

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 20-F/A
(Amendment No.1)

(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, 2019.

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

or

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

Date of event requiring this shell company report

For the transition period from to

Commission file number: 001-36396

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)

**Li-Lan Cheng, Chief Financial Officer
Leju Holdings Limited
Level G, Building G, No.8 Dongfeng South Road,
Chaoyang District, Beijing 100016**

**People's Republic of China
Telephone: +86 10 5895 1180
Facsimile: +86 10 5895 1678**

(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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
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.

135,812,719 ordinary shares (excluding the 4,156,701 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), par value \$0.001 per share, as of December 31, 2019.

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

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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 No

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

Accelerated filer

Non-accelerated filer

Emerging growth company

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

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

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

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

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

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

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

EXPLANATORY NOTE

Leju Holdings Limited (“Leju” of the “Company”) is filing this Amendment No. 1 (this “Amendment”) to its Annual Report on Form 20-F for the fiscal year ended December 31, 2019 as filed with the Securities and Exchange Commission on July 15, 2020 (the “Original Form 20-F”), solely for the purposes of amending the Report of Independent Registered Public Accounting Firm, which was issued for the Company’s consolidated financial statements as of December 31, 2018 and for each of the two years in the period ended December 31, 2018, by Deloitte Touche Tohmatsu Certified Public Accountants LLP (the “DTT Report”) contained in Item 18 of Part III of the Original Form 20-F to correct a clerical error.

Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire Item 18 of Part III of the Original Form 20-F in this Amendment. We have also included, as exhibits, (i) certifications dated as of the date of this Amendment of the Chief Executive Officer and the Chief Financial Officer of the Company required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and (ii) consent letters dated as of the date of this Amendment of Yu Certified Public Accountant P.C. and Deloitte Touche Tohmatsu Certified Public Accountants LLP, respectively.

Except as described above, no other changes have been made to the Original Form 20-F, and this Amendment does not amend, update or change any other items or disclosures in the Original Form 20-F. Further, this Amendment does not reflect subsequent events occurring after the filing date of the Original Form 20-F or modify or update in any way disclosures in the Original Form 20-F.

PART III**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	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)
2.1	Registrant's Specimen American Depositary Receipt (included in Exhibit 2.3)
2.2	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)
2.3	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. 333-197609), as amended, initially filed with the Securities and Exchange Commission on June 27, 2014)
2.4†	Description of Securities
4.1	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)
4.2	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. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)
4.3	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)
4.4	English translation of Exclusive Call Option Agreement, dated February 17, 2017, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Yinyu He (incorporated herein by reference to Exhibit 4.4 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.5	English translation of Loan Agreement, dated February 16, 2017, between Shanghai SINA Leju Information Technology Co., Ltd., Xudong Zhu and Yinyu He (incorporated herein by reference to Exhibit 4.5 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.6	English translation of Shareholder Voting Rights Proxy Agreement, dated February 17, 2017, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Yinyu He (incorporated herein by reference to Exhibit 4.6 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.7	English translation of Power of Attorney, dated February 17, 2017, issued by Xudong Zhu to Xin Zhou (incorporated herein by reference to Exhibit 4.7 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.8	English translation of Power of Attorney, dated February 17, 2017, issued by Yinyu He to Xin Zhou (incorporated herein by reference to Exhibit 4.8 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.9	English translation of Equity Pledge Agreement, dated February 17, 2017, between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Yinyu He (incorporated herein by reference to Exhibit 4.9 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.10	English translation of Exclusive Technical Support Agreement dated May 8, 2008 between Shanghai SINA Leju Information Technology Co., Ltd. and Beijing Yisheng Leju Information Services Co., Ltd. (incorporated herein by reference to Exhibit 10.10 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)
4.11	English translation of Exclusive Call Option Agreement, dated March 2, 2017, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.11 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)

<u>Exhibit Number</u>	<u>Description of Document</u>
4.12	English translation of Loan Agreement, dated March 1, 2017, between Shanghai Yi Yue Information Technology Co. Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.12 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.13	English translation of Shareholder Voting Right Proxy Agreement, dated March 2, 2017, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.13 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.14	English translation of Power of Attorney, dated March 2, 2017, issued by Yinyu He to Xin Zhou (incorporated herein by reference to Exhibit 4.14 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.15	English translation of Power of Attorney, dated March 2, 2017, issued by Weijie Ma to Xin Zhou (incorporated herein by reference to Exhibit 4.15 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.16	English translation of Equity Pledge Agreement, dated March 2, 2017, between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated by reference to Exhibit 4.16 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.17	English translation of Exclusive Technical Support Agreement, dated December 5, 2011, between Shanghai Yi Yue Information Technology Co. Ltd. and Shanghai Yi Xin E-Commerce Co., Ltd. (incorporated herein by reference to Exhibit 10.17 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)
4.18	English translation of Exclusive Call Option Agreement, dated February 27, 2017, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.18 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.19	English translation of Loan Agreement, dated February 26, 2017, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.19 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.20	English translation of Shareholder Voting Right Proxy Agreement, dated February 27, 2017, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.20 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.21	English translation of Power of Attorney, dated February 27, 2017, issued by Yinyu He to Xin Zhou (incorporated herein by reference to Exhibit 4.21 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.22	English translation of Power of Attorney, dated February 27, 2017, issued by Weijie Ma to Xin Zhou (incorporated herein by reference to Exhibit 4.22 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.23	English translation of Equity Pledge Agreement, dated February 27, 2017, between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Yinyu He and Weijie Ma (incorporated herein by reference to Exhibit 4.23 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.24	English translation of Exclusive Technical Support Agreement, dated April 1, 2012, between Beijing Maiteng Fengshun Science and Technology Co., Ltd. and Beijing Jiajujiu E-Commerce Co., Ltd. (incorporated herein by reference to Exhibit 10.24 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)
4.25	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)
4.26	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. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)
4.27	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>Exhibit Number</u>	<u>Description of Document</u>
4.28	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. 333-194505), as amended, initially filed with the Securities and Exchange Commission on March 12, 2014)
4.29	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)
4.30	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)
4.31	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)
4.32	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)
4.33	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)
4.34	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)
4.35	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)
4.36	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)
4.37	English translation of Termination Agreement dated February 16, 2017 between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu and Zuyu Ding (incorporated herein by reference to Exhibit 4.43 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.38	English translation of Equity Transfer Agreement dated February 16, 2017 between Xudong Zhu, Zuyu Ding and Yinyu He (incorporated herein by reference to Exhibit 4.44 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.39	English translation of Supplemental Agreement dated February 16, 2017 between Shanghai SINA Leju Information Technology Co., Ltd., Beijing Yisheng Leju Information Services Co., Ltd., Xudong Zhu, Zuyu Ding and Yinyu He (incorporated herein by reference to Exhibit 4.45 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.40	English translation of Termination Agreement dated March 1, 2017 between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma (incorporated herein by reference to Exhibit 4.46 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.41	English translation of Equity Transfer Agreement dated March 1, 2017 between Weijie Ma, Zuyu Ding and Yinyu He (incorporated herein by reference to Exhibit 4.47 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.42	English translation of Supplemental Agreement dated March 1, 2017 between Shanghai Yi Yue Information Technology Co. Ltd., Shanghai Yi Xin E-Commerce Co., Ltd., Zuyu Ding, Weijie Ma and Yinyu He (incorporated herein by reference to Exhibit 4.48 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)

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<u>Exhibit Number</u>	<u>Description of Document</u>
4.43	English translation of Termination Agreement dated February 26, 2017 between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Zuyu Ding and Weijie Ma (incorporated herein by reference to Exhibit 4.49 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.44	English translation of Equity Transfer Agreement dated February 26, 2017 between Weijie Ma, Zuyu Ding and Yinyu He (incorporated herein by reference to Exhibit 4.50 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
4.45	English translation of Supplemental Agreement dated February 26, 2017 between Beijing Maiteng Fengshun Science and Technology Co., Ltd., Beijing Jiajujiu E-Commerce Co., Ltd., Zuyu Ding, Weijie Ma and Yinyu He (incorporated herein by reference to Exhibit 4.51 to our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 21, 2017)
8.1†	Principal Subsidiaries and Consolidated Variable Interest Entities of the Registrant
11.1	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)
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Yu Certified Public Accountant
15.2*	Consent of Fangda Partners
16.1†	Letter from Deloitte Touche Tohmatsu Certified Public Accountants LLP to the Securities and Exchange Commission
101.INST†	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

† Previously filed or furnished with the Annual Report on Form 20-F on July 15, 2020.

* Filed herewith

** Furnished herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No.1 to annual report on its behalf.

LEJU HOLDINGS LIMITED

By: /s/ Yinyu He
Name: Yinyu He
Title: Chief Executive Officer

Date: August 7, 2020

LEJU HOLDINGS LIMITED
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FOR THE YEARS ENDED DECEMBER 31, 2017, 2018 AND 2019

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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 sheet of Leju Holdings Limited, its subsidiaries, variable interest entities and subsidiaries of variable interest entities (the “Group”) as of December 31, 2018, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders’ equity, and cash flows, for each of the two years in the period 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 financial position of the Group as of December 31, 2018, and the results of its operations and its cash flows for each of the two years in the period 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 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits 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 audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/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.

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 sheet of Leju Holdings Limited (the “Company”), its subsidiaries and its variable interest entities (collectively the “Group”) as of December 31, 2019, the related consolidated statements of operations, comprehensive income (loss), changes in equity, and cash flows, for the year ended December 31, 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 position of the Group as of December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019, in conformity with generally accepted accounting principles in the United States of America.

Adoption of New Accounting Standards

As discussed in Note 2(j) to the consolidated financial statements, the Group has adopted Accounting Standards Codification (“ASC”) Topic 842, Leases, effective January 1, 2019.

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 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 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 audit 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 audit 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 audit provides a reasonable basis for our opinion.

/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

July 15, 2020

LEJU HOLDINGS LIMITED
CONSOLIDATED BALANCE SHEETS
(In U.S. dollar except for share data)

	December 31,	
	2018	2019 (Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	147,263,466	159,012,092
Accounts receivable, net of allowance for doubtful accounts of \$18,195,382 and \$16,108,520 as of December 31, 2018 and 2019, respectively	102,697,121	147,637,497
Contract assets	2,137,107	829,723
Marketable securities	2,466,814	3,437,739
Customer deposits	10,671,689	57,174,006
Prepaid expenses and other current assets	8,620,215	5,436,412
Amounts due from related parties	6,694,579	9,673,069
Total current assets	280,550,991	383,200,538
Property and equipment, net	14,058,327	18,108,430
Intangible assets, net	57,401,177	45,580,698
Right-of-use assets ¹	—	26,776,095
Investment in affiliates	62,979	52,991
Deferred tax assets, net	62,356,063	49,310,820
Other non-current assets	2,297,489	1,450,406
TOTAL ASSETS	416,727,026	524,479,978
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable (including accounts payable of the consolidated VIEs without recourse to Leju of \$225,700 and \$1,034,281 as of December 31, 2018 and 2019, respectively)	803,275	1,523,084
Accrued payroll and welfare expenses (including accrued payroll and welfare expenses of the consolidated VIEs without recourse to Leju of \$23,622,869 and \$29,839,798 as of December 31, 2018 and 2019, respectively)	30,628,336	32,786,706
Income tax payable (including income tax payable of the consolidated VIEs without recourse to Leju of \$25,597,112 and \$25,617,526 as of December 31, 2018 and 2019, respectively)	58,029,858	56,690,976
Other tax payable (including other tax payable of the consolidated VIEs without recourse to Leju of \$11,730,876 and \$19,150,299 as of December 31, 2018 and 2019, respectively)	12,675,205	20,056,387
Amounts due to related parties (including amounts due to related parties of the consolidated VIEs without recourse to Leju of \$3,862,779 and \$3,263,567 as of December 31, 2018 and 2019, respectively)	3,477,193	4,406,777
Advances from customers (including advance from customers of the consolidated VIEs without recourse to Leju of \$26,576,831 and \$33,854,579 as of December 31, 2018 and 2019, respectively)	26,872,685	34,245,744
Lease liabilities, current (including lease liabilities, current of the consolidated VIEs without recourse to Leju of nil and \$5,128,021 as of December 31, 2018 and 2019, respectively) ¹	—	5,189,251
Accrued marketing and advertising expenses (including accrued marketing and advertising expenses of the consolidated VIEs without recourse to Leju of \$9,439,740 and \$46,724,846 as of December 31, 2018 and 2019, respectively)	14,895,973	49,830,475
Other current liabilities (including other current liabilities of the consolidated VIEs without recourse to Leju of \$10,338,171 and \$28,394,803 as of December 31, 2018 and 2019, respectively)	12,998,663	32,783,691
Total current liabilities	160,381,188	237,513,091
Deferred tax liabilities (including deferred tax liabilities of the consolidated VIEs without recourse to Leju of \$275,223 and \$89,943 as of December 31, 2018 and 2019, respectively)	14,779,770	11,741,607
Lease liabilities, non-current (including lease liabilities, non-current of the consolidated VIEs without recourse to Leju of nil and \$22,795,137 as of December 31, 2018 and 2019, respectively) ¹	—	22,866,163
Total liabilities	175,160,958	272,120,861
Commitments and contingencies (Note 15)		
Shareholders' Equity:		
Ordinary shares (\$0.001 par value): 1,000,000,000 shares authorized, 135,763,962 and 135,812,719 shares issued and outstanding, as of December 31, 2018 and 2019, respectively	135,764	135,813
Additional paid-in capital	792,626,535	796,191,796
Accumulated deficit	(528,824,801)	(517,302,805)
Accumulated other comprehensive loss	(19,848,006)	(23,624,206)
Total Leju Holdings Limited Shareholders' Equity	244,089,492	255,400,598
Non-controlling interests	(2,523,424)	(3,041,481)
Total equity	241,566,068	252,359,117
TOTAL LIABILITIES AND EQUITY	416,727,026	524,479,978

¹ Refer to Note 2 for details on the adoption of ASU 2016-02, Leases (Topic 842), which requires lessees to recognize a right-of-use asset and lease liability on their balance sheet for all leases with a term of more than 12 months. The Group adopted this ASU on January 1, 2019 using the modified retrospective approach and the financial statements for the comparative period has not been restated.

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,		
	2017	2018	2019
Revenues			
E-commerce	234,835,770	320,271,080	547,184,192
Online advertising	113,235,010	138,371,646	143,778,573
Listing	14,461,253	3,387,930	1,642,190
Total net revenues	362,532,033	462,030,656	692,604,955
Cost of revenues	(74,054,524)	(72,909,834)	(68,297,832)
Selling, general and administrative expenses	(434,275,879)	(402,257,946)	(607,164,835)
Goodwill impairment	(41,222,971)	—	—
Other operating income, net	3,071,865	2,163,443	597,853
Income (loss) from operations	(183,949,476)	(10,973,681)	17,740,141
Interest income, net	1,313,512	1,085,785	151,931
Other income (loss), net	480,495	(4,219,193)	1,978,511
Income (loss) before taxes and loss from equity in affiliates	(182,155,469)	(14,107,089)	19,870,583
Income tax benefits (expenses)	20,328,252	1,334,340	(8,989,662)
Income (loss) before loss from equity in affiliates	(161,827,217)	(12,772,749)	10,880,921
Loss from equity in affiliates, net of tax of nil	(216,017)	(78,634)	(9,070)
Net income (loss)	(162,043,234)	(12,851,383)	10,871,851
Less: Net income (loss) attributable to non-controlling interest	(1,142,018)	629,144	(650,145)
Net income (loss) attributable to Leju Holdings Limited shareholders	(160,901,216)	(13,480,527)	11,521,996
Income (loss) per share:			
Basic	(1.19)	(0.10)	0.08
Diluted	(1.19)	(0.10)	0.08
Shares used in computation of income (loss) per share			
Basic	135,708,350	135,763,962	135,770,793
Diluted	135,708,350	135,763,962	135,811,751

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)

	Year Ended December 31,		
	2017	2018	2019
Net income (loss)	(162,043,234)	(12,851,383)	10,871,851
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments	9,136,839	(6,678,452)	(3,744,695)
Comprehensive income (loss)	(152,906,395)	(19,529,835)	7,127,156
Less: Comprehensive income (loss) attributable to non-controlling interests	(1,249,102)	721,387	(618,640)
Comprehensive income (loss) attributable to Leju Holdings Limited shareholders	<u>(151,657,293)</u>	<u>(20,251,222)</u>	<u>7,745,796</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)	Total Leju Holdings Limited Shareholders' Equity	Non-controlling Interests	Total Equity
	Number							
Balance at December 31, 2016	135,503,958	135,504	785,019,254	(354,364,813)	(22,321,234)	408,468,711	(2,109,234)	406,359,477
Net loss	—	—	—	(160,901,216)	—	(160,901,216)	(1,142,018)	(162,043,234)
Non-controlling interests recognized in connection with business acquisition	—	—	—	—	—	—	59,595	59,595
Share-based compensation	—	—	3,569,698	(78,245)	—	3,491,453	33,411	3,524,864
Vesting of restricted shares	260,004	260	(260)	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	9,243,923	9,243,923	(107,084)	9,136,839
Balance at December 31, 2017	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)
Balance at December 31, 2018	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
Exercising 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)
Balance at December 31, 2019	135,812,719	135,813	796,191,796	(517,302,805)	(23,624,206)	255,400,598	(3,041,481)	252,359,117

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,		
	2017	2018	2019
Operating activities:			
Net income (loss)	(162,043,234)	(12,851,383)	10,871,851
Adjustments to reconcile net income (loss) to net cash provided by/(used in) operating activities:			
Depreciation and amortization	16,544,668	15,705,383	15,158,240
Loss from equity in affiliates	216,017	78,634	9,070
Provision for allowance for doubtful accounts	4,399,176	1,892,838	5,530,843
Share-based compensation	3,524,864	4,058,362	3,596,679
Unrealized loss (gain) on marketable securities	(911,873)	606,635	(951,545)
Goodwill impairment	41,222,971	—	—
Non-cash lease expenses	—	—	7,565,795
Interest expenses	—	—	1,007,354
Others	681,343	148,593	279,277
Changes in operating assets and liabilities:			
Accounts receivable	(21,439,538)	(29,397,718)	(52,118,453)
Contract assets	2,688,194	(698,266)	1,306,017
Customer deposits	3,456,913	26,142,133	(46,550,954)
Amounts due from related parties	3,804,706	(2,617,571)	(2,978,490)
Right-of-use assets	—	—	2,611,584
Prepaid expenses and other current assets	(1,201,142)	2,490,172	2,523,380
Other non-current assets	69,531	(211,771)	812,153
Accounts payable	1,226,158	(2,061,870)	719,056
Accrued payroll and welfare expenses	(5,152,301)	(6,198,911)	2,156,113
Income tax payable	(3,068,915)	(5,139,469)	(1,340,282)
Other tax payable	(5,571,572)	1,061,293	7,167,867
Amounts due to related parties	1,511,521	384,323	929,584
Lease liabilities, current	—	—	(1,219,464)
Other current liabilities and accrued expenses	20,269,099	9,944,590	60,209,745
Deferred tax assets	(22,152,629)	1,569,233	12,171,774
Deferred tax liabilities	(2,242,038)	(3,212,929)	(3,029,113)
Lease liabilities, non-current	—	—	(6,742,065)
Net cash provided by/(used in) operating activities	(124,168,081)	1,692,301	19,696,016
Investing activities:			
Deposits for and purchases of property and equipment and intangible assets	(2,526,921)	(946,967)	(7,968,925)
Cash paid for business acquisitions, net of cash acquired	(5,878,393)	—	—
Proceeds from disposal of property and equipment	293,704	1,753,131	2,407,734
Net cash provided by/(used in) investing activities	(8,111,610)	806,164	(5,561,191)
Financing activities:			
Repayment of loans to related parties	(1,862,593)	—	—
Proceeds from exercise of options	—	—	69,214
Prepayment for acquisition of non-controlling interest of subsidiary	—	—	(28,669)
Net cash provided by/(used in) financing activities	(1,862,593)	—	40,545
Effect of exchange rate changes on cash, cash equivalents and restricted cash	11,109,296	(6,539,685)	(2,426,744)
Net increase/(decrease) in cash, cash equivalents and restricted cash	(123,032,988)	(4,041,220)	11,748,626
Cash, cash equivalents and restricted cash at the beginning of the year	274,337,674	151,304,686	147,263,466
Cash, cash equivalents and restricted cash at the end of the year	151,304,686	147,263,466	159,012,092
Supplemental disclosure of cash flow information:			
Income taxes paid	10,256,545	3,088,070	386,563
Non-cash information on lease liabilities arising from obtaining right-of-use assets	—	—	4,052,129
Non-cash investing and financing activities:			
Additional paid in capital decreased in connection with business acquisition	—	—	(100,583)
Non-controlling interest recognized in connection with business acquisition	59,595	—	100,583
Reconciliation to amounts on consolidated balance sheets:			
Cash and cash equivalents	150,967,996	147,263,466	159,012,092
Restricted cash	336,690	—	—
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	151,304,686	147,263,466	159,012,092

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, 2017, 2018 AND 2019
(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”) is 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.

The following table lists major subsidiaries and the consolidated VIEs of the Company as of December 31, 2019:

	<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 Yi Xin E-Commerce Co., Ltd. (“Shanghai Yi Xin”)	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) Basis of consolidation

The consolidated financial statements include the financial statements of Leju, its majority owned subsidiaries and its VIEs, Beijing Leju, Shanghai Yi Xin 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, Shanghai Yi Xin and Beijing Jiajujiu (collectively the "VIEs") and their respective shareholders, respectively, as summarized below:

Name of Foreign Owned Subsidiaries	Foreign Owned Subsidiaries' Economic Ownership of VIES	Name of VIEs	Activities of VIEs
Shanghai SINA Leju	100%	Beijing Leju	Operate the online advertising and listing business
Shanghai Yi Yue	100%	Shanghai Yi Xin	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:

	As of December 31,	
	2018	2019
	\$	\$
Cash and cash equivalents	86,850,225	123,865,160
Accounts receivable, net of allowance for doubtful accounts	101,824,418	142,183,616
Contract assets	2,137,107	817,286
Customer deposits	8,941,442	25,631,835
Amounts due from related parties	11,061,430	14,394,141
Prepaid expense and other current assets	5,756,953	5,088,840
Total current assets	216,571,575	311,980,878
Total non-current assets	38,951,179	68,534,715
Total assets	255,522,754	380,515,593
Accounts payable	225,700	1,034,281
Accrued payroll and welfare expenses	23,622,869	29,839,798
Income tax payable	25,597,112	25,617,526
Other tax payable	11,730,876	19,150,299
Amounts due to related parties	3,862,779	3,263,567
Advances from customers	26,576,831	33,854,579
Lease liabilities, current	—	5,128,021
Accrued marketing and advertising expenses	9,439,740	46,724,846
Other current liabilities	10,338,171	28,394,803
Total current liabilities	111,394,078	193,007,720
Deferred tax liabilities	275,223	89,943
Lease liabilities, non-current	—	22,795,137
Total liabilities	111,669,301	215,892,800

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
Total revenues	357,698,260	459,944,563	691,566,168
Cost of revenues	(64,947,541)	(64,237,782)	(59,822,537)
Net income (loss)	(4,453,820)	952,919	(2,843,984)
Net cash provided by/(used in) operating activities	(33,297,103)	33,053,169	44,671,170
Net cash provided by/(used in) investing activities	(2,551,687)	31,110	(5,813,685)
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.

(c) 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 useful lives and valuation of long-lived assets, evaluation of goodwill, allowance for doubtful accounts, assumptions related to share-based compensation arrangements, assumptions related to the consolidation of entities in which the Group holds variable interests and valuation allowance on deferred tax.

(d) 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 2017, 2018 and 2019.

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.

(e) 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.

(f) 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.

(g) 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).

(h) Customer deposits

The Group provides online real estate e-commerce services for 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, 2019, all customer deposits are refundable within 12 months and none of them passed the original due date.

(i) 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, 2018 and 2019, the Group determined that no such events were present.

(j) Leases

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 leasing liabilities recorded in "Lease liabilities, current" and long-term leasing 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 statements of operations and comprehensive loss for the year ended December 31, 2019 or the opening balances of retained earnings as of January 1, 2019.

(k) 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.

(l) 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.

(m) 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.

(n) 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. The 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.

(o) 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.

(p) Share-based compensation

Share-based compensation cost 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.

(q) 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, net of 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 in advance from customers in the Group's consolidated balance sheets. The Group determines its customers to be the 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 the confirmation letters are obtained from its customers that prove the use of the coupons. The transaction price is the face value of the discount coupon fees charged by the Group which is fixed in the contract with the individual property buyers.

Online advertising

Revenue from online advertising services is principally from online advertising arrangements, and the agency fee from the sales of advertising placement of its suppliers. Online advertising arrangements allow advertisers to place advertisements on particular areas of the online platforms, in particular formats and over particular periods of time.

The Group acts as principal in most of its activities except for advertising placements buying services performed on behalf of clients and supervision of productions done by third parties.

When a supplier is involved in the delivery of the Group's services to the client, the Group assess whether or not it is acting as a principal or an agent in the arrangement. The assessment is based on whether the Group controls the specified services at any time before they are transferred to the customer. The Group has determined that in most of its advertising businesses, it generally acts as a principal as it provides a significant service of integrating goods or services provided by suppliers and its own online platforms into the specified deliverable to its clients. For performance obligations in which it acts as principal, the Group records the gross amount billed to the customer.

The Group has determined that it acts as the agent and are solely arranging for one supplier to provide services to the customer. Specifically, the Group does not control the specified services before transferring those services to the customer. The Group does not have inventory risk or discretion in establishing pricing in its contracts with customers. 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. The Group acted as agent from 2019.

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.

The Group determines its customers to be the 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 or discounts 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 \$2,137,107 and \$829,723 for the years ended December 31, 2018 and 2019 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 recognizes interest expense or interest income.

(r) 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 for advertising resources.

(s) Marketing and advertising expenses

Marketing and advertising expenses consists primarily of targeted online and offline marketing costs for promoting the Group's e-commerce projects, increasing the Group's visibility and building the Group's brand, 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 \$292,076,010, \$300,773,157 and \$487,111,773 for the years ended December 31, 2017, 2018 and 2019, respectively.

(t) 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 \$619,269, \$3,800,728 and exchange gain \$412,236 for the years ended December 31, 2017, 2018 and 2019, respectively, as a component of other income (loss), net, in the consolidated statements of operations.

(u) 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 payment 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 purpose. The local governments have final discretion as to the amount of cash subsidies. Cash subsidies of \$3,071,865, \$2,163,443 and \$597,853 were included in other operating income for the years ended December 31, 2017, 2018 and 2019, respectively. Subsidies are recognized when cash is received and when all the conditions for their receipt have been satisfied.

(v) 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.

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.

Movement of the allowance for doubtful accounts for accounts receivable is as follows:

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
Balance as of January 1	31,160,340	21,827,663	18,195,382
Provisions for doubtful accounts	4,399,176	1,892,838	5,530,843
Write offs	(15,325,934)	(4,576,818)	(7,343,322)
Changes due to foreign exchange	1,594,081	(948,301)	(274,383)
Balance as of December 31	<u>21,827,663</u>	<u>18,195,382</u>	<u>16,108,520</u>

The allowance for other receivables in prepaid expenses and other current assets was nil for all periods presented.

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,	
	2018	2019
	\$	\$
Customer A	50,555,309	98,015,010

(w) 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,		
	2017	2018	2019
Net income (loss) attributable to Leju ordinary shareholders—basic and diluted	\$ (160,901,216)	\$ (13,480,527)	\$ 11,521,996
Weighted average number of ordinary shares outstanding—basic	135,708,350	135,763,962	135,770,793
Stock options and restricted shares	—	—	40,958
Weighted average number of ordinary shares outstanding—diluted	<u>135,708,350</u>	<u>135,763,962</u>	<u>135,811,751</u>
Basic income (loss) per share	\$ (1.19)	\$ (0.10)	\$ 0.08
Diluted income (loss) per share	<u>\$ (1.19)</u>	<u>\$ (0.10)</u>	<u>\$ 0.08</u>

Diluted income (loss) per share do not include the following instruments as their inclusion would have been anti-dilutive:

	Year Ended December 31,		
	2017	2018	2019
Share options and restricted shares	8,818,877	13,776,043	8,440,545

(x) 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.

(y) 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.

(z) Recently issued accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, Credit Losses, Measurement of Credit Losses on Financial Instruments. This ASU provides more useful information about expected credit losses to financial statement users and changes how entities will measure credit losses on financial instruments and timing of when such losses should be recognized. This ASU is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted for all entities for annual periods beginning after December 15, 2018, and interim periods therein. The updates should be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). The Group does not expect the adoption to have a material impact on its consolidated financial statements.

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. ASU 2018-13 eliminates, adds and modifies certain disclosure requirements for fair value measurements. The amendments applicable to the disclosures of changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial year of adoption. This ASU is effective for all entities for fiscal years beginning after December 15, 2019, including interim periods therein. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted, and an entity is also permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date. The Group is in the process of evaluating the impact on its consolidated financial statements upon adoption.

3. Business Acquisition

In May 2017, the Group acquired a live-broadcasting application ("App") with all its related software copyrights and personnel from Shanghai Yunchuang Information & Technology Ltd. ("Yunchuang"), which was ultimately controlled by Mr. Xin Zhou, Leju's executive chairman for an aggregate purchase price of \$6,000,000. The primary reason for the acquisition was to expand the Group's channel and platform for attracting property buyers and increasing media exposure and influence.

The transaction was accounted for using the purchase method with the purchase price allocated as follows:

	<u>Allocated value</u>	<u>Amortization period</u>
	\$	
Software	5,430,000	3 years
Goodwill	1,927,500	
Deferred tax liabilities	<u>(1,357,500)</u>	
Total	<u><u>6,000,000</u></u>	

The goodwill mainly reflects the synergies related to cost for sales and distribution and competitive advantages the Group expects to realize from the living-broadcasting App, which do not qualify for separate recognition of intangible assets. The goodwill is not deductible for tax purpose. The acquisition was not material to the Group's consolidated financial statements for the year ended December 31, 2017, and as such, pro forma results of operations were not presented. Goodwill resulted from this acquisition was assigned to the whole group.

4. Right of Use Assets

The Group leases office under non-cancelable operating lease agreements, which expire at various dates through 2028. As of December 31, 2019, the Group's operating leases had a weighted average remaining lease term of 7.5 years and a weighted average discount rate of 5.61%. Future lease payments under operating leases 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	<u>12,933,103</u>
Total future lease payments	34,589,781
Impact of discounting remaining lease payments	<u>(6,534,367)</u>
Total lease liabilities	<u>28,055,414</u>
Lease liabilities, current	<u>5,189,251</u>
Lease liabilities, non-current	<u>22,866,163</u>

Total lease expense was \$9,982,604 and \$9,900,044 for the years ended December 31, 2017 and 2018, respectively. Total lease expense was \$15,341,045 for the year ended December 31, 2019, comprising of \$12,390,116 operating lease expenses and \$2,950,929 short-term lease expenses.

Cash paid for amounts included in the measurement of operating lease liabilities was \$7,212,182 for the year ended December 31, 2019. Non-cash transaction amount of lease liabilities arising from obtaining right-of-use assets was \$4,052,129.

Future minimum lease payments under non-cancelable operating lease agreements at December 31, 2018 were as follows:

<u>Year Ended December 31</u>	<u>Amount</u>
	\$
2019	9,497,215
2020	8,868,145
2021	5,559,309
2022	3,881,140
2023	3,881,140
Then thereafter	<u>16,608,082</u>
Total	<u><u>48,295,031</u></u>

5. Property and Equipment, Net

Property and equipment, net consists of the following:

	As of December 31,	
	2018	2019
	\$	\$
Furniture, fixtures and equipment	11,292,451	10,931,031
Leasehold improvements	2,766,337	4,817,117
Buildings	9,388,136	10,631,419
Motor vehicles	1,078,520	1,136,398
Total	24,525,444	27,515,965
Accumulated depreciation	(10,467,117)	(9,407,535)
Property and equipment, net	<u>14,058,327</u>	<u>18,108,430</u>

Depreciation expenses were \$3,078,955, \$2,465,421 and \$2,287,325 for the years ended December 31, 2017, 2018 and 2019, respectively.

6. Intangible Assets, Net

	As of December 31,		Weighted Average Remaining Amortization Period in Years
	2018	2019	
	\$	\$	
Intangible assets subject to amortization are comprised of the following:			
Advertising agency agreement with SINA	106,790,000	106,790,000	4.25
License agreements with SINA	80,660,000	80,660,000	4.25
Customer relationship	10,312,159	10,247,802	0.25
Database license	8,300,000	—	—
Computer software licenses	6,393,997	7,373,828	1.65
	<u>212,456,156</u>	<u>205,071,630</u>	4.16
Less: Accumulated amortization			
Advertising agency agreement with SINA	75,506,228	81,561,152	
License agreements with SINA	57,391,831	61,895,348	
Customer relationship	10,050,553	10,229,252	
Database license	8,300,000	—	
Computer software licenses	3,806,367	5,805,180	
Intangible assets subject to amortization, net	<u>57,401,177</u>	<u>45,580,698</u>	
Total intangible assets, net	<u>57,401,177</u>	<u>45,580,698</u>	

The advertising agency agreement and license agreements with SINA 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 through 2019. 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 acquisition cost was recognized as an intangible asset and amortized over the term of the agreement. In March 2014, the advertising agency agreement and license agreements were extended by five years to 2024 for no additional consideration. All other terms of the agreements remain the same.

Amortization expenses were \$13,465,713, \$13,239,962 and \$12,870,915 for the years ended December 31, 2017, 2018 and 2019, respectively. The Group expects to record amortization expenses of \$11,592,776, \$10,912,004, \$10,757,468, \$10,558,495 and \$1,759,957 for the years ending December 31, 2020, 2021, 2022, 2023 and 2024, respectively.

7. Goodwill

Changes in the carrying amount of goodwill for the year ended December 31, 2017 are as follows:

	<u>2017</u>
	\$
Balance as of January 1	39,018,058
Goodwill recognized upon acquisition (Note 3)	1,927,500
Impairment	(41,222,971)
Exchange rate translation	277,413
Balance as of December 31	<u>—</u>

The Group operates and manages its business as a single segment and a reporting unit, as such goodwill is assigned to the Group as a whole.

In the fourth quarter of 2016, China's real estate market showed signs of slowdown under the government's continued restrictive policies and further credit tightening. Local governments in more than 20 cities issued notices to restrict real estate purchases. In 2017, many local governments of both first-tier and second-tier cities have also promulgated various policies to impose restrictions or eligibility requirements on real estate buyers. It is uncertain for how long these measures will remain in effect, and whether the central or local governments will further tighten their policies. The Group's revenue growth started to slow down as developers became more pessimistic about increasing sales volume and more cautious with their marketing spending. The Group believed that this resulted in slower than previously expected growth for its business over the next several years. In addition, the Company experienced a 43% decline in its stock price from March 31, 2017 to June 30, 2017. After assessing these circumstances, the Group determined that it was more likely than not that the fair value of the Group was less than its carrying amount. As a result, an interim quantitative goodwill impairment test was performed as of June 30, 2017.

The Group utilized the income approach valuation method (Level 3) to compute the fair value of its reporting unit. The key assumptions used in the income approach, which requires significant management judgment, include business assumptions, 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. The Group applied a discount rate of 16% and terminal growth rate of 3% in estimating its fair value.

Based on the quantitative test performed, the Group concluded that the carrying value of the reporting unit exceeded its fair value. Consequently, the entire goodwill in the amount of \$41,222,971 was impaired in 2017.

There was no goodwill impairment recognized for the years ended December 31, 2018 and 2019.

8. Other Income (Loss), Net

	<u>Year Ended December 31,</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
	\$	\$	\$
Unrealized gain (loss) on marketable securities	911,873	(606,635)	951,545
Income from sales of properties held for sales	—	—	363,012
Foreign exchange gain (loss)	(619,269)	(3,800,728)	412,236
Others	187,891	188,170	251,718
Total	<u>480,495</u>	<u>(4,219,193)</u>	<u>1,978,511</u>

9. Income Tax

The following table summarizes income (loss) before income taxes incurred in the PRC and outside of the PRC:

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
Income (loss) before income taxes:			
PRC	(133,775,542)	(2,917,703)	24,990,443
Outside of PRC	(48,379,927)	(11,189,386)	(5,119,860)
Total	(182,155,469)	(14,107,089)	19,870,583

The expenses (benefits) for income taxes is comprised of:

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
Current Tax			
PRC	4,059,702	307,689	(378,008)
Outside of PRC	6,713	1,667	225,009
	<u>4,066,415</u>	<u>309,356</u>	<u>(152,999)</u>
Deferred Tax			
PRC	(24,394,667)	(1,643,696)	9,142,661
Outside of PRC	—	—	—
	<u>(24,394,667)</u>	<u>(1,643,696)</u>	<u>9,142,661</u>
Income tax expense (benefits)	(20,328,252)	(1,334,340)	8,989,662

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 enjoy 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 enjoy 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, in 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 (\$14,335) 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,	
	2018	2019
	\$	\$
Deferred tax assets:		
Accrued salary expenses	7,632,385	8,156,419
Bad debt provision	4,548,846	4,027,130
Net operating loss carry forwards	44,672,205	41,489,149
Advertising expenses	5,750,479	1,077,541
Others	232,837	195,265
Gross deferred tax assets	62,836,752	54,945,504
Valuation allowance	(480,689)	(5,634,684)
Total deferred tax assets	62,356,063	49,310,820
Deferred tax liabilities:		
Intangible assets from acquisition and other assets	14,779,770	11,741,607
Total deferred tax liabilities	14,779,770	11,741,607

The majority deferred tax liabilities were recognized for the 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,		
	2017	2018	2019
	\$	\$	\$
Balance as of January 1	(192,536)	(602,135)	(480,689)
Additions	(490,152)	—	(5,220,332)
Write off	103,968	96,091	—
Changes due to exchange rate translation	(23,415)	25,355	66,337
Balance as of December 31	(602,135)	(480,689)	(5,634,684)

The Group has recognized a valuation allowance against deferred tax assets on tax loss carry forwards of \$490,152, nil and \$5,220,332 for the years ended December 31, 2017, 2018 and 2019, respectively.

The Group assesses the 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, 2019. 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, 2019, a valuation allowance of \$5,634,684 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,		
	2017	2018	2019
PRC income tax rate	25.00%	25.00%	25.00%
Goodwill impairment not deductible for tax purposes	(5.66)%	—	—
Share based compensation expenses not deductible for tax purposes	(0.48)%	(7.19)%	4.53%
Other expenses not deductible for tax purposes	(0.27)%	(2.26)%	(1.13)%
Effect of tax holiday	(5.46)%	1.18%	(9.32)%
Effect of different tax rate of subsidiary operation in other jurisdiction	(0.59)%	(6.58)%	2.27%
Valuation allowance movement	(0.27)%	—	26.29%
Withholding tax	(1.11)%	(0.69)%	(2.39)%
	11.16%	9.46%	45.25%

The aggregate amount and per share effect of the tax holiday are as follows:

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
The aggregate dollar effect	—	166,874	1,852,419
Per share effect—basic	—	0.00	0.01
Per share effect—diluted	—	0.00	0.01

As of December 31, 2018 and 2019, the Group had tax operating loss carry forwards of \$207,795,259, and \$182,439,045, 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 year 2023 and 2024, respectively and further to 2028 and 2029, respectively for qualified HNTE according to the public announcement made by the State Administration of Taxation in China in August 2018.

Undistributed earnings of the Company's PRC subsidiaries of approximately \$109,148,161 at December 31, 2019 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 \$5,457,408 to \$10,914,816, as the withholding tax rate of the profit distribution will be 5% or 10% depends on whether the immediate offshore companies can enjoy the preferential withholding tax rate of 5%.

10. 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 shall be 8% of the total outstanding shares on an as-converted and fully diluted basis as of the effective date of the plan, 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 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 2017, the Company granted 2,135,000 options to purchase its ordinary shares to certain of the Group's employees at an exercise price of \$3.24 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 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, 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:

	2017	2018
Risk-free rate of return	2.61%	2.96%
Contractual life of option	10 years	10 years
Estimated volatility rate	65.64%	66.34%
Dividend yield	1.00%	1.00%

A summary of option activities under the Leju Plan during the year ended December 31, 2019 is presented below:

	Number of Options	Weighted Average Exercise Price \$	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value of Options
Outstanding, as of January 1, 2019	13,776,043	3.34	7.46	
Granted	—			
Exercised	(48,757)	1.42		20,441
Forfeited	(958,741)	3.54		
Outstanding, as of December 31, 2019	<u>12,768,545</u>	3.33	6.46	
Vested and expected to vest as of December 31, 2019	12,445,763	3.38	6.41	
Exercisable as of December 31, 2019	8,797,788	4.07	5.64	

The fair value of the options granted in 2017 was \$1.75 per share. The weighted average grant-date fair value of the options granted in 2018 was \$0.75 per share. For the years ended December 31, 2017, 2018 and 2019, the Company recorded compensation expenses of \$2,674,454, \$4,010,147 and \$2,268,554 for the share options granted to the Group's employees and recorded deemed distribution to E-House of \$78,245, nil and nil for the share options granted to E-House's employees, respectively. During the years ended December 31, 2017, 2018 and 2019, nil, nil and 48,757 options were exercised having a total intrinsic value of \$ nil, nil and \$20,441, respectively. The proceeds from exercise of options were nil, nil and \$69,214 for the years ended December 31, 2017, 2018 and 2019, respectively.

As of December 31, 2019, there was \$2,133,836 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 1.28 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 2017 and 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.

A summary of restricted share activity under the Leju Plan during the year ended December 31, 2019 is presented below:

	Number of Restricted Shares	Weighted Average Grant-date Fair Value \$
Outstanding, as of January 1, 2019	—	
Granted	250,000	1.65
Vested	—	
Forfeited	—	
Outstanding, as of December 31, 2019	<u>250,000</u>	1.65

The total grant date fair value of restricted shares vested in 2017, 2018 and 2019 was \$2,948,837, nil and nil, respectively.

For the years ended December 31, 2017, 2018 and 2019, the Company recorded compensation expenses of \$666,723, nil and \$103,125 for the restricted shares granted to the Group's employees.

As of December 31, 2019, there was \$309,375 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 2.25 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 which were granted to the senior management team in June, 2020.

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 Omnigold Plan shall initially be 5,000,000 as of the date of the Omnigold Plan was approved and adopted by the Board of Omnigold (the "Effective Date"), and (ii) the Omnigold Plan shall 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 2017, 2018 and 2019.

For the years ended December 31, 2017, 2018 and 2019, the Company recorded compensation expenses of \$183,687, \$48,215 and nil, respectively.

There were no options exercised during the years ended December 31, 2017, 2018 and 2019.

As of December 31, 2019, there was no unrecognized compensation expense given that all share options granted under the Omnigold Plan had been vested.

11. 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 \$21,542,245, \$15,096,793, and \$14,444,210 for the years ended December 31, 2017, 2018 and 2019, respectively, for such benefits.

12. 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 amount of the reserve fund for the Group as of December 31, 2018 and 2019 was \$9,092,951 and \$9,170,389, 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 \$34,958,930, of which \$8,465,625 was attributed to general reserve and registered capital of the VIEs, as of December 31, 2019.

13. 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,		
	2017	2018	2019
	\$	\$	\$
E-commerce	234,835,770	320,271,080	547,184,192
Online advertising	113,235,010	138,371,646	143,778,573
Listing	14,461,253	3,387,930	1,642,190
	<u>362,532,033</u>	<u>462,030,656</u>	<u>692,604,955</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, 2017, 2018 and 2019, respectively.

14. Related Party Balances and Transactions

The table below sets forth major related parties and their relationships with the Group:

<u>Company Name</u>	<u>Relationship with the Group</u>
E-House	Under the common control of E-House Holdings until December 30, 2016, and E-House Holdings became largest shareholder since then (Note 1).
SINA	A shareholder with significant influence on the Group
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 sold by Mr. Xin Zhou on April, 2019.
Yunchuang	Mr. Xin Zhou, executive chairman of Leju, is Yunchuang's ultimate controller
Yunnan Huixiangju Information & Consultant Ltd. ("Huixiangju")	One of the Group's investment affiliates and the Group owns 51% equity interest
Suzhou Qianyisheng Information & Consultant Ltd. ("Qianyisheng")	One of the Group's investment affiliates and the Group owns 19% equity interest
Shanghai Quanzhuyi Home Furnishing Accessories Ltd. ("QuanZhuYi")	One of the Group's investment affiliates and the Group owns 13.5% equity interest
Tencent Holdings Ltd. or certain of its affiliates ("Tencent")	A shareholder with significant influence on the Group
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
E-House (China) Enterprise Holdings Ltd. ("E-House Enterprise")	Mr. Xin Zhou, executive chairman of Leju, is E-House Enterprise's director. E-House Enterprise was a subsidiary of E-House before it became a listed company in Hong Kong during 2018

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 services 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. E-House charges the Group a fee based on an estimate of the actual cost incurred to provide such services, which amounted to \$5,447,864, \$1,942,495 and \$1,772,642 for the years ended December 31, 2017, 2018 and 2019, respectively.

During the years ended December 31, 2017, 2018 and 2019, significant related party transactions were as follows:

	Year Ended December 31,		
	2017	2018	2019
	\$	\$	\$
Corporate service provided by E-House under service agreements	5,447,864	1,942,495	1,772,642
Online advertising resources fee recognized as cost of revenues purchased from SINA	15,629,868	19,828,784	18,281,406
Online advertising resources fee recognized as cost of revenues purchased from Tencent	16,349,409	23,488,344	21,441,779
Services purchased from/rental cost paid to E-House	6,473,108	1,950,976	1,478,163
Services purchased from E-House Enterprise	—	4,269,565	7,427,364
Services purchased from Jupai	267,001	236,432	132,586
Services purchased from Yunchuang	55,018	17,216	1,090,583
Services purchased from Yicang (Note C)	185,632	9,438	17,767
Total services purchased from related parties	44,407,900	51,743,250	60,889,295
Online advertising services provided to E-House	126,168	—	23,168
Compensation from E-House (Note A)	—	3,425,741	—
Services provided to E-House Enterprise	—	1,904,027	1,391,448
Services provided to Investing affiliates	23,603	—	1,319,805
Total online advertising services provided to related parties	149,771	5,329,768	2,734,421
Fee paid to Tencent for advertising resources on behalf of customers as the Group acted as agent	—	—	9,247,005
Repayment loan to E-House (Note B)	1,862,593	—	—
Business acquisition from Yunchuang	6,000,000	—	—

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: The loan from E-House is interest free and can be settled on demand. The Group repaid the loan balance in 2017, and there were no balances for such nature as of December 31, 2018 and 2019, respectively.

Note C: Yicang was a related party before it was sold by Mr. Xin Zhou on April, 2019. The transactions with Yicang in 2019 represent the services purchased from Yicang from January to April, 2019.

The transactions are measured at the amount of consideration established and agreed to by the related parties.

As of December 31, 2018 and 2019, amounts due from related parties were comprised of the following:

	As of December 31,	
	2018	2019
	\$	\$
E-House (1)	894,222	555,652
E-House Enterprise (6)	—	906,009
Investing Affiliates (7)	—	1,384,378
Tencent (3)	5,800,357	6,827,030
Total	6,694,579	9,673,069

As of December 31, 2018 and 2019, amounts due to related parties were comprised of the following:

	As of December 31,	
	2018	2019
	\$	\$
SINA (4)	2,189,086	3,263,565
Yicang (5)	1,266	—
Yunchuang (2)	7,450	1,143,212
E-House Enterprise (6)	1,279,391	—
Total	3,477,193	4,406,777

- (1) The amount due from E-House as of December 31, 2018 and 2019 is primarily for compensation receivable from E-House (See Note A) partially offset by the corporate service fees charged from E-House.
- (2) The amount due to Yunchuang as of December 31, 2019 represents the payable for technical service fees, and the amount as of December 31, 2018, represents the payable for internet connection fees.
- (3) The amount due from Tencent as of December 31, 2018 and 2019 represents the prepaid fee for online advertising resources.
- (4) The amount due to SINA as of December 31, 2018 and 2019 represents payable for online advertising resources fee.
- (5) Yicang was a related party before it was sold by Mr. Xin Zhou on April, 2019. The amount due to Yicang as of December 31, 2018 represents payable for rental expense.
- (6) The amount due from E-House Enterprise as of December 31, 2019 represents the receivable for online advertising revenue from E-House Enterprise partially offset by the payable for marketing service fees charged by E-House Enterprise. The amount due to E-House Enterprise as of December 31, 2018 represents payable for marketing service fees.
- (7) The amount due from affiliates as of December 31, 2019 represents the receivable for E-commerce platform service revenue from Huixiangju and the expense paid on behalf of Qianyisheng.

The roll forward of the payable to / (receivable from) E-House for the years ended December 31, 2017, 2018 and 2019 are as follows:

		Year Ended December 31,		
		2017	2018	2019
		\$	\$	\$
Balance at January 1		(6,019,121)	1,376,955	(894,222)
Repayment of loan to E-House	(A)	(1,862,593)	—	—
Receivable from E-House Enterprise as of January 1, 2018	(B)	—	466,722	—
Corporate service provided by E-House under services agreements	(C)	5,447,864	1,942,495	1,772,642
Service provided to E-House	(C)	(126,168)	—	(23,168)
Service purchased from/rental cost paid to E-House	(C)	6,473,108	1,950,976	1,478,163
Compensation from E-House	(D)	—	(3,425,741)	—
Net payment	(E)	(2,536,135)	(3,205,629)	(2,889,067)
Balance at December 31		1,376,955	(894,222)	(555,652)

	As of December 31,	
	2018	2019
	\$	\$
Net results for service fee (C) and compensation from E-House (D)	(894,222)	(555,652)
Amounts due from E-House	(894,222)	(555,652)

- (A) Represents the movement of loan payable to E-House

- (B) Represents the 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.
- (C) Represents the movement of service fees receivable from and payable to E-House.
- (D) Represents compensation from E-House. See Note A above.
- (E) Represents the net cash flow between the Company and E-House except for the loan repaid to E-House.

15. 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.

16. Subsequent Events

The outbreak of COVID-19 began in January 2020 and was quickly declared as a Public Health Emergency of International Concern and subsequently a pandemic by the World Health Organization. A series of prevention and control measures including quarantines, travel restrictions, and the temporary closure of facilities were implemented across the country.

The outbreak of COVID-19 and subsequent prevention and control measures have negatively affected the Group's business operations and financial conditions. Most new residential real estate projects in China closed their show rooms and sales centers at the start of the outbreak and did not begin to reopen at a reduced capacity until March. Many of the Group's regional offices were also subject to temporary closure and/or reduced capacity. This had a negative impact on the Group's E-commerce business, which relies primarily on new residential property sales. The Group's online advertising business 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.

Despite the fact that China has largely brought the pandemic under control, there is still a high degree of uncertainty as to how the pandemic will evolve going forward. A new outbreak in China could cause new disruptions of economic activities including real estate transactions and have an adverse impact on the Group's business, financial condition and results of operations for the remainder of the fiscal year ending December 31, 2020, which cannot be reasonably estimated at the current stage. The Group will regularly assess its business conditions and adopt measures to mitigate any new impact of the ongoing pandemic.

**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, as amended by this Amendment No. 1 on Form 20-F/A;
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: August 7, 2020

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, as amended by this Amendment No. 1 on Form 20-F/A;
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: August 7, 2020

By: /s/ Li-Lan Cheng
Name: Li-Lan Cheng
Title: Acting 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, 2019, as amended by the Amendment No. 1 on Form 20-F/A 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: August 7, 2020

By: /s/ Yinyu He

Name: Yinyu He

Title: Chief Executive 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 and 333-217644) of our report dated July 15, 2020, relating to the consolidated financial statements of Leju Holdings Limited, its subsidiaries and its consolidated variable interest entities (the “Group”) as of December 31, 2019 and for the year then ended, in which our report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Accounting Standards Codification Topic 842, Leases, appearing in this Annual Report on Form 20-F of the Group for the year ended December 31, 2019, as amended by this Amendment No.1 on Form 20-F.

/s/ Yu Certified Public Accountant P.C.
Yu Certified Public Accountant P.C.
New York, New York
August 7, 2020

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 10, 2019, relating to the consolidated financial statements of Leju Holdings Limited, its subsidiaries and its consolidated variable interest entities (the “Group”), appearing in this Amendment No. 1 to Annual Report on Form 20-F/A of the Group for the year ended December 31, 2019.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, the People’s Republic of China

August 7, 2020
