertaking to the extent applicable, as if they were Party C under corresponding articles.

## 2.2 Undertakings of Party B

Party B hereby undertakes that:

- 2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or dispose of in any other manner any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;

- 2.2.2 Party B shall cause the shareholders meeting and/or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the equity interests in Party C held by Party B, or allow the creation thereon of any security interest, except for those created in accordance with Party B's Equity Pledge Agreement and Party B's Powers of Attorney;
- 2.2.3 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C not to approve without the prior written consent of Party A the merger or consolidation with any person, or the acquisition of or investment in any person;
- 2.2.4 Party B shall immediately notify Party A of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the equity interests in Party C held by Party B;
- 2.2.5 Party B shall cause the shareholders meeting or the directors (or the executive director) of Party C to approve the transfer of the Purchased Equity Interest as set forth in this Agreement and to take any and all other actions that may be requested by Party A;
- 2.2.6 Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, and defend against all claims as necessary or appropriate in order to maintain its ownership of the Equity Interest ;
- 2.2.7 Party B shall appoint any designee(s) of Party A as director or senior management of Party C, at the request of Party A;
- 2.2.8 Party B hereby waives its right of first of refusal to transfer of equity interest by any other shareholder of Party C to Party A (if any), and gives consent to execution by each other shareholder of Party C with Party A and Party C the Exclusive Call Option Agreement, the equity pledge agreement and the powers of attorney which are similar to this Agreement, Party B's Equity Pledge Agreement and Party B's Powers of Attorney, and undertakes not to take any action (if any) in conflict with such documents executed by the other shareholders;
- 2.2.9 If Party B receives any profits, dividends, distributions, or liquidation proceeds from Party C, Party B shall promptly give them to Party A or any person designated by Party A to the extent not in violation of PRC Laws; and
- 2.2.10 Party B shall strictly abide the provisions of this Agreement and other agreements jointly or separately executed by and among Party B, Party C and Party A, make due performance of the obligations under these agreements, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity interests subject to this Agreement or under the Party B's Equity Pledge Agreement or under the Party B's Powers of Attorney, Party B shall not exercise such rights except in accordance with the written instructions of Party A.

### 3 Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Purchased Equity Interest, that:

- 3.1 They have the power, capacity and authority to enter into and deliver this Agreement and any equity transfer contract to which it is a party for each transfer of the Purchased Equity Interests hereunder (each, an “**Assignment Contract**”) and to perform its obligations hereunder and under any Assignment Contract. Party B and Party C agree that upon exercise of Party A’s right to purchase the Equity Interest, they will execute a transfer contract consistent with the terms of this Agreement. Upon execution of this Agreement and each Assignment Contract to which it is a party, constitutes or will constitute a legal, valid and binding obligation for it and is enforceable against it in accordance with its terms and conditions;
- 3.2 Party B and Party C have obtained any and all approvals and consents from government authorities and third parties (if required) for execution, delivery and performance of this Agreement.
- 3.3 Neither the execution and delivery of this Agreement or any Assignment Contract nor the performance of its obligations hereunder or under any Assignment Contract will (i) result in a breach of any relevant PRC Laws; (ii) conflict with Party C’s bylaws or other organizational documents; (iii) result in a breach of any contract or document to which it is a party or by which it is bound, or constitute a breach of any contract or document to which it is a party or by which it is bound or document under which it is a party or by which it is bound; (iv) result in a breach of any condition relating to the grant and/or continuation in force of any license or approval granted to any party; or (v) result in the suspension or revocation of, or the imposition of conditions on, any license or approval granted to any party.
- 3.4 Party B has a good and merchantable title to the equity interests in Party C he holds. Except for Party B’s Equity Pledge Agreement and Party B’s Powers of Attorney, Party B has not placed any security interest on such equity interests;
- 3.5 Party C has a good and merchantable title to all of its assets, and has not placed any security interest on the aforementioned assets;
- 3.6 Party C does not have any outstanding debts, except for (i) any debts incurred in the ordinary course of business; and (ii) any debts disclosed to Party A for which Party A’s written consent has been obtained.
- 3.7 Party C has complied with all laws and regulations of China applicable to asset acquisitions; and
- 3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity interests in Party C, assets of Party C or Party C.

### 4 Term of Agreement

This Agreement shall become effective as of its execution by the Parties, and expire when the entire equity interests of Party C held by Party B have been transferred to Party A and/or any other person designated by Party A in accordance with this Agreement.

## **5 Governing Law and Resolution of Disputes**

### **5.1 Governing Law**

The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

### **5.2 Methods of Resolution of Disputes**

If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## **6 Taxes and Fees**

Each party shall bear by itself any and all transfer and registration taxes, expenses and fees incurred by or imposed on such party under the laws of the PRC in connection with the preparation and execution of this Agreement and each Assignment Contract and the consummation of the transactions contemplated by this Agreement and each Assignment Contract.

## **7 Notices**

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;

7.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set on the return receipt of the registered mail; and

7.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021-61330707  
E-mail: wajor@ehousechina.com

Party C: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

7.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **8 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under for this Agreement.

## **9 Further Warranties**

The parties agree to execute promptly such documents as are reasonably necessary or expedient to carry out the provisions and purposes of this Agreement and to take such further action as is reasonably necessary or expedient to carry out the provisions and purposes of this Agreement.

## **10 Default Liability**

10.1 If Party B or Party C materially breaches any of the covenants made under this Agreement, Party A shall have the right to terminate this Agreement and/or seek damages from Party B or Party C; this Section 10 shall not preclude exercise of any other rights hereunder by Party A.

10.2 Party B or Party C shall not have any right to terminate this Agreement in any event unless otherwise required by applicable laws.

## **11 Miscellaneous**

### 11.1 Amendment, change and supplement

Any amendment, change and supplement to this Agreement shall be made by the Parties with agreement in writing.

### 11.2 Entire agreement

Except for the amendments, supplements or changes in writing executed after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

### 11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

### 11.4 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

### 11.5 Successors

This Agreement shall be binding on and shall inure to the benefit of the respective successors of the Parties and the permitted assigns of such Parties.

11.6 Survival

11.6.1 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.6.2 The provisions of Sections 5, 8, 10 and this Section 11.6 shall survive the termination of this Agreement.

11.7 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and shall require the signatures of the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

11.8 Language and Counterparts

This Agreement is written in Chinese in three counterparts, with Party A, Party B and Party C having one copy thereof.

11.9 Substitutability

The Parties agree that this Agreement shall supersede and replace the Exclusive Call Option Agreement executed by and among the Parties on February 27, 2017. Upon the effectiveness of this Agreement, the Exclusive Call Option Agreement executed by and among the Parties on February 27, 2017 shall be invalid immediately.

*[Remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Maiteng Fengshun Science and Technology Co., Ltd.** (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Weijie MA**

By:  /s/ Weijie MA

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IN WITNESS WHEREOF, the Parties have caused this Exclusive Call Option Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Jiajuju E-Commerce Co., Ltd.** (Seal)

/seal/ Beijing Jiajuju E-Commerce Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room 103, 1/F, Building J, No. 8, South Dongfeng Road, Chaoyang District, Beijing; and

Yinyu HE (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”).

**Whereas:**

- A. Beijing Jiajujiu E-Commerce Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 15 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 10.5 million, holding 70% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB 10.5 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

**1 Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 10.5 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the the Exclusive Call Option Agreement (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
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- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the exclusive option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to :
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
- 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
- 3.2 The Borrower undertakes that during the valid term hereof, it shall:
  - 3.2.1 Make its best efforts to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
  - 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
  - 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
  - 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
  - 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
  - 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
  - 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
  - 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
  - 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;

- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail, shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.
- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated February 26, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on February 26, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Beijing Maiteng Fengshun Science and Technology Co., Ltd. (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Yinyu HE

By: /s/ Yinyu HE

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## Loan Agreement

This Loan Agreement (this “**Agreement**”), dated November 4, 2020, is entered into in Beijing by and between:

Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “**Lender**”), a wholly foreign-owned enterprise incorporated and existing under the laws of the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan), with its registered address at Room 103, 1/F, Building J, No. 8, South Dongfeng Road, Chaoyang District, Beijing; and

Weijie MA (the “**Borrower**”), a citizen of the PRC, with his ID card number of [\*].

(The Lender and the Borrower, each of which shall be hereinafter referred to as a “**Party**” individually, and collectively as the “**Parties**”).

**Whereas:**

- A. Beijing Jiajujiu E-Commerce Co., Ltd. (the “**Borrower Company**”) is a limited liability company established and validly existing under the Law of the PRC, with its registered capital of RMB 15 million. The Borrower is a shareholder of the Borrower Company, and its capital contribution to the Borrower Company is RMB 4.5 million, holding 30% of the equity interest in the Borrower Company. All of the equity interest now held and hereafter acquired by the Borrower in the Borrower Company shall be referred to collectively as the “**Borrower Equity Interest**”; and
- B. The Lender confirms that it agrees to provide and the Borrower confirms that it has received a Loan in the amount of RMB 4.5 million for the purposes set forth herein.

NOW, THEREFORE, the Parties have mutually agreed to execute this Agreement upon the following terms:

**1 Loans**

- 1.1 Pursuant to the terms and conditions of this Agreement, the Lender and the Borrower hereby acknowledge that the Lender has a creditor’s right on the Borrower in the amount of RMB 4.5 million (the “**Loan**”). The term of the Loan commences from the date of this Agreement and ends on the date when the Lender exercises its Exclusive Call Option under the Exclusive Call Option Agreement (as defined below). The Loan shall become immediately due and the Borrower must repay the Loan immediately upon the occurrence of any of the following events:
    - 1.1.1 The expiration of thirty (30) days after the lender sends a written notice requesting repayment of the Loan;
    - 1.1.2 Death, incapacity or restricted civil capacity of the Borrower;
    - 1.1.3 For any reason, the Borrower ceases to be a shareholder of the Borrower Company or its affiliates, and has no employment with the Lender, the Borrower Company or its affiliates;
    - 1.1.4 The Borrower engages in or is involved in criminal activities;
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- 1.1.5 Under applicable laws of PRC, foreign investors are permitted to invest to obtain controlling or all interests in the principle business that is currently conducted by the Borrower Company in China with a controlling stake or in the form of wholly foreign-owned enterprises, the relevant competent authorities of PRC will accept application for such investment for approval and the Lender exercises the exclusive option under the Exclusive Call Option Agreement executed by and among the Lender, the Borrower and the Borrower Company on November 4, 2020 (the “**Exclusive Call Option Agreement**”); or the Borrower or the Borrower Company violates or breaches any of its representations, warranties, covenants or obligations under the Exclusive Call Option Agreement;
- 1.1.6 The Borrower Company has not obtained or renewed any governmental approvals or permits necessary for the operation of its principal business.
- 1.2 Without the Lender’s prior approval, the Borrower shall not assign its rights and obligations under this Agreement to any other persons.
- 1.3 The Borrower agrees to accept the aforementioned Loan provided by the Lender, and hereby agrees and warrants that the Loan will be used to fund the Borrower’s company. Without the Lender’s prior written consent, the Borrower shall not use the Loan for any purpose other than as set forth herein.
- 1.4 The Lender and the Borrower hereby agree and acknowledge that the Borrower may repay the Loan only in the following manner (or in other manners approved by the Lender): upon the Lender’s exercise of the Exclusive Call Option in accordance with the Exclusive Call Option Agreement, t the Borrower may repay the Loan by transferring all of its Equity Interest in the Borrower Company to the Lender or the Lender’s designee(s) (legal or natural person), and use the proceeds of such transfer (to the extent permitted by the law) as repayment of the Loan (principal and any interest accrued thereon) to the Lender or other person designated by the Lender in accordance with this Agreement and the Exclusive Call Option Agreement and in the manner specified by the Lender.
- 1.5 The Lender and the Borrower hereby agree and acknowledge that, to the extent permitted by the applicable laws, the Lender shall have the right but not the obligation to purchase or designate other persons (legal or natural persons) to purchase the Borrower Equity Interest in part or in whole at any time, at the price stipulated in the Exclusive Call Option Agreement.
- 1.6 When the Borrower transfers the Borrower Equity Interest to the Lender or the Lender’s designee(s), in the event that the transfer price of such equity interest is equal to or lower than the principal of the Loan under this Agreement, the Loan shall be deemed as an interest-free Loan. However, if the proceeds of such transfer is higher than the principal of the Loan under this Agreement, the amount excessive the principal of the Loan shall be considered interest for the Loan under this Agreement and shall be repaid by the Borrower to the Lender. The Borrower shall be deemed to have fully satisfied its repayment obligations hereunder when the Lender or the entity designated by the Lender acquires the entire equity interest in the Borrower (subject to the completion of business change registration) and/or the Borrower repays the entire Loan principal and interest (if applicable) to the Lender pursuant to this Agreement and the Exclusive Call Option Agreement.

## **2 Representations and Warranties**

- 2.1 On the date of this Agreement, the Lender hereby makes the following representations and warranties to the Borrower:
- 2.1.1 The Lender is a corporation duly organized and validly existing in accordance with the laws of PRC;
  - 2.1.2 The Lender has the legal capacity to execute and perform this Agreement. The execution and performance by the Lender of this Agreement is consistent with the Lender's scope of business and the provisions of the Lender's corporate bylaws and other organizational documents, and the Lender has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement; and
  - 2.1.3 This Agreement constitutes the Lender's legal, valid, and binding obligations, enforceable against the Lender in accordance with its terms.
- 2.2 On the date of this Agreement, the Borrower hereby makes the following representations and warranties to the Lender:
- 2.2.1 The Borrower is a natural person with full civil capacity;
  - 2.2.2 The Borrower has the legal capacity to execute and perform this Agreement. The execution and performance of this Agreement by the Borrower is consistent with the Borrower's scope of business and the provisions of the Borrower's corporate bylaws and other organizational documents, and the Borrower has obtained all necessary and proper approvals and authorizations for the execution and performance of this Agreement;
  - 2.2.3 This Agreement constitutes the Borrower's legal, valid, and binding obligations, enforceable against the Borrower in accordance with its terms; and
  - 2.2.4 There are no disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower, nor are there any potential disputes, litigations, arbitrations, administrative proceedings, or any other legal proceedings relating to the Borrower.

## **3 Undertakings of the Borrower**

- 3.1 The Borrower as the shareholder of the Borrow Company, irrevocably undertakes that during the valid term of this Agreement, the Borrower will cause the Borrower Company to :
- 3.1.1 Strictly comply with the provisions under the Exclusive Call Option Agreement to which the Borrower Company is a party and refrain from any act/omission that would affect the validity and enforceability of the Exclusive Call Option Agreement.
  - 3.1.2 At the request of the Lender (or its designee(s)), execute the contracts/agreements related to business cooperation with the Lender (or its designee(s)), and ensure to strictly abide by such contracts/agreements;
  - 3.1.3 Provide the Lender with all of its operational and financial information upon the request of the Lender;

- 3.1.4 Notify the Lender immediately of any litigation, arbitration or administrative proceedings that have occurred or may occur in connection with its assets, operations and revenues; and
- 3.1.5 At the request of the Lender, appoint any persons designated by the Lender as directors of the Borrower Company.
- 3.2 The Borrower undertakes that during the valid term hereof, it shall:
  - 3.2.1 Make its best efforts to keep the Borrower Company engaged in its principle businesses and to maintain the specific business scope of its business license;
  - 3.2.2 Abide by the provisions of this Agreement, the Equity Pledge Agreement as set forth in Appendix 1 attached hereto (the “**Equity Pledge Agreement**”) and the Exclusive Call Option Agreement to which the Borrower is a party, perform his/her obligations under this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement, and refrain from any action/omission that may affect the effectiveness and enforceability of this Agreement, the Equity Pledge Agreement and the Exclusive Call Option Agreement;
  - 3.2.3 Not sell, transfer, mortgage or dispose of in any other manner the legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except in accordance with the Equity Pledge Agreement;
  - 3.2.4 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without prior written consent of the Lender the sale, transfer, mortgage or disposition in any other manner of any legal or beneficial interest in the Borrower Equity Interest, or allow creation thereon of any security interest, except to the Lender or the Lender’s designated person;
  - 3.2.5 Cause any shareholders meeting and/or the board of directors of the Borrower Company to not approve without the prior written consent of the Lender the merger or consolidation of the Borrower Company with any person, or its acquisition of or investment in any person;
  - 3.2.6 Immediately notify the Lender of the occurrence or possible occurrence of any litigation, arbitration, or administrative proceedings relating to the Borrower Equity Interest;
  - 3.2.7 To the extent necessary to maintain the ownership of the Borrower Equity Interest, execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or make necessary and appropriate defenses against all claims;
  - 3.2.8 Without the prior written consent of the Lender, refrain from any action/omission that may have material impact on the assets, business and liabilities of the Borrower Company;
  - 3.2.9 Appoint any designee of the Lender as director of the Borrower Company, at the request of the Lender;

- 3.2.10 To the extent permitted by the PRC Laws, at the request of the Lender at any time, promptly and unconditionally transfer all of the Borrower Equity Interest to the Lender or the designee(s) at any time, and cause the other shareholders of the Borrower Company to waive their right of first refusal with respect to the share transfer described in this Section;
- 3.2.11 To the extent permitted by PRC Laws, at the request of the Lender at any time, cause the other shareholders of the Borrower Company to unconditionally and promptly transfer to the Lender or the designee(s) all of the equity interest held by such shareholders in the Borrower Company at any time, and the Borrower hereby waives its right of first refusal with respect to the share transfer described in this Section;
- 3.2.12 In the event that the Lender purchases the Borrower Equity Interest from the Borrower in accordance with the terms and conditions of the Exclusive Call Option Agreement, use such purchase price obtained thereby to repay the Loan to the Lender; and
- 3.2.13 Not to supplement, alter or amend in any way the Borrower's constitutional documents, increase or reduce its registered capital, or change its share capital structure in any way without the Lender's prior written consent.

#### **4 Default Liability**

- 4.1 If the Borrower conducts any material breach of any term of this Agreement, the Lender shall have the right to immediately terminate this Agreement upon a written notice to the Borrower and the Borrower shall indemnify the Lender against any damages resulting from the Borrower's breach of this Agreement or the early termination of this Agreement. The remedies set forth in this Section 4.1 shall be nonexclusive and shall not preclude any other remedies available to the Lender under this Agreement or under applicable law.
- 4.2 The Borrower shall not terminate this Agreement in any event unless otherwise required by the applicable laws.
- 4.3 If the Borrower fails to make any payment within the period provided for in this Agreement, such payments shall accrue an overdue interest at a rate of 0.01% per day until the Borrower repays all of such amounts (including overdue interests).

#### **5 Notices**

- 5.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
  - 5.1.1 In case of delivery by hand (including courier service), the notice shall be deemed effectively given on the date of acknowledgement of receipt in writing;
  - 5.1.2 Notices sent by prepaid registered mail, shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail; and

5.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non- business day in the place of delivery, the notice shall be deemed to have been received on the next business day.

5.2 For the purpose of notices, the addresses of the Parties are as follows:

Lender: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Borrower: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021- 61330707  
E-mail: wajor@ehousechina.com

5.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **6 Confidentiality**

The Parties acknowledge that the existence and the terms of this Agreement and any oral or written information exchanged between the Parties in connection with the preparation and performance this Agreement are confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **7 Governing Law and Resolution of Disputes**

7.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 7.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules, the claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator, the third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC Law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 7.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

## **8 Miscellaneous**

- 8.1 This Agreement shall become effective on the execution date of the Parties and shall remain effective until the date of completion of all of their respective obligations under this Agreement by the Parties.
- 8.2 This Agreement shall be written in Chinese in two (2) counterparts, each of which shall be held by the Lender and the Borrower respectively. Each counterpart shall have the same legal effect.
- 8.3 This Agreement may be amended or supplemented through written agreement by and between the Lender and the Borrower. Such written amendment agreement and/or supplementary agreement executed by and between the Lender and the Borrower are an integral part of this Agreement, and shall have the same legal effect as this Agreement.
- 8.4 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.
- 8.5 The attachments (if any) to this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.
- 8.6 Any obligation that has accrued or become due as a result of this Agreement upon the expiration or early termination of this Agreement shall survive the expiration or early termination thereof. The Sections 4, 6, 7 and this Section 8.6 shall survive the termination of this Agreement.

8.7 This Agreement supersedes and replaces the Loan Agreement made by and between the Parties dated February 26, 2017. Upon the effectiveness of this Agreement, the Loan Agreement entered into by and between the Parties on February 26, 2017 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Lender:**

Beijing Maiteng Fengshun Science and Technology Co., Ltd. (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Loan Agreement to be executed by their authorized representatives on the date first written above.

**Borrower:**

Weijie MA

By: /s/ Weijie MA

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## Powers of Attorney

I, Yinyu HE, a Chinese citizen with ID card number of [\*]. I, as of the date of this Powers of Attorney, own 70% of the equity interest of Beijing Jiajujiu E-Commerce Company Limited (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Beijing Maiteng Fengshun Science and Technology Company Limited (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China Real Estate Business Group Ltd., and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized here under, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Call Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed by me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

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The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest, which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated February 27, 2017 by and among myself, Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Weijie MA, and the Powers of Attorney dated March 2, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated February 27, 2017 by and among myself, Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Weijie MA and the Powers of Attorney dated March 2, 2017 issued by myself shall be invalid immediately.

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IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Yinyu HE**

By: /s/ Yinyu HE \_\_\_\_\_

Accepted by:

**Beijing Maiteng Fengshun Science and Technology Co., Ltd. (Seal)**

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

By: /s/ Yinyu HE \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

Acknowledged by:

**Beijing Jiajujiu E-Commerce Co., Ltd. (Seal)**

/seal/ Beijing Jiajujiu E-Commerce Co., Ltd.

By: /s/ Yinyu HE \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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## Powers of Attorney

I, Weijie MA, a Chinese citizen with ID card number of [\*]. I, as of the date of this Powers of Attorney, own 30% of the equity interest of Beijing Jiajujiu E-Commerce Company Limited (the “**VIE Co**”). In respect of my present and future ownership of the equity interest in VIE Co (the “**My Equity Interest**”), I hereby irrevocably authorize Beijing Maiteng Fengshun Science and Technology Company Limited (the “**WFOE**”) to exercise the following rights during the term of this Powers of Attorney:

Authorizing the WFOE and/or its designee(s) (including but not limited to the directors of WFOE’s parent company, China Real Estate Business Group Ltd., and their successors and any liquidators replacing the directors of the parent company, but excluding any person who is not disinterested or who may give rise to conflict of interest) (the “**Entrusted Person**”) to act as my sole and exclusive agent to exercise, on my behalf, all of my rights with respect to my shareholding, including, but not limited to, the right to 1) call and attend meetings of shareholders of VIE Co; 2) file the required documents with the relevant company registry; 3) exercise all of my shareholder rights and shareholder voting rights as provided by law and the Articles of Association of VIE Co, including, but not limited to, the right to dividends, to sell or transfer or pledge or dispose of all or any part of my shareholding; 4) signing any resolutions and minutes of meetings, and approving amendments to the Articles of Association, each on my behalf as a shareholder of VIE Co; and 5) as my authorized representative to designate, appoint or remove any of the legal representative, directors, supervisors, general manager and other senior management of VIE Co, and bring lawsuit or take any other legal action against any of such persons if any of his/her acts is detrimental to the interests of VIE Co or its shareholders, and to file lawsuits or take other legal actions against such persons. Without WFOE’s written consent, I shall have no right to increase or decrease capital, transfer, re-pledge, or dispose or change My Equity Interest in any other manner.

For the purpose of exercising the rights authorized here under, WFOE or the person(s) designated by WFOE shall have access to the information related to VIE Co’s operations, business, customers, finance, employees, etc., and have the right to review VIE Co’s related information, for which I shall provide full support.

I will not, directly or indirectly, without the prior written consent of the WFOE, participate in, engage, concern or own, or use information obtained from the WFOE and the VIE Co, any business that is or may be in competition with the business of the WFOE, the VIE Co or their affiliates or persons, nor will I hold any interest or acquire any interest in any business that is or may be in competition with the business of the WFOE, the VIE Co or any of their affiliated companies or persons. For the avoidance of doubt, this Powers of Attorney shall not be deemed as an authorization for myself or any person who is not disinterested or who may give rise to conflict of interest to exercise any of the rights conferred hereby.

If for any reason I become incapacitated or have limited civil capacity, my guardian shall continue to perform his/her duties and have his/her rights subject to his/her commitment to continue to comply with the provisions of this Powers of Attorney.

Without limiting the authorizations granted hereunder, the Entrusted Person shall have the power and authority to, on behalf of myself, execute the Exclusive Call Option Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020, the Equity Pledge Agreement entered into by and among me, the WFOE and the VIE Co on November 4, 2020 (including any modification, amendment and restatement thereto, collectively the “**Transaction Documents**”), and all the documents to be executed by me as stipulated in the Transaction Documents, and perform the terms of the Transaction Documents.

Any and all acts of the Entrusted Person in relation to My Equity Interest are deemed to be my acts, and any and all documents signed by the Entrusted Person are deemed to be signed by me and will be acknowledged by me.

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The Entrusted Person is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at his/her own discretion and without giving prior notice to me or obtaining my consent. If required by PRC laws, the Entrusted Person shall designate a PRC citizen to exercise the aforesaid rights.

Unless otherwise provided in this Powers of Attorney, the Entrusted Person shall be entitled to allocate, use or dispose in any other manner any cash dividends or bonuses and other non-cash proceeds generated by My Shareholding, based on the oral or written instructions of myself.

This Powers of Attorney shall be irrevocable and continuously valid from the date of execution of this Powers of Attorney, so long as I am a shareholder of VIE Co.

If there is any dispute arising out of or in connection with this Powers of Attorney, each of myself and any Entrusted Person shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the parties to the arbitration. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for the grant of interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal. This Powers of Attorney shall remain in effect during the arbitration period, except for those in dispute and under arbitration between me and the applicable Entrusted Party.

During the term of this Powers of Attorney, I hereby waive all of the rights associated with My Equity Interest, which have been authorized to the Entrusted Person under this Powers of Attorney, and shall not exercise such rights by myself.

This Powers of Attorney shall supersede the Proxy Agreement dated February 27, 2017 by and among myself, Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Yinyu HE, and the Powers of Attorney dated March 2, 2017 issued by myself. Upon the effectiveness of this Powers of Attorney, the Proxy Agreement dated February 27, 2017 by and among myself, Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd. and Yinyu HE and the Powers of Attorney dated March 2, 2017 issued by myself shall be invalid immediately.

*(The remainder of this page intentionally left blank)*

IN WITNESS WHEREOF, the Parties have caused this Powers of Attorney to be executed by their authorized representatives on November 4, 2020.

Authorized by:

**Weijie MA**

By: /s/ Weijie MA

Accepted by:

**Beijing Maiteng Fengshun Science and Technology Co., Ltd. (Seal)**

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

Acknowledged by:

**Beijing Jiajuju E-Commerce Co., Ltd. (Seal)**

/seal/ Beijing Jiajuju E-Commerce Co., Ltd

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

Name: Yinyu HE

Title: Legal Representative

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## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “**the Pledgee**”)  
Address: Room 103, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

Party B: Yinyu HE (the “**Pledgor**”)  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing

Party C: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: Room G101, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [·] and as of the date hereof holds 70% of equity interest in Party C, representing RMB10.5 million of the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaged in e-commerce and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
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- 1.2 Pledged Equity Interest: shall refer to 70% equity interest in Party C currently held by the Pledgor, representing RMB10.5 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contractual Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge shall take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent administration for industry and commerce. The Pledge shall remain effective until (1) all Contractual Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent administration for industry and commerce within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent administration for industry and commerce, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the administration for industry and commerce having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**"). Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the administration for industry and commerce to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association, bylaws or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and
  - 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contractual Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that, the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor.

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contractual Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contractual Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **14 Governing Law and Resolution of Disputes**

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal .
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, notice shall be deemed to have been received on the next business day.
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Yinyu HE  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Yinyu HE  
Fax: 010- 58952300  
E-mail: yinyu@leju.com

Party C: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated February 27, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated February 27, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Maiteng Fengshun Science and Technology Co., Ltd.** (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Yinyu HE**

By: /s/ Yinyu HE

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Jiajuju E-Commerce Co., Ltd.** (Seal)

/seal/ Beijing Jiajuju E-Commerce Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Equity Pledge Agreement

This Equity Pledge Agreement (this “**Agreement**”) is entered into in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan) on November 4, 2020 by and among:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd. (the “**the Pledgee**”)  
Address: Room 103, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

Party B: Weijie MA (the “**Pledgor**”)  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing’an District, Shanghai

Party C: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: Room G101, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

(Each of the Pledgee, the Pledgor and Party C shall be hereinafter referred to individually as a “**Party**”, and they shall be collectively referred to as the “**Parties**”).

### Whereas:

- (1) The Pledgor is a PRC citizen with his ID Card No. of [·] and as of the date hereof holds 30% of equity interest in Party C, representing RMB 4.5 million of the registered capital of Party C. Party C is a limited liability company registered in Beijing, China, engaged in e-commerce and other businesses. Party C acknowledges the respective rights and obligations of the Pledgor and the Pledgee under this Agreement, and intends to provide any necessary assistance in registering the Pledge;
- (2) The Pledgee is a wholly foreign-owned enterprise registered in the PRC. The Pledgee and Party C have executed an Exclusive Business Cooperation Agreement (as defined below); the Pledgee, the Pledgor and Party C have executed an Exclusive Call Option Agreement (as defined below); the Pledgee and the Pledgor have executed a Loan Agreement (as defined below); and the Pledgor has executed a Powers of Attorney (as defined below) to grant authorization to the Pledgee;
- (3) To ensure that Party C and the Pledgor fully perform their obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney, the Pledgor hereby pledges to the Pledgee all of the equity interest that the Pledgor holds in Party C as security for performance by Party C and the Pledgor of their respective obligations under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement, the Loan Agreement and the Powers of Attorney.

To perform the terms of the Transaction Documents (as defined below), the Parties have mutually agreed to execute this Agreement upon the following terms.

### 1 Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

- 1.1 Pledge: shall refer to the security interest granted by the Pledgor to the Pledgee under Section 2 of this Agreement, i.e. the right of the Pledgee to receive in priority payment from sale of the equity interest pledged by the Pledgor to the Pledgee in discount, at auction or otherwise.
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- 1.2 Pledged Equity Interest: shall refer to 30% equity interest in Party C currently held by the Pledgor, representing RMB 4.5 million of the registered capital of Party C, and all of the equity interest hereafter held by the Pledgor in Party C.
- 1.3 Term of Pledge: shall refer to the term set forth in Section 3 of this Agreement.
- 1.4 Transaction Documents: shall refer to the Exclusive Business Cooperation Agreement executed by and between Party C and the Pledgee on November 4, 2020 (the “**Exclusive Business Cooperation Agreement**”), the Loan Agreement executed by and between the Pledgor and the Pledgee on November 4, 2020 (the “**Loan Agreement**”), the Exclusive Call Option Agreement executed by and among Party C, the Pledgor and the Pledgee on November 4, 2020 (the “**Exclusive Call Option Agreement**”), and the Powers of Attorney executed by the Pledgor on November 4, 2020 (the “**Powers of Attorney**”) and any modification, amendment and restatement to the aforementioned documents.
- 1.5 Contractual Obligations: shall refer to all the obligations of the Pledgor under the Exclusive Call Option Agreement, the Loan Agreement, the Powers of Attorney and this Agreement; and all the obligations of Party C under the Exclusive Business Cooperation Agreement, the Exclusive Call Option Agreement and this Agreement.
- 1.6 Secured Liabilities: shall refer to all direct, indirect and derivative losses and losses of foreseeable interest incurred by the Pledgee due to any Event of Default (as defined below) on the part of the Pledgor and/or the Party C. The basis for determining the amount of such losses includes but not limited to the reasonable business plan and profit forecast of the Pledgee, the service fees payable by Party C under the Exclusive Business Cooperation Agreement, and all the expenses incurred by the Pledgee to enforce the performance by the Pledgor and/or the Party C of their Contractual Obligations.
- 1.7 Event of Default: shall refer to any of the circumstances set forth in Section 7 of this Agreement.
- 1.8 Notice of Default: shall refer to the notice issued by the Pledgee in accordance with this Agreement declaring an Event of Default.

## 2 Pledge

- 2.1 The Pledgor hereby agrees to pledge all the Pledged Equity Interest as the security for the performance of the Contractual Obligations and the payment of the Secured Liabilities. Party C hereby agrees that the Pledgor pledges the Pledged Equity Interest to the Pledgee pursuant to this Agreement.
- 2.2 During the Term of Pledge, the Pledgee is entitled to receive dividends distributed on the Pledged Equity Interest. The Pledgee may receive dividends distributed on the Pledged Equity Interest only with prior written consent of the Pledgor. Dividends received by the Pledgor on the Pledged Equity Interest after deduction of individual income tax paid by the Pledgor shall be, as required by the Pledgee, (1) deposited into an account designated and supervised by the Pledgee and used to secure the Contract Obligations and pay the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or any other person designated by the Pledgee to the extent not in violation of the applicable PRC Laws.

- 2.3 The Pledgee may increase the capital of Party C only with prior written consent of the Pledgor. The increased capital contribution amount of the Pledgor in the registered capital of the Company as a result of such capital increase of the Company shall be a part of the Pledged Equity Interest. The Parties shall enter into a supplementary pledge agreement therefor and complete registration of the increased capital contribution.
- 2.4 If Party C is required to be dissolved or liquidated in accordance with the mandatory provisions of the laws of the PRC, after Party C completes dissolution or liquidation procedures in accordance with law, any interests distributed to the Pledgor by Party C in accordance with law shall be, as requested by the Pledgee, (1) deposited into an account designated by the Pledgee, placed under the custody of the Pledgee and used to provide security for the Contractual Obligations and payment of the Secured Liabilities with priority; or (2) unconditionally granted to the Pledgee or the Pledgee's designee subject to the laws of the PRC.

### 3 Term of Pledge

- 3.1 The Pledge shall take effect upon the completion of registration of the Pledged Equity Interest under this Agreement with competent industrial and commercial administrative authority. The Pledge shall remain effective until (1) all Contract Obligations have been fully performed and all Secured Liabilities have been fully paid, or (2) the Pledgee and/or the Designee(s) decide to purchase all Pledge Equity Interest held by the Pledgor in Party C under the Exclusive Call Option Agreement, and all Equity Interest in Party C has been lawfully transferred to the Pledgee and/or the Designee(s), and the Pledgee and the Designee(s) can lawfully engage in the business of Party C. The Pledgee and Party C shall (i) register the Pledge under this Agreement in the register of shareholders of Party C within three (3) business days from the date of this Agreement, and (ii) apply for registration of the Pledge under this Agreement with the competent industrial and commercial administrative authority within thirty (30) business days from the date of this Agreement. The Parties jointly confirm that, for the purpose of registration of the Pledge with the competent industrial and commercial administrative authority, the Parties and other shareholders of Party C shall submit to the competent administration for industry and commerce a copy of this Agreement or an equity pledge agreement made in the form required by the industrial and commercial administrative authority having jurisdiction over Party C and reflecting the information of the pledge under this Agreement (hereinafter referred to as the "**Industrial and Commercial Registration Pledge Contract**") Matters not provided for under the Industrial and Commercial Registration Pledge Contract shall be subject to this Agreement. The Pledgor and Party C shall submit all necessary documents and complete all necessary formalities as required by the laws and regulations of the PRC and various requirements of the industrial and commercial administrative authority to ensure the Pledge is registered as soon as practicable after the submission of application.
- 3.2 During the Term of Pledge, if the Pledgor and/or Party C fails to perform the Contractual Obligations or pay the Secured Liabilities, the Pledgee shall have right, but not the obligation, to exercise the Pledge in accordance with this Agreement.

### 4 Maintenance of Pledge Documents

- 4.1 During the Term of Pledge, the Pledgee shall deliver the certificate of its equity contribution in Party C and the register of shareholders recording the Pledge to the Pledgee for maintenance within one week from the date of this Agreement. The Pledgee shall maintain such documents during the entire Term of Pledge set forth in this Agreement.

## **5 Representations and Warranties of the Pledgor and Party C**

As of the date of this Agreement, the Pledgor and Party C hereby jointly and severally represent and warrant to the Pledgee as follows:

- 5.1 The Pledgor is the sole legal owner of the Pledged Equity Interest;
- 5.2 The Pledgee is entitled to dispose of and transfer the Pledged Equity Interest in accordance with the provisions set forth in this Agreement;
- 5.3 Except for the Pledge, there are no other pledge or security interests created upon the Pledged Equity Interest;
- 5.4 The Pledgor and Party C have already obtained the permits and approvals from the governmental authorities and the third party (if any) to execute, deliver and performance this Agreement;
- 5.5 The execution, delivery and performance of this Agreement will not: (i) violate any relevant PRC laws; (ii) conflict with Party C's articles of association, bylaws or other constitutional documents; (iii) result in any breach of or constitute any breach under any contract or instrument to which it is a party or by which it is otherwise bound; (iv) result in any violation of any condition necessary for the grant and/or maintenance of any license or permit issued to any Party; or (v) cause any permit or approval issued to any Party to be suspended, cancelled or attached with additional conditions.

## **6 Undertakings of the Pledgor and Party C**

- 6.1 During the term of this Agreement, the Pledgor and Party C hereby jointly and severally undertakes to the Pledgee that:
  - 6.1.1 Without the prior written consent of the Pledgee, the Pledgor shall not transfer the Pledged Equity Interest or any part thereof and shall not create or permit creation of any security or other liability on the Pledged Equity Interest;
  - 6.1.2 The Pledgor and Party C shall comply with and perform the provisions of all laws and regulations relating to the Pledged Equity Interest and, upon receipt of a notice, order or recommendation issued or made by the relevant competent authority in respect of the pledge, to produce said notice, order or recommendation to the Pledgee within five (5) days, and at the same time to comply with said notice, order or recommendation, or to submit objections and statements on such matters as the Pledgee may reasonably request or with the consent of the Pledgee;
  - 6.1.3 The Pledgor and Party C shall promptly notify the Pledgee of any event or notice received by it which may have an effect on the rights of the Pledged Equity Interest or any part thereof, and any event or notice received by it which may alter any of the Pledgor's warranties or obligations hereunder or which may have an effect on the performance by the Pledgor of its obligations hereunder; and
  - 6.1.4 Party C shall complete the registration procedures required for extension of the term of operation within three (3) months prior to the expiration of such term to maintain the validity of this Agreement.

- 6.2 The Pledgor agrees that the rights of the Pledgee to the Pledged Equity Interest acquired in accordance with the terms of this Agreement shall not be interrupted or prejudiced by legal proceedings from the Pledgee or any of its successors or attorneys or any other person.
- 6.3 The Pledgor hereby warrants to the Pledgee that, for the purpose of protecting or perfecting the security for the Contract Obligations and Secured Liabilities under this Agreement, the Pledgor shall execute this Agreement in good faith and procure other party which is interested in the Pledged Equity Interest to execute all certificates of entitlement, deeds, and/or performance, and procure other interested parties to perform the acts required by the Pledgee, and facilitate the Pledgee to exercise the rights and authorizations granted under this Agreement, execute all documents related to the Pledged Equity Interest with the Pledgee or Designee(s) and provide the Pledgee with all notices, orders and decisions relating to the Pledge as the Pledgee deems necessary within a reasonable period of time.
- 6.4 The Pledgor hereby warrants to the Pledgee that, the Pledgor shall comply with and perform all warranties, undertakings, agreements, representations and conditions under this Agreement. If the Pledgor fails to perform or does not fully perform its warranties, undertakings, agreements, representations and conditions, the Pledgee shall indemnify the Pledgor against all losses incurred therefrom.

## **7 Event of Default**

- 7.1 The following circumstances shall be deemed as Event of Default:
- 7.1.1 Any breach by the Pledgor of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.1.2 Any breach by the Party C of any of its obligations under the Transaction Documents and/or this Agreement.
- 7.2 Upon knowledge of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Section 7.1, the Pledgor and Party C shall immediately notify the Pledgee in writing.
- 7.3 Unless an Event of Default under Section 7.1 has been remedied to the satisfaction of the Pledgee within twenty (20) days after the Pledgee has given notice to the Pledgor and/or Party C requesting such remedy, the Pledgee may, at any time thereafter, seek to exercise the Pledge pursuant to Section 8 with written Notice of Default to the Pledgor.

## **8 Exercise of Pledge**

- 8.1 The Pledgee shall issue a Notice of Default to the Pledgor when the Pledgee exercises the Pledge.
- 8.2 Subject to the provisions of Section 7.3, the Pledgee shall have the right to exercise the Pledge at any time after delivery of the Notice of Default in accordance with Section 8.1. Once the Pledgee elects to exercise the Pledge, the Pledgor shall cease to have any rights or interests associated with the Pledged Equity Interest.

- 8.3 After the Pledgee delivers the Notice of Default in accordance with Section 8.1, it may exercise all remedies available to it under the PRC Laws, the Transaction Documents and this Agreement, including but not limited to being repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise. The Pledgee shall not be liable for any loss resulting from its reasonable exercise of such rights and powers.
- 8.4 The proceeds from exercise of the Pledge by the Pledgee shall be used to pay for tax and expenses incurred as result of disposing the Pledged Equity Interest, perform Contract Obligations and pay the Secured Liabilities to the Pledgee with priority. If there is any balance after deducting the above-mentioned amount, the Pledgee shall return the balance to the Pledgor or any other person who has the right to such amount under relevant laws and regulations or transfer it to the notary public at the location of the Pledgor, and any expenses arising therefrom shall be borne by the Pledgor; to the extent of permitted by the PRC Law, the pledgor shall give the above-mentioned amount to the Pledgee or the person designated by the Pledgee unconditionally.
- 8.5 The Pledgee shall be entitled to elect to exercise, simultaneously or otherwise, any of its remedies for breach of contract. The Pledgee shall not be required to exercise other remedies for breach of contract before its exercise of the right to be repaid in priority out of the proceeds from sale of the Pledged Equity Interest in discount, at auction or otherwise.
- 8.6 The Pledgee is entitled to designate an attorney or other representatives to exercise the Pledge on its behalf, and the Pledgor or Party C shall not raise any objection to such exercise.
- 8.7 When the Pledgee disposes of the Pledge in accordance with this Agreement, the Pledgor and Party C shall provide necessary assistance to enable the Pledgee to enforce the Pledge in accordance with this Agreement.

## **9 Default Liability**

- 9.1 If the Pledgor or Party C conducts any material breach of any term of this Agreement, the Pledgee shall have right to terminate this Agreement and/or require the Pledgor or Party C to indemnify all damages; this Section 9 shall not preclude exercise of any other rights hereunder by the Pledgee.
- 9.2 The Pledgor or Party C shall not have any right to terminate or rescind this Agreement in any event unless otherwise required by laws.

## **10 Assignment**

- 10.1 Without the Pledgee's prior written consent, the Pledgor and Party C shall not assign or transfer their rights and obligations under this Agreement.
- 10.2 This Agreement shall be binding on the Pledgor and its successors and permitted assigns, and shall inure to the benefit of the Pledgee and each of its successors and assigns.
- 10.3 At any time, the Pledgee may assign any and all of its rights and obligations under the Transaction Documents and this Agreement to its Designee(s), in which case the assigns shall have the rights and obligations of the Pledgee under the Transaction Documents and this Agreement, as if it were the original party to the Transaction Documents and this Agreement.

- 10.4 In the event of change in the Pledgee due to assignment, the Pledgor and/or Party C shall, at the request of the Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement, and register the same with the competent administration of industry and commerce.
- 10.5 The Pledgor and Party C shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by the Parties hereto or any of them, including the Transaction Documents, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of the Pledgee with respect to the Pledged Equity Interest shall not be exercised by the Pledgor unless otherwise instructed by the Pledgee in writing.

## **11 Termination**

- 11.1 Upon the fulfillment of all Contract Obligations and the full payment of all Secured Liabilities by the Pledgor and Party C, the Pledgee shall release the Pledge under this Agreement upon the Pledgor's request as soon as reasonably practicable and shall assist the Pledgor to de-register the Pledge from the shareholders' register of Party C and with competent administration for industry and commerce.
- 11.2 The provisions under Sections 9, 13, 14 and 11.2 herein of this Agreement shall survive the expiration or termination of this Agreement.

## **12 Handling Fees and Other Expenses**

All fees and out of pocket expenses relating to this Agreement, including but not limited to legal costs, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C.

## **13 Confidentiality**

The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach under this Agreement.

## **14 Governing Law and Resolution of Disputes**

- 14.1 The execution, effectiveness, interpretation performance, modification, and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.

- 14.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission, Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief (including, but not limited to, those required for the conduct of business or the forced transfer of assets) or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests or land assets. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in Hong Kong, the courts at the place where the VIE Co is registered (which is Beijing, China), the courts located in Cayman Islands and the courts at the place where the major assets of the VIE Co is located), during formation of the arbitration tribunal.
- 14.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 15 Notices

- 15.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand or registered mail with postage prepaid, or commercial courier service or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:
- 15.1.1 Notices given by hand (including courier service), shall be deemed effectively given on the date of acknowledgement of receipt in writing ;
- 15.1.2 Notices given by registered mail, shall be deemed effectively given on the 15th day after the date indicated on the return receipt of the registered mail; and
- 15.1.3 In the case of a facsimile transmission, notice shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, notice shall be deemed to have been received on the next business day.
- 15.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Weijie MA  
Address: 11F, Gravity Building, No.788, Guangzhong Road, Jing'an District, Shanghai  
Attention: Weijie MA  
Fax: 021- 61330707  
E-mail: wajor@ehousechina.com

Party C: Beijing Jiajuju E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attention: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

15.3 Any Party may change its address for notices by a notice delivered to the other Party in the manner set forth herein.

## **16 Severability**

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect under any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

## **17 Attachments**

The attachments set forth herein shall be an integral part of this Agreement.

## **18 Effectiveness**

18.1 This Agreement shall become effective upon execution by the Parties.

18.2 Any amendments, changes and supplements to this Agreement shall be in written and shall become effective upon completion of the governmental filing procedures (if applicable) after the affixation of the signatures or seals of the Parties.

## **19 Counterparts**

This Agreement is executed in four counterparts, of which the Pledgee, the Pledgor and Party C shall each hold one counterpart, and the remaining counterpart shall be used for registration.

## **20 Substitutability**

This Agreement supersedes and replaces the Equity Pledge Agreement dated February 27, 2017 by and among the Parties. Upon the effectiveness of this Agreement, the equity pledge agreement dated February 27, 2017 by and among the Parties shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Maiteng Fengshun Science and Technology Co., Ltd.** (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

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

Name: Yinyu HE

Title: Legal Representative

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Weijie MA**

By: /s/ Weijie Ma

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IN WITNESS WHEREOF, the Parties have caused this Equity Pledge Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Jiajuju E-Commerce Co., Ltd.** (Seal)

/seal/ Beijing Jiajuju E-Commerce Co., Ltd. (Seal)

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

Name: Yinyu HE

Title: Legal Representative

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**Attachments:**

1. Shareholders' Register of Party C;
  2. Certificate of Capital Contribution Certificate Party C;
  3. Exclusive Business Cooperation Agreement;
  4. Exclusive Call Option Agreement;
  5. Loan Agreement;
  6. Powers of Attorney
-

## Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement (this “**Agreement**”) is entered into by and between the following parties on November 4, 2020 in Beijing, the People’s Republic of China (the “**PRC**” or “**China**”, which for the purpose of this Agreement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

**Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.**

Address: Room 103, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

**Party B: Beijing Jiajujiu E-Commerce Co., Ltd.**

Address: Room G101, 1/F, Building J, No. 8 South Dongfeng Road, Chaoyang District, Beijing

(The above parties are hereinafter referred to as a “**Party**” individually, and as the “**Parties**” collectively.)

**Whereas:**

- (1) Party A is a wholly foreign-owned enterprise established in China, and has the necessary resources to provide technical support, consultation and other services;
- (2) Party B is a domestic company established in China engaged in e-commerce related business (the businesses activities operated and developed by Party B currently and any time during the term of this Agreement are collectively referred to as the “**Principal Business**”); and
- (3) Party A is willing to utilize its advantages in technology, human resources, and information to provide Party B with technical support, consulting services and other services on exclusive basis in relation to the Principal Business during the term of this Agreement, and Party B is willing to accept such services provided by Party A or its designee(s) pursuant to the terms set forth herein.

The Parties, after consultations, hereby agree as follows:

### 1 Services Provided by Party A

- 1.1 Subject to the terms and conditions of this Agreement, Party B hereby appoints Party A as the exclusive services provider to provide Party B with comprehensive technical support, consultation and other services during the term of this Agreement, including but not limited to the following:
    - (1) License Party B to use the relevant applications legally owned by Party A;
    - (2) Development, maintenance and updating of relevant applications required for Party B’s business;
    - (3) Design, installation, daily management, maintenance and updating of network systems, hardware and database;
    - (4) Provide technical support and professional training to employees of Party B;
-

- (5) Assist Party B in consulting, collecting and investigating relevant technical and market information (excluding market research business which wholly foreign-owned enterprises are prohibited from operation under PRC law);
- (6) Provide business management consultation to Party B;
- (7) Provide marketing and promotional services to Party B;
- (8) Provide customer order management and customer services to Party B;
- (9) Transfer, lease and disposal of equipment and assets; and
- (10) Other services provided from time to time at the request of Party B, to the extent permitted by PRC Laws.

1.2 Party B shall accept the services provided by Party A and further agree that, without the prior written consent of Party A, during the term of this Agreement and with respect to the services subject to service under this Agreement and other matters, Party B shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish cooperation relationships similar to that formed under this Agreement with any third party. The Parties agree that Party A may appoint any other party (such party may enter into certain agreements described under Section 1.5 hereof with Party B) to provide Party B with the services under this Agreement.

1.3 Party A shall have the right to check the accounts of Party B regularly and at any time, and Party B shall keep the accounts in a timely and accurate manner and provide the accounts to Party A upon request. During the term of this Agreement and to the extent not in violation of the applicable laws, Party B agrees to cooperate with Party A and Party A's shareholders (including direct or indirect shareholders ) in conducting audits (including but not limited to audit of connected transactions and other various audits), provide Party A, Party A's shareholders and/or the auditor engaged by them with the relevant information and materials relating to Party B's operation, business, customers, finance, and employees, and consents Party A's shareholders to disclose such information and materials to satisfy the regulatory requirements in connection with listing of its securities.

1.4 When Party B is liquidated or dissolved due to various reasons, to the extent permitted under the PRC laws and regulations, Party B shall appoint a liquidation team composed of the persons recommended by Party A to administer the assets of Party B and its subsidiaries. Party B acknowledges that in the event of its liquidation or dissolution, Party B agrees to deliver all the remaining assets obtained by Party B from such liquidation to Party A in accordance with the PRC laws and regulations, regardless of whether this Agreement can be enforced or not.

#### 1.5 Methods of Service Provision

1.5.1 Party A and Party B agree that during the term of this Agreement, Party B may enter into supplementary service agreements with Party A or its designee(s), to agree on, among other things, the specific contents, methods, personnel, and fees of such service.

1.5.2 To facilitate performing this Agreement, Party A and Party B agree that during the term of this Agreement, Party B may enter into equipment or assets leases agreement with Party A or its designee(s) at any time based on the needs of business, and Party A shall provide the relevant equipment and assets to Party B for use.

1.5.3 Party B hereby grants to Party A an exclusive and irrevocable option to purchase from Party B, at Party A's sole discretion, any or all of the assets and business of Party B, to the extent permitted by the PRC laws, and at the lowest purchase price permitted by PRC Laws. The Parties shall then enter into a separate assets or business transfer agreement, specifying the terms and conditions of the transfer of the assets.

## **2 The Calculation and Payment of the Service Fees**

- 2.1 The Service Fees under this Agreement shall be 100% of the total consolidated profit of Party B for any fiscal year, *less* any accumulated deficit of Party B and its subsidiaries, and further *less* any operating costs, expenses, taxes and other statutory contributions incurred in any fiscal year. Notwithstanding the foregoing, Party A may adjust the scope and amount of the Service Fees in accordance with PRC tax laws, regulations and practices and with reference to Party B's needs for working capital, and Party B shall accept such adjustments.
- 2.2 Party A shall calculate the Service Fees on a monthly basis and issue relevant invoice to Party B. Party B shall pay the Service Fees to the bank account designated by Party A within ten (10) business days after receiving the invoice, and will send the copy of payment voucher to Party A by fax or email within ten (10) business days after the payment. Party A shall issue the receipt for such payment within ten (10) business days after its receipt of the service fee. Notwithstanding the foregoing, Party A may adjust the payment time and methods of the Service Fees at its sole discretion. Party B shall accept such adjustment.

## **3 Intellectual Property Rights and Confidentiality Clauses**

- 3.1 Party A shall have sole and exclusive ownership, rights and interests in any and all intellectual properties or intangible assets (including but not limited to copyrights, patents, patent applications, software, technical secrets, trade secrets and others) created or developed during the Parties' performance of this Agreement (to the extent not prohibited by PRC Laws). Unless expressly authorized by Party A, Party B shall not have any rights or interest in the intellectual properties used in connection with the Services provided by Party A under this Agreement. Party B shall execute all appropriate documents, take all appropriate actions, submit all filings and/or applications, render all appropriate assistance and otherwise conduct whatever is necessary as deemed by Party A at its sole discretion for the purposes of granting any ownership, right or interest of any such intellectual properties and intangible assets to Party A, and/or perfecting the protections for any such intellectual properties and intangible assets of Party A (including, without limitation, registering such intellectual properties and intangible assets under the name of Party A).
- 3.2 The Parties acknowledge and confirm that any oral or written information exchanged in connection with this Agreement, the contents of this Agreement, and the preparation or performance of this Agreement by each other shall be confidential information. Each Party shall maintain confidentiality of all such confidential information, and without prior written consent of the other Party, it shall not disclose any relevant confidential information to any third parties, except for the information that: (a) is or will become known to the public (other than through the receiving Party's unauthorized disclosure); (b) is required to be disclosed pursuant to the applicable laws or regulations, rules of any stock exchange, or orders of the court or other government authorities; or (c) is required to be disclosed by any Party to its shareholders, directors, employees, legal counsels or financial advisors regarding the transaction contemplated hereunder, provided that such shareholders, directors, employees, legal counsels or financial advisors shall be bound by the confidentiality obligations similar to those set forth in this Section. Disclosure of any confidential information by the shareholders, director, employees of or agencies engaged by any Party shall be deemed as the disclosure of such confidential information by such Party and such Party shall be held liable for breach of this Agreement.

## 4 Representations and Warranties

4.1 Party A hereby represents, warrants and covenants as follows:

- 4.1.1 Party A is a wholly foreign-owned enterprise legally established and validly existing in accordance with PRC Laws; Party A or the service providers designated by Party A will obtain all government permits and licenses necessary for providing the service under this Agreement before providing such services.
- 4.1.2 Party A has taken all necessary corporate actions, obtained all necessary authorizations as well as all consents and approvals from third parties and government agencies (if any) for the execution, delivery and performance of this Agreement. Party A's execution, delivery and performance of this Agreement do not violate any explicit requirements under any law or regulation binding on Party A.
- 4.1.3 This Agreement constitutes Party A's legal, valid and binding obligations, enforceable against Party A in accordance with its terms.

4.2 Party B hereby represents, warrants and undertakes as follows:

- 4.2.1 Party B is a company legally established and validly existing in accordance with the PRC Laws and has obtained and will maintain all permits and licenses for engaging in the Principal Business in a timely manner.
- 4.2.2 Party B has taken all necessary corporate actions, obtained all necessary authorizations as all consents and approvals from third parties and government agencies (if required) for the execution, delivery and performance of this Agreement. Party B's execution, delivery and performance of this Agreement do not violate any law or regulation binding on Party B.
- 4.2.3 This Agreement constitutes Party B's legal, valid and binding obligations, enforceable against Party B in accordance with its terms.

## 5 Term of Agreement

- 5.1 This Agreement shall become effective upon execution by the Parties. Unless terminated in accordance with the provisions of this Agreement or terminated in writing by Party A, this Agreement shall remain effective permanently.
- 5.2 During the term of this Agreement, each Party shall renew its operation term prior to the expiration thereof so as to enable this Agreement to remain effective. This Agreement shall be terminated upon the expiration of the operation term of a Party if the application for the renewal of its operation term is not approved by the relevant governmental authorities.

5.3 The rights and obligations of the Parties under Sections 3, 6, 7 and this Section 5.3 shall survive the termination of this Agreement.

## 6 Governing Law and Dispute Resolution

- 6.1 The execution, effectiveness, performance, modification, interpretation and termination of this Agreement shall be governed by and construed in accordance with the laws of the PRC.
- 6.2 If there is any dispute arising out of or in connection with this Agreement, each Party shall have the right to submit the dispute to China International Economic and Trade Arbitration Commission Shanghai Sub-Commission for arbitration in Shanghai in accordance with the arbitration rules then in effect. The arbitration tribunal shall consist of three arbitrators appointed in accordance with arbitration rules. The claimant shall appoint one arbitrator, and the respondent shall appoint one arbitrator. The third arbitrator shall be appointed by the above two arbitrators through consultation or designated by China International Economic and Trade Arbitration Commission Shanghai Sub-Commission. The arbitration shall be conducted in confidentiality and the language used in the arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. In appropriate circumstances, the arbitral tribunal or arbitrator may award compensation, award injunctive relief including, but not limited to, those required for the conduct of business, limit or restrict the transfer of assets or filing a petition for winding-up in accordance with the dispute resolution provisions and/or applicable PRC law with respect to the parties' equity, assets, property interests. Furthermore, the Parties shall have the right to apply for interim remedies from any competent court that has jurisdiction, (including the courts located in PRC, the courts located in Hong Kong and the courts located in Cayman Islands) during formation of the arbitration tribunal.
- 6.3 During the course of arbitration, the Parties shall continue to have their other rights hereunder and perform their obligations hereunder, except for those in dispute and under arbitration.

## 7 Default Liability And Indemnification

- 7.1 If Party B materially violates any term of this Agreement, Party A shall be entitled to (1) terminate this Agreement and require Party B to fully indemnify all damages; or (2) to enforce the performance by Party B of its obligations under this Agreement and to demand all damages from Party B. This Section 7.1 shall not preclude Party A's exercise of any of its other rights under this Agreement.
- 7.2 Unless otherwise required by applicable laws, Party B shall not have any right to terminate this Agreement in any event.
- 7.3 Party B shall indemnify and hold Party A harmless from any losses, damage, liabilities or expenses incurred in connection with any action, claim or other demand against Party A arising from or caused by the services provided by Party A to Party B pursuant this Agreement, unless such loss, damage, liability or expense arises out of Party A gross negligence or willful misconduct.

## 8 Force Majeure

- 8.1 In the case of any force majeure events (the "**Force Majeure**") such as earthquake, typhoon, flood, fire, flu, war, strikes or any other events that cannot be predicted and are unpreventable and unavoidable by the affected Party, which directly or indirectly causes the failure of either Party to perform or completely perform this Agreement, then the Party affected by such Force Majeure event shall not be liable for such non-performance or partial performance, provided that such affected Party shall immediately give written notice to the other Party without delay and shall, within fifteen days of such written notice, provide the other Party with details of the Force Majeure event explaining the reasons for such failure, partial failure or delay in performance.

- 8.2 The Party encountering the Force Majeure event shall not be released from the liability for failure to perform its obligations under this Agreement if it fails to notify the other party and provide appropriate proof in accordance with the above provisions. The Party affected by Force Majeure shall make reasonable efforts to mitigate the consequences of such Force Majeure event and shall resume performance of all relevant obligations as soon as possible after the elimination of such Force Majeure event. If the Party affected by the Force Majeure event fails to resume performance of its obligations after elimination of the Force Majeure event, that Party shall be liable to the other Party for such non-performance.
- 8.3 In the event of Force Majeure, the Parties shall immediately consult with each other to find an equitable solution and shall use all reasonable endeavors to minimize the consequences of such Force Majeure.

## 9 Notices

- 9.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered by hand, or registered mail with postage prepaid, or commercial courier service, or facsimile transmission. A confirmation copy of each notice shall also be sent by email. The date on which such notice is deemed to have been validly served is determined as follows:
- 9.1.1 Notices given by hand (including courier service) shall be deemed effectively given on the date of acknowledgement of receipt in writing;
- 9.1.2 Notices given by registered mail (postage prepaid) shall be deemed effectively given on the 15th day after the date set forth on the return receipt of the registered mail;
- 9.1.3 Notices given by facsimile shall be deemed to have been received on the date shown on the facsimile, provided that if such facsimile is sent after 5.00 p.m. or on a non-business day in the place of delivery, the notice shall be deemed to have been received on the next business day.
- 9.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: Beijing Maiteng Fengshun Science and Technology Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

Party B: Beijing Jiajujiu E-Commerce Co., Ltd.  
Address: G/F, Building G, No. 8 South Dongfeng Road, Chaoyang District, Beijing  
Attn: Qiang MA  
Fax: 010- 58952300  
E-mail: maqiang@leju.com

9.3 Either party may change its address for receipt of notices by giving notice to the other party in the manner provided in this Article.

#### **10 Assignment**

10.1 Without Party A's prior written consent, Party B shall not assign its rights and obligations under this Agreement to any third party.

10.2 Party B agrees that Party A may assign its obligations and rights under this Agreement to any third party and in case of such assignment, Party A is only required to give written notice to Party B but without the consent of Party B.

#### **11 Miscellaneous**

11.1 In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish the intentions of the Parties to the greatest extent permitted by law, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.2 Any amendments and supplements to this Agreement shall be in writing. Any amendment and supplement to this Agreement that have been signed by the Parties shall be an integral part of this Agreement and shall have the same effect as this Agreement.

11.3 This Agreement shall be executed in duplicate, and each of Party A and Party B shall have one thereof.

11.4 This Agreement supersedes and replaces the exclusive technology provision agreement entered into between the Parties on April 1, 2012. Upon the effectiveness of this Agreement, the exclusive technology provision agreement executed by the Parties on April 1, 2012 shall be invalid immediately.

*(No text below, signature to follow)*

IN WITNESS WHEREOF, the Parties have caused this Exclusive Business Cooperation Agreement to be executed by their authorized representatives on the date first written above with immediate effect.

**Beijing Maiteng Fengshun Science and Technology Co., Ltd.** (Seal)

/seal/ Beijing Maiteng Fengshun Science and Technology Co., Ltd.

By: \_\_\_\_\_  
Name: Yinyu HE  
Title: Legal Representative

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IN WITNESS WHEREOF, the Exclusive Business Cooperation Agreement is executed by the following Parties on the date first written above.

**Beijing Jiajujiu E-Commerce Co., Ltd.** (Seal)

/seal/ Beijing Jiajujiu E-Commerce Co., Ltd.

By:

Name: Yinyu HE

Title: Legal Representative

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**AMENDMENT TO OFFSHORE TRANSITIONAL SERVICES AGREEMENT**

This Amendment to Offshore Transitional Services Agreement is dated as of November 4, 2020, by and between, E-House (China) Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**E-House**”), on behalf of itself and other members of E-House Group, and Leju Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands (“**Leju**”), on behalf of itself and other members of Leju Group.

Reference is made to that certain Offshore Transitional Services Agreement, dated March 10, 2014, by and between E-House and Leju (the “**Offshore Transitional Services Agreement**”) Capitalized terms used and not defined in this Amendment shall have the meanings given to them in the Offshore Transitional Services Agreement, unless the context otherwise requires.

**WHEREAS**, each of E-House and Leju desires to effect certain amendments to the Offshore Transitional Services Agreement; and

**WHEREAS**, pursuant to Section 5(k) of the Offshore Transitional Services Agreement, the terms of the Offshore Transitional Services Agreement may be amended by an instrument in writing executed by a duly authorized representative of each party.

**NOW, THEREFORE**, each of the undersigned agrees to amend the Loan and Security Agreement as set forth below.

1. **Termination Dates.** Section 4(a) of the Offshore Transitional Services Agreement shall be deleted in its entirety and replaced by the following paragraph:  

“**Termination Dates.** Unless otherwise terminated pursuant to this Sections 4, this Agreement will be for a term until December 31, 2025, and will terminate with respect to any Service at the close of business on the last day of the Service Period for such Service, unless the parties have agreed in writing to an extension of the Service Period.”
2. **Effectiveness.** This Amendment shall become effective immediately prior to completion of the sale of interest in Leju by E-House Group to E-House (China) Enterprise Holdings Limited pursuant to an equity transfer agreement dated 31 July 2020.
3. **Effect.** Except as expressly amended by this Amendment, the Offshore Transitional Services Agreement shall remain in full force and effect as the same was in effect immediately prior to the effectiveness of this Amendment. All references in the Offshore Transitional Services Agreement to “this Agreement” shall be deemed to refer to the Offshore Transitional Services Agreement as amended by this Amendment.
4. **Miscellaneous.** Section 5(q) (*Severability*) and 5(s) (*Governing Law and Jurisdiction*) are hereby incorporated into this Amendment, mutatis mutandis.
5. **Counterparts.** This Amendment may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic imaging means will be effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Amendment on the date first above written.

For and on behalf of  
**E-House (China) Holdings Limited**

/s/ Zhou Xin

\_\_\_\_\_  
Name: Zhou Xin

Title: Director

For and on behalf of  
**Leju Holdings Limited**

/s/ Zhou Xin

\_\_\_\_\_  
Name: Zhou Xin

Title: Director

**SUPPLEMENT TO TRANSITIONAL SERVICES AGREEMENT**

This Supplement to Transitional Services Agreement (this “**Supplement**”), dated as of [November 4], 2020 (the “**Date of Execution**”), is made by and between:

1. E-House (China) Enterprise Holdings Limited, formerly known as Shanghai Real Estate Sales (Group) Co., Ltd., with registered office at Room 308, 1<sup>st</sup> Floor, 1376 Jiangdong Road, Pudong New Area, Shanghai (“**E-House**”); and
2. Each of the companies listed in the Appendix attached hereto (individually the “**Leju Entity**” and collectively the “**Leju Entities**”).

(Each of E-House and Leju Entities shall be hereinafter referred to individually as a “**Party**”, and collectively as the “**Parties**”.)

**WHEREAS**, the Parties have entered into a Transitional Services Agreement dated March 10, 2014 (the “**Transitional Services Agreement**”); and

**WHEREAS**, the Parties agree after discussions to make supplement or amendment to the Transitional Services Agreement based on the actual performance of the Transitional Services Agreement.

**NOW, THEREFORE**, the Parties agree as follows through friendly negotiations and in accordance with the principles of amicable cooperation and mutual benefit, and intend to be bound hereby:

**Article 1            Definition**

1.01 Unless otherwise expressly defined in this Supplement and the appendix attached hereto, the terms used in this Supplement shall have the meaning ascribed to it in the Transition Services Agreement.

**Article 2            Service Term**

2.01 It is agreed by the Parties to amend the “Service Term” defined in Article 1, “Definitions” of the Transition Services Agreement as follows:

Under the Transitional Services Agreement:

“Service Term”, with respect to any of the Services, shall mean the period from the date of public filing until the earliest of (i) the date of termination of such Services by the Recipient pursuant to Section 4.1 hereof, (ii) the date of termination of such Services by the Provider pursuant to Section 4.2 hereof, (iii) the date on which the E-House Member Companies as a whole become holder of less than 20% of the voting rights of the issued and outstanding shares of Leju; and (iv) the date on which E-House ceases to be the largest beneficial owner of Leju based on the issued and outstanding voting shares of Leju held by E-House and other E-House Member Companies as a whole (for the purposes of this subparagraph (iv), the Leju shares purchased by institutional investors in its ordinary course of business shall not be accounted therefor, provided that such purchase is not intended to and will not change or affect the control of Leju.)

It is hereby amended as follows:

“Service Term”, with respect to any of the Services, shall mean the period from the date of public filing until the earliest of (i) the date of termination of such Services by the Recipient pursuant to Section 4.1 hereof, (ii) the date of termination of such Services by the Provider pursuant to Section 4.2 hereof, and (iii) December 31, 2025.

**Article 3            Miscellaneous**

3.01     In the event of any inconsistency between this Supplement and the Transition Services Agreement, this Supplement shall prevail. Any matter not provided for in this Supplement shall be subject to the provisions of the Transition Services Agreement.

3.02     Each of the Parties shall have the right to make further supplement or agreement to this Supplement.

3.03     No change or amendment to this Supplement shall be effective unless made by the Parties in written agreement.

3.04     This Supplement, upon executed, shall constitute a binding agreement between the Parties. This Supplement may not be assigned by either Party without prior written consent of the other Party.

3.05     This Supplement may be executed in one or more counterparts, each of which will be an original and together constitute one and same agreement.

*[No text below, signature to follow]*

IN WITNESS WHEREOF, the Parties have caused this Supplement to be executed on the date first above written.

**E-House (China) Enterprise Holdings Limited (seal)**

/seal/ **E-House (China) Enterprise Holdings Limited**

**Shanghai Sina Leju Information Technology Co., Ltd. (seal)**

/seal/ **Shanghai Sina Leju Information Technology Co., Ltd.**

**Beijing Yisheng Leju Information Services Co., Ltd. (seal)**

/seal/ **Beijing Yisheng Leju Information Services Co., Ltd.**

**Shanghai Yiyue Information Technology Co., Ltd. (seal)**

/seal/ **Shanghai Yiyue Information Technology Co., Ltd.**

**Shanghai Yixin E-commerce Co., Ltd. (seal)**

/seal/ **Shanghai Yixin E-commerce Co., Ltd.**

IN WITNESS WHEREOF, the Parties have caused this Supplement to be executed on the date first above written.

**Beijing Maiteng Fengshun Technology Co., Ltd. (seal)**

/seal/ **Beijing Maiteng Fengshun Technology Co., Ltd.**

**Beijing Jiajujiu E-commerce Co., Ltd. (seal)**

/seal/ **Beijing Jiajujiu E-commerce Co., Ltd.**

**E-House Chenxin Real Estate Brokerage (Shanghai) Co., Ltd. (seal)**

/seal/ **E-House Chenxin Real Estate Brokerage (Shanghai) Co., Ltd.**

## Appendix — List of Leju Entities

1. Shanghai Sina Leju Information Technology Co., Ltd.
2. Beijing Yisheng Leju Information Services Co., Ltd.
3. Shanghai Yiyue Information Technology Co., Ltd.
4. Shanghai Yixin E-commerce Co., Ltd.
5. Beijing Maiteng Fengshun Technology Co., Ltd.
6. Beijing Jiajujiu E-commerce Co., Ltd.
7. E-House Chenxin Real Estate Brokerage (Shanghai) Co., Ltd.

## PRINCIPAL SUBSIDIARIES AND CONSOLIDATED VARIABLE INTEREST ENTITIES

Name of Entity Subsidiary	Place of Incorporation
Branco Overseas Ltd	British Virgin Islands
E-House China (Tianjin) Holdings Ltd.	British Virgin Islands
E-House Property Consultancy Ltd.	British Virgin Islands
E-House International Property Consultancy Ltd.	Hong Kong
E-House City Rehouse Real Estate Broker (Shanghai) Co., Ltd.	PRC
China E-Real Estate Holdings Ltd.	British Virgin Islands
China E-Real Estate Group Ltd.	Hong Kong
Shanghai Yi Yue Information Technology Co., Ltd.	PRC
China Online Housing Technology Corporation	Cayman Islands
China Online Housing (Hong Kong) Co., Limited	Hong Kong
Shanghai SINA Leju Information Technology Co., Ltd.	PRC
Shanghai Fangxin Information Technology Co., Ltd.	PRC
Leju (China) Internet Technology Co., Ltd.	PRC
Omnigold Holdings Ltd.	British Virgin Islands
China Commercial Real Estate Group Ltd.	British Virgin Islands
China Real Estate Business Group Ltd.	Hong Kong
Beijing Maiteng Fengshun Science and Technology Co., Ltd.	PRC
<b>Consolidated Variable Interest Entities</b>	
Shanghai Leju Hao Fang Information Service Co., Ltd	PRC
Beijing Yisheng Leju Information Services Co., Ltd.	PRC
Beijing Jiajujiu E-Commerce Co., Ltd.	PRC

**Certification by the Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Yinyu He, certify that:

1. I have reviewed this annual report on Form 20-F of Leju Holdings Limited;
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(s) 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: April 15, 2021

By: /s/ Yinyu He

Name: Yinyu He

Title: Chief Executive Officer

**Certification by the Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Li-Lan Cheng, certify that:

1. I have reviewed this annual report on Form 20-F of Leju Holdings Limited;
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(s) 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: April 15, 2021

By: /s/ Li-Lan Cheng

Name: Li-Lan Cheng  
Title: Chief Financial Officer

**Certification by the Principal Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Leju Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yinyu He, 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: April 15, 2021

By: /s/ Yinyu He  
Name: Yinyu He  
Title: Chief Executive Officer

**Certification by the Principal Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Leju Holdings Limited (the "Company") on Form 20-F for the year ended December 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Li-Lan Cheng, 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: April 15, 2021

By: /s/ Li-Lan Cheng

Name: Li-Lan Cheng

Title: Chief Financial Officer



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-197069, 333-217644 and 333-239943) of our report dated April 15, 2021, relating to the consolidated financial statements of Leju Holdings Limited, its subsidiaries and its consolidated variable interest entities (the “Group”) as of December 31, 2020 and for the year then ended, in which our report expresses an unqualified opinion, appearing in this Annual Report on Form 20-F of the Group for the year ended December 31, 2020.

/s/ Yu Certified Public Accountant P.C.  
Yu Certified Public Accountant P.C.  
New York, New York  
April 15, 2021

[Letterhead of Fangda Partners]

April 15, 2021

Leju Holdings Limited  
Level G, Building G, No. 8 Dongfeng South Road,  
Chaoyang District, Beijing 100016  
People's Republic of China

Dear Sirs,

We consent to the reference to our firm under “Item 4. Information on the Company—C. Organizational Structure” in Leju Holdings Limited’s Annual Report on Form 20-F for the year ended December 31, 2020, which will be filed with the Securities and Exchange Commission (the “SEC”) in April 2021, and further consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-197069, 333-217644 and 333-239943). We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report on Form 20-F for the year ended December 31, 2020.

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 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/ Fangda Partners  
Fangda Partners

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