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MIDEA REAL ESTATE HOLDING LIMITED

美的置業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3990)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ENTRUSTED INVESTMENTS AND PROVISION OF FINANCIAL ASSISTANCE

ENTRUSTED INVESTMENTS AND PROVISION OF FINANCIAL ASSISTANCE

During the period from January 2025 to December 2025, Foshan Meizhi and Guangdong Meizhi (as settlors), both wholly-owned subsidiaries of the Company, each entered into an Entrusted Investment Agreement with the relevant Trustee for the purpose of carrying out entrusted investments.

During the period from January 2025 to December 2025, the Trustees provided a series of loans to Shenyang Zhenghui, Nanhai Meiming and Shunde Tianmei. The maximum aggregate outstanding loan amount at any time during that period did not exceed RMB650 million. As at 31 December 2025, all outstanding principal together with all accrued interest under the Transactions had been fully settled and all Entrustments Investments Agreements had been terminated.

BREACH OF THE LISTING RULES

During the relevant period, (i) Shenyang Zhenghui was 50% owned by Shenyang Meiyi, which was an indirectly wholly-owned subsidiary of Midea Construction (BVI); and (ii) each of Nanhai Meiming and Shunde Tianmei was an indirectly wholly-owned subsidiary of Midea Construction (BVI). Midea Construction (BVI) was indirectly wholly-owned by Ms. Lu through Midea Field Company Limited and Midea Development Holding (BVI) Limited, each of which is a controlling shareholder of the Company. Each of Shenyang Zhenghui, Nanhai Meiming and Shunde Tianmei was therefore an associate of Ms. Lu, Midea Field Company Limited and Midea Development Holding (BVI) Limited and a connected person of the Company under the Listing Rules. Accordingly, each of the Transactions constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the Transactions were required to be aggregated. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Transactions exceeded 5% but was less than 25%, the Transactions constituted a discloseable transaction and a non-exempt connected transaction of the Company and was subject to the reporting, announcement, circular and the independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules (as the case may be).

The Directors considered that the failure of the Company to comply with the Listing Rules was primarily attributable to the miscommunication between the internal departments of the Group. The business team approved and proceeded with the Transactions but did not notify the compliance team that certain underlying arrangements could involve connected parties or give rise to financial assistance implications under the Listing Rules. The compliance team therefore verified only that the counterparties to the Entrusted Investment Agreements were Independent Third Parties and did not identify the potential indirect connectedness or the possible financial assistance consequences of investments routed through entrusted arrangements. This gap in information and review led to the failure to identify and comply with the relevant Listing Rules requirements and to obtain independent Shareholders' approval when the Transactions were conducted during the period from January 2025 to December 2025.

BACKGROUND

In early 2026, the risk management and internal audit department of the Group has started to conduct its annual internal control inspection to assess the risk management and internal control systems of the Group. It was discovered that the underlying transactions of the Entrusted Investments, as detailed below, involved fund flows to connected persons, namely Shenyang Zhenghui, Nanhai Meiming and Shunde Tianmei. At the instruction of the chairman of Audit Committee, a comprehensive review was carried out by the risk management and internal audit department on 11 March 2026 and reported to the Board on 13 March 2026. It was concluded that, among 14 similar transactions, and other than the Transactions, the Group did not provide any other financial assistance to any connected person in 2025. As at 31 December 2025, all outstanding principal together with all accrued interest under the Transactions had been fully settled and all Entrustments Investments Agreements had been terminated.

ENTRUSTED INVESTMENTS

Foshan Meizhi and Guangdong Meizhi, both wholly-owned subsidiaries of the Company, each entered into an Entrusted Investment Agreement as a settlor with the relevant Trustee, the principal terms of which are set out below:

Date:	2 January 2025	21 May 2025	1 July 2025
Settlor/Beneficiary:	Foshan Meizhi	Guangdong Meizhi	Guangdong Meizhi
Trustee:	Wanxiang Trust	Yuecai Trust	Zhongyuan Trust
Purpose:	Carrying out entrusted investments and account management		
Type:	Wealth management trust		
Size:	Up to RMB500 million	Up to RMB250 million	Up to RMB1 billion
Term of entrustment:	36 months from first deposit to trust	24 months from date of agreement	36 months from first deposit to trust
Reference net annual return rate:	3.85%	3.20%	3.20%

PROVISION OF FINANCIAL ASSISTANCE

During the period from January 2025 to December 2025, the Trustees provided a series of loans to Shenyang Zhenghui, Nanhai Meiming and Shunde Tianmei, the principal terms of which are set out below:

No.	Lender	Borrower	Date of loan (term)	Interest rate	Principal amount (RMB)	Date of repayment	Principal amount repaid (RMB)	Accrued interest amount (RMB)
1	Wanxiang Trust	Shenyang Zhenghui	02/01/2025	3.85%	200,000,000	20/08/2025	200,000,000	4,680,000
2	Yuecai Trust	Nanhai Meiming	21/05/2025	3.20%	150,000,000	20/08/2025	200,000,000	1,620,000
3	Yuecai Trust	Nanhai Meiming	22/05/2025	3.20%	50,000,000			
4	Zhongyuan Trust	(i) Nanhai Meiming (ii) Shunde Tianmei	01/07/2025	3.20%	250,000,000	26/12/2025	250,000,000	3,960,000

The above loans shall be utilised to replenish general operational capital requirements. They were all unsecured and repayable on demand.

The maximum aggregate outstanding loan amount at any time during that period did not exceed RMB650 million. As at 31 December 2025, all outstanding principal together with all accrued interest under the Transactions had been fully settled and all Entrustments Investments Agreements had been terminated.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB1,033.95 million. The Group has adopted investment and treasury policies and internal control measures to review and monitor its investment risks. The Group considers investing in the Transactions only when it has surplus cash that is not required for its short-term working capital. Before making any investment, the Group assesses the expected returns and the associated risks to achieve a return on excess cash that is reasonably higher than regular bank deposits. Accordingly, the Transactions were undertaken to improve the efficiency of the Group's cash management.

The Loans made via the Entrusted Investments were short-term in nature and repayable on demand by the Trustees during their term, and the funds held under the Entrusted Investments arrangements were likewise withdrawable on demand, and therefore were not expected to affect the Company's liquidity. The interest rate receivable by the Group via the Entrustment Investments and payable by the borrowers under the Loans was higher than (i) the prevailing market interest rate for bank deposits of approximately 0.65% for a term of three months and approximately 0.85% for a term of six months during the same period; and (ii) the returns of other wealth management products invested by the Group during the same period. The Transactions were therefore expected to generate additional income, better utilise the funds of the Group, and be in the interest of the Company and the Shareholders as a whole. On this basis, the Directors (including the independent non-executive Directors but excluding (i) Mr. He Jianfeng, the son of Mr. He and the spouse of Ms. Lu, a non-executive Director, and (ii) Mr. Zhao Jun, a director of Midea Construction (BVI) and a non-executive Director, who abstained from voting) consider that the Transactions were entered into on normal commercial terms or better, and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is based in the PRC and operates the following major businesses: (i) project management services; (ii) property management services; (iii) asset operation; and (iv) real estate technology.

The Trustees

Wanxiang Trust is a non-banking financial institution established in August 2012. It is engaged in, among others, the trust business approved by the State Administration of Financial Supervision and Administration. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Wanxiang Trust and its ultimate beneficial owner(s) are Independent Third Parties.

Yuecai Trust is a state-owned non-banking financial institution established in March 1985. It is engaged in, among others, the trust business approved by the State Administration of Financial Supervision and Administration. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Yuecai Trust and its ultimate beneficial owner(s) are Independent Third Parties.

Zhongyuan Trust is a state-owned financial institution established in August 1985 and reformed in October 2002. It is principally engaged in trust business. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Zhongyuan Trust and its ultimate beneficial owner(s) are Independent Third Parties.

The Borrower

Shenyang Zhenghui was established under laws of the PRC with limited liability on 29 September 2007. It is 50% owned by Shenyang Meiyi, which is indirectly wholly-owned by Ms. Lu. It is principally engaged in property development in the PRC.

Nanhai Meiming was established under laws of the PRC with limited liability on 30 June 2021 and indirectly wholly-owned by Ms. Lu. It is principally engaged in property development in the PRC.

Shunde Tianmei was established under laws of the PRC with limited liability on 20 June 2017 and indirectly wholly-owned by Ms. Lu. It is principally engaged in property development in the PRC.

LISTING RULES IMPLICATIONS AND BREACH

As at the date on which the Transactions were conducted, and as at the date of this announcement, (i) Shenyang Zhenghui was 50% owned by Shenyang Meiyi, which was an indirectly wholly-owned subsidiary of Midea Construction (BVI); and (ii) each of Nanhai Meiming and Shunde Tianmei was an indirectly wholly-owned subsidiary of Midea Construction (BVI). Midea Construction (BVI) was indirectly wholly-owned by Ms. Lu through Midea Field Company Limited and Midea Development Holding (BVI) Limited, each of which is a controlling shareholder of the Company. Each of Shenyang Zhenghui, Nanhai Meiming and Shunde Tianmei was therefore an associate of Ms. Lu, Midea Field Company Limited and Midea Development Holding (BVI) Limited and a connected person of the Company under the Listing Rules. Accordingly, each of the Transactions constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules, the Transactions were required to be aggregated. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Transactions exceeded 5% but was less than 25%, the Transactions constituted a discloseable transaction and a non-exempt connected transaction of the Company and was subject to the reporting, announcement, circular and the independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules (as the case may be). The Company had omitted to comply with the above requirements and failed to obtain independent Shareholders' approval when the Transactions were conducted in the period from January 2025 to December 2025.

Given that the Transactions had already been completed, and all outstanding principal together with all accrued interest under the Transactions had been fully settled and all Entrustments Investments Agreements had been terminated, the Company will not send a circular to the Shareholders or convene a general meeting for the consideration and approval of the Transactions.

REASONS FOR BREACH OF THE LISTING RULES

Since completing the Group's restructuring and distribution of its real estate development business in October 2024, the Group has materially improved its financial ratio and liquidity, resulting in a significant cash surplus. Beginning in 2025, as part of its treasury management, the Group started to invest and explore more in entrusted investments, which the Group had limited prior experience. The existing internal control framework had been designed for the Group's historical business model and was not sufficiently tailored to the regulatory risks specific to entrusted investment arrangements.

The Directors considered that the failure of the Company to comply with the Listing Rules was primarily attributable to the miscommunication between the internal departments of the Group. The business team approved and proceeded with the Transactions but did not notify the compliance team that certain underlying arrangements could involve connected parties or give rise to financial assistance implications under the Listing Rules. The compliance team therefore verified only that the counterparties to the Entrusted Investment Agreements were Independent Third Parties and did not identify the potential indirect connectedness or the possible financial assistance consequences of investments routed through entrusted arrangements. This gap in information and review led to the failure to identify and comply with the relevant Listing Rules requirements and to obtain independent Shareholders' approval.

REMEDIAL MEASURES

The Company deeply regrets the failure to comply with the Listing Rules, but the Company wishes to emphasise that it did not and does not intend to conceal any information relating to the Transactions. As at 31 December 2025, all outstanding principal together with all accrued interest under the Transactions had been fully settled and all Entrusted Investments Agreements had been terminated.

As set out above, the Transactions constituted a discloseable transaction and a non-exempt connected transaction of the Company which require reporting, announcement, circular and the approval of the independent Shareholders. In order to safeguard against any risks of exposure to breach of the Listing Rules:

- (a) the Company will engage an internal control consultant to identify any deficiencies of its internal control policies for monitoring the different forms of discloseable transactions and connected transactions (whether direct or indirect) under the Listing Rules, and make recommendations to enhance the relevant internal control policies, including measures to address the breach and to close the information gap between business and compliance functions;
- (b) the Company will provide a more detailed guideline relating to its existing internal procedures relating to dealing with entrusted investment, wealth management products, connected transactions or related party transactions and notifiable transactions under the Listing Rules to the relevant staff members of the Group, in order to strengthen and reinforce their knowledge relating to notifiable and connected transactions and their ability to identify potential issues; and

- (c) the Company will maintain closer cooperation with its professional advisers in relation to regulatory and Listing Rules compliance, including consulting and discussing with them whenever they have doubts as to the Listing Rules implications of transactions conducted by all members of the Group.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Midea Real Estate Holding Limited (美的置業控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 3990)
“Director(s)”	the director(s) of the Company
“Entrusted Investment(s)”	the respective entrusted investment(s) made pursuant to the Entrusted Investment Agreement(s)
“Entrusted Investment Agreement(s)”	(i) the entrusted investment agreement dated 2 January 2025 entered into between Foshan Meizhi and Wanxiang Trust; (ii) the entrusted investment agreement dated 21 May 2025 entered into between Guangdong Meizhi and Yuecai Trust; and (iii) the entrusted investment agreement dated 1 July 2025 entered into between Guangdong Meizhi and Zhongyuan Trust
“Foshan Meizhi”	Foshan Meizhi Service Development Co., Ltd.* (佛山市美置服務發展有限公司), being an indirectly wholly-owned subsidiary of the Company and was established under laws of the PRC with limited liability
“Group”	the Company and its subsidiaries
“Guangdong Meizhi”	Guangdong Meizhi Holding Co., Ltd.* (廣東美置控股集團有限公司), being an indirectly wholly-owned subsidiary of the Company and was established under laws of the PRC with limited liability
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	third party(ies) independent of, and not connected with, the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan(s)”	the loan(s) granted by the trustee pursuant to the Entrusted Investment(s)
“Midea Construction (BVI)”	Midea Construction (BVI) Limited (美的建業(英屬維京群島)有限公司), a company incorporated in the British Virgin Islands with limited liability. Midea Construction (BVI) is indirectly wholly-owned by Ms. Lu through entities wholly-owned by her, namely, Midea Development Holding (BVI) Limited and Midea Field Company Limited
“Mr. He”	Mr. He Xiangjian (何享健) and Ms. Lu are parties acting-in-concert. Therefore, Mr. He is deemed to be interested in Ms. Lu’s interest in the Company by virtue of the SFO and is a controlling shareholder of the Company. However, as confirmed by Mr. He and Ms. Lu in the deed of acting-in-concert dated 14 May 2018 entered into between Mr. He and Ms. Lu, Mr. He does not hold any economic interest (including the right to dividend) in the Group
“Ms. Lu”	<p>Ms. Lu Deyan (盧德燕) is a controlling shareholder of the Company, the spouse of Mr. He Jianfeng (何劍鋒) (a non-executive Director) and a daughter-in-law of Mr. He.</p> <p>Ms. Lu holds the entire equity interest in each of Midea Development Holding (BVI) Limited and Midea Field Company Limited, and these companies in turn hold 1,127,029,727 and 37,576,736 shares of the Company respectively. Therefore, Ms. Lu is deemed to be interested in the shares of the Company held by Midea Development Holding (BVI) Limited and Midea Field Company Limited, as to approximately 81.13%, collectively, as at the date of this announcement by virtue of the SFO</p>
“Nanhai Meiming”	Foshan Nanhai District Meiming Property Development Co., Ltd.* (佛山市南海區美鳴房地產開發有限公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by Ms. Lu
“PRC”	People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shareholders”	holders of the shares of the Company
“Shenyang Meiyi”	Shenyang Meiyi Enterprise Management Consulting Co., Ltd.* (瀋陽美溢企業管理諮詢有限公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by Ms. Lu
“Shenyang Zhenghui”	Shenyang Zhenghui Property Development Co., Ltd.* (瀋陽正匯房地產開發有限公司), a company incorporated in the PRC with limited liability, which is held as to 50% by Shenyang Meiyi and 50% by other Independent Third Parties
“Shunde Tianmei”	Foshan Shunde Tianmei Property Development Co., Ltd.* (佛山市順德區天美房產有限公司), a company incorporated in the PRC with limited liability, which is indirectly wholly-owned by Ms. Lu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the provision of the Loans through the Entrusted Investments
“Trustee(s)”	Wanxiang Trust, Yuecai Trust and Zhongyuan Trust
“Wanxiang Trust”	Wanxiang Trust Co., Ltd.* (萬向信託股份公司), a company incorporated in the PRC with limited liability, being the trustee appointed pursuant to the Entrusted Investment Agreement dated 2 January 2025 entered into between it and Foshan Meizhi
“Yuecai Trust”	Guangdong Yuecai Trust Co., Ltd.* (廣東粵財信託有限公司), a company incorporated in the PRC with limited liability, being the trustee appointed pursuant to the Entrusted Investment Agreement dated 21 May 2025 entered into between it and Guangdong Meizhi

“Zhongyuan Trust” Zhongyuan Trust Co., Ltd.* (中原信託有限公司), a company incorporated in the PRC with limited liability, being the trustee appointed pursuant to the Entrusted Investment Agreement dated 1 July 2025 it entered into between it and Guangdong Meizhi

“%” per cent

In addition, the terms “associate”, “connected person”, “controlling shareholder”, “percentage ratios” and “subsidiary” shall have the meanings ascribed to them under the Listing Rules.

* The Chinese names of the PRC entities have been translated into English in this announcement for reference only. In the event of any discrepancies between the Chinese names of the PRC entities and their respective English translations, the Chinese version shall prevail.

By order of the Board
Midea Real Estate Holding Limited
Wang Dazai
Co-Chairman, Executive Director and President

Hong Kong, 13 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wang Dazai (Co-Chairman and President), Mr. Hao Hengle (Co-Chairman) and Ms. Liu Min; the non-executive directors of the Company are Mr. He Jianfeng, Mr. Zhao Jun and Ms. Ren Lingyan; and the independent non-executive directors of the Company are Mr. Tan Jinsong, Mr. O’Yang Wiley and Mr. Lu Qi.