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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Midea Real Estate Holding Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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 | 美的置业
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)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES
(2) RE-ELECTION OF DIRECTORS
(3) ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING

Precautionary Measures for the Annual General Meeting

Please take special note of page 1 of this circular and note 9 to the Notice of Annual General Meeting for the measures to be implemented to prevent the spreading of novel coronavirus at the Annual General Meeting.

A notice convening an Annual General Meeting to be held on 29 May 2020 at 11:00 a.m. at 30/F, Tower 4, Midea Real Estate Plaza, No. 1 Chengde Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC and Orchid Room, 4/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong concurrently by video conference is set out on pages 32 to 37 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and vote at the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the meeting or any adjournment thereof should you so wish.

24 April 2020

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Due to the constantly evolving novel coronavirus infection situation in the Mainland China and Hong Kong, the following measures will be implemented at the Annual General Meeting:

- (1) Entry to the Annual General Meeting venue will only be allowed to the attendee who does not have any symptoms of the novel coronavirus, including runny nose, headache, cough, sore throat, and fever, and every attendee must pass the compulsory temperature screening/checks;
- (2) No entry will be allowed to any attendee who is subject to mandatory quarantine order imposed by the government of the Mainland China or Hong Kong;
- (3) Every attendee allowed to enter the Annual General Meeting venue must properly wear a surgical face mask throughout the Annual General Meeting; and
- (4) No refreshments and/or corporate gifts will be provided to attendees at the Annual General Meeting.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue so as to ensure the health and safety of the attendees at the Annual General Meeting.

To further reduce the risk of the novel coronavirus spreading at the Annual General Meeting, Shareholders are strongly encouraged to cast their votes by submitting a proxy form appointing the Chairman of the Annual General Meeting as their proxy.

The Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders and proxies are recommended to check the Company's website at <http://www.mideadc.com> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> for future announcements and updates on the Annual General Meeting arrangements, if any.

DEFINITIONS

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

“Adoption Date”	29 May 2020, the date on which the Share Option Scheme is conditionally adopted by resolution of the Shareholders at the Annual General Meeting
“Allotment Date”	the date on which Shares are allotted and issued to a Grantee pursuant to the exercise of an Option hereunder
“Annual General Meeting”	the annual general meeting of the Company to be held on 29 May 2020 at 11:00 a.m. at 30/F, Tower 4, Midea Real Estate Plaza, No. 1 Chengde Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC and Orchid Room, 4/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong concurrently by video conference, the notice of which is set out on pages 32 to 37 of this circular, and any adjournment thereof
“Applicable Laws”	any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules)
“Articles of Association”	the amended and restated memorandum and articles of association of the Company
“associate(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Audit Committee”	the audit committee of the Board
“Auditor”	the auditor of the Company for the time being
“Bankruptcy”	in respect of any Grantee, any of the following events: (i) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the assets or undertakings of the Grantee (being a corporation); (ii) the Grantee (being a corporation) has ceased or suspended payment of its debts (within a meaning of section 178 of the CWUMPO), become unable to pay its debts or otherwise become insolvent;

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(iii) there is unsatisfied judgment, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his debts;

(iv) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in sub-paragraphs (i), (ii) and (iii) above; or

(v) a bankruptcy order has been made against the Grantee or any director or shareholder of the Grantee (being a corporation) in any jurisdiction

“Board”	the board of Directors of the Company
“Business Day(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Buy-back Mandate”	a general mandate to be granted to the Directors to buy-back Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the relevant resolution to approve such mandate, details of which are set out in the proposed ordinary resolution no. 6 of the notice of Annual General Meeting
“Cayman Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“chief executive(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“close associate(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Commencement Date”	in respect of any particular Option, the Business Day on which that Option is deemed to have been granted in accordance with the Share Option Scheme
“Company”	Midea Real Estate Holding Limited (美的置業控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 29 November 2017, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3990)
“connected person(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules

DEFINITIONS

“controlling shareholder(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“core connected person(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Culpable Termination”	the termination of the employment of an employee on the grounds that he has been guilty of serious misconduct, including but not limited to (i) material negligence or derelict in his duties; (ii) any act in breach of relevant local laws or regulations or the Articles of Association; (iii) conviction of criminal offence involving his integrity or honesty; (iv) during his employment, he has accepted or asked for bribes, committed graft and embezzlement, or has disclosed operational or technical secrets of the Group, or has engaged in connected transactions which damage the interests and reputation of the Group, or has acted otherwise that would have material adverse effects on the image of the Group and result in loss to the Group (as sufficiently proved by a Group member); or (v) any violation of the Group’s internal rules and regulations
“CWUMPO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Disability” or Disabled”	shall have the meaning as defined under the long-term disability policy (if any) of the relevant company to which the Grantee provides services regardless of whether the Grantee is covered by such policy. In the event the relevant company to which the Grantee provides services does not have a long-term disability policy in place, “Disability” or “Disabled” shall mean that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he furnishes proof of such impairment sufficient to satisfy the Board in its discretion
“Effective Date”	the date on which the conditions for the adoption of the Share Option Scheme are fulfilled

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“Eligible Participant(s)”	(i) any director or proposed director of any member of the Group; and (ii) any management, key technician, officer, manager and employee of any member of the Group;
“Exercise Period”	in respect of any particular Option, the period within which a Grantee may exercise the Option pursuant to the terms and conditions of the Share Option Scheme to be notified by the Board to each Grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years from the Commencement Date
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of an Option pursuant to the terms and conditions of the Share Option Scheme
“Grantee(s)”	any Eligible Participant who accepts an Offer pursuant to the terms and conditions of the Share Option Scheme or (where the context permits) the Personal Representative of that Eligible Participant (being an individual)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the relevant resolution to approve such mandate, details of which are set out in the proposed ordinary resolution no. 5 of the notice of Annual General Meeting
“Latest Practicable Date”	17 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“NEEQ”	National Equities Exchange and Quotations System
“Nomination Committee”	the nomination committee of the Board
“Offer”	an offer of the grant of an Option by the Company to an Eligible Participant pursuant to the terms and conditions of the Share Option Scheme

DEFINITIONS

“Offer Letter”	a letter, in such form as the Board may from time to time determine, granting an Offer to an Eligible Participant pursuant to the terms and conditions of the Share Option Scheme
“Option”	a right to subscribe for Shares granted pursuant to the terms and conditions of the Share Option Scheme
“Other Schemes”	the schemes adopted by the Company involving the issue or grant of options or similar rights over Shares or other securities by the Company, other than the Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise any Option granted to such Grantee (to the extent not already exercised)
“PRC”	People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	renminbi yuan, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme proposed to be adopted by the Company, a summary of the principal terms is set out in Appendix III to this circular
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of HK\$1.00 each (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	shall have the meaning ascribed to it from time to time in the Listing Rules

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“substantial shareholder(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Hao Hengle (Chairman)
Mr. Yao Wei
Mr. Lin Ge
Ms. Lin Dongna

Non-executive Directors:

Mr. He Jianfeng
Mr. Zhao Jun

Independent Non-executive Directors:

Mr. Tan Jinsong
Mr. O'Yang Wiley
Mr. Lu Qi

Registered Office:

Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

**Principal Place of Business
in Hong Kong:**

Suites 3906–3910, 39/F, Tower 6
The Gateway, Harbour City
No. 9 Canton Road
Tsim Sha Tsui
Kowloon
Hong Kong

24 April 2020

To the Shareholders

Dear Sir/Madam

**PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES
(2) RE-ELECTION OF DIRECTORS
(3) ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. The resolutions to be proposed at the Annual General Meeting are in respect of (i) the granting to the Directors of the Issue Mandate, the Buy-back Mandate and the extension of the Issue Mandate; (ii) the re-election of Directors; and (iii) the adoption of the Share Option Scheme.

LETTER FROM THE BOARD

2. PROPOSED ISSUE MANDATE, BUY-BACK MANDATE AND EXTENSION OF ISSUE MANDATE

By resolutions in writing passed by the Shareholders on 28 May 2019, the Directors were granted general mandates to issue Shares and to buy-back Shares, respectively. Such mandates will lapse at the conclusion of the forthcoming Annual General Meeting. In order to give the Company the flexibility to issue new Shares and to buy-back Shares if and when appropriate, ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of the following mandates to the Directors:

2.1 Issue Mandate

At the Annual General Meeting, an ordinary resolution will be proposed for Shareholders to consider and, if thought fit, approve the grant of the Issue Mandate to enable the Directors to exercise the power of the Company to issue, allot and deal with new Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the resolution. Details of the Issue Mandate are set out in the proposed ordinary resolution no. 5 of the notice of Annual General Meeting.

As at the Latest Practicable Date, a total of 1,230,567,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or bought-back by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 246,113,400 Shares.

2.2 Buy-back Mandate

At the Annual General Meeting, an ordinary resolution will also be proposed for Shareholders to consider and, if thought fit, approve the grant of the Buy-back Mandate to enable the Directors to exercise the power of the Company to buy-back Shares not exceeding 10% of the total number of Shares in issue as at the date of passing of the resolution. Details of the Buy-back Mandate are set out in the proposed ordinary resolution no. 6 of the notice of Annual General Meeting.

An explanatory statement, as required by the Listing Rules to provide to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Buy-back Mandate at the Annual General Meeting, is set out in Appendix I to this circular.

2.3 Extension of the Issue Mandate

In addition, an ordinary resolution will be proposed at the Annual General Meeting for Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate to enable the Directors to issue new Shares by adding to it the number of Shares bought-back under the Buy-back Mandate. Details of the extension of the Issue Mandate are set out in the proposed ordinary resolution no. 7 of the notice of Annual General Meeting.

LETTER FROM THE BOARD

The Issue Mandate, the Buy-back Mandate and the extension of the Issue Mandate would expire at the earliest of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the applicable laws or the Articles of Association; or (iii) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

3. PROPOSED RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consisted of nine Directors, namely:

Executive Directors	Date of appointment
Mr. Hao Hengle	29 November 2017
Mr. Yao Wei	15 May 2018
Mr. Lin Ge	15 May 2018
Ms. Lin Dongna	15 May 2018
Non-executive Directors	
Mr. He Jianfeng	15 May 2018
Mr. Zhao Jun	29 November 2017
Independent Non-executive Directors	
Mr. Tan Jinsong	11 October 2018
Mr. O'Yang Wiley	11 October 2018
Mr. Lu Qi	11 October 2018

According to Article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

According to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

At the Annual General Meeting, Mr. Hao Hengle, Mr. He Jianfeng and Mr. Tan Jinsong will retire and offer themselves for re-election.

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3.1 Recommendation of the Nomination Committee

The Nomination Committee had assessed and reviewed Mr. Tan Jinsong's annual written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that he remains independent. In addition, the Nomination Committee had evaluated the performance of each of the retiring Directors during the year ended 31 December 2019 and found their performance satisfactory. In reviewing the structure of the Board, the Nomination Committee had also considered a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, as set out in the board diversity policy of the Company.

The Nomination Committee and the Board consider that Mr. Tan Jinsong, being a non-practicing senior member of the Chinese Institute of Certified Public Accountants, is able to complement the professional background of the composition of the Board in terms of expertise in accounting and financial reporting. In addition, the Nomination Committee and the Board also consider that Mr. Tan Jinsong possesses the knowledge of operations of listed companies, is familiar with the relevant laws and regulations, and has the relevant working experiences necessary for serving as an independent non-executive Director.

Accordingly, the Board, on the recommendation of the Nomination Committee, proposed that the above retiring Directors, namely Mr. Hao Hengle, Mr. He Jianfeng and Mr. Tan Jinsong, stand for re-election as Directors at the Annual General Meeting.

Particulars of the above retiring Directors proposed to be re-elected at the Annual General Meeting that are required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

4. ADOPTION OF THE SHARE OPTION SCHEME

4.1 The Share Option Scheme

The Board proposes the adoption of the Share Option Scheme, which will be valid and effective for a period of ten (10) years commencing on the Effective Date.

The purposes of the Share Option Scheme are to enable the Group to (a) recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the Eligible Participants, and attract, retain and motivate the Eligible Participants to continue to contribute to the growth and development of the Group; and (b) provide Eligible Participants with direct economic benefits in order to maintain a long term relationship between the Group and the Eligible Participants.

Pursuant to the terms of the Share Option Scheme, the Board has discretion to set a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto and to determine the subscription price. This discretion, coupled with the power of the Board to impose any performance target or other

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conditions as it considers appropriate before the Option can be exercised, enable the Group to provide incentives to the Eligible Participants to remain and use their best endeavours in assisting the growth and development of the Group. The Directors are of the view that such flexibility will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules and the adoption of the Share Option Scheme is subject to the approval of the Shareholders at the Annual General Meeting.

4.2 Principal Terms of the Share Option Scheme

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. This serves as a summary of the terms of the Share Option Scheme but does not constitute the full terms of the same. Copy of the full text of the Share Option Scheme will be available for inspection at the principal office of the Company at Suites 3906–3910, 39/F, Tower 6, The Gateway, Harbour City, No. 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong from the date of dispatch of this circular to the date of Annual General Meeting and during the Annual General Meeting.

No trustee has been appointed or is intended to be appointed for the purpose of the Share Option Scheme, and the Board will be responsible for administering the Share Option Scheme.

4.3 Value of the Options

The Directors consider it inappropriate to value the Options that can be granted under the Share Option Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors including the subscription price, option period, any vesting period, and other relevant variables for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to a certain extent would be misleading to the Shareholders if the value of the Options is calculated based on a set of speculative assumptions.

4.4 Conditions of the Share Option Scheme

The adoption of the Share Option Scheme is conditional upon the satisfaction of the following conditions:

- (a) the passing of the necessary resolution by the Shareholders at general meeting as required by the Articles of Association for approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares pursuant to the exercise of any Option to be granted under the Share Option Scheme; and

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Share Option Scheme.

Subject to the obtaining of the Shareholders' approval with respect to the adoption of the Share Option Scheme at the Annual General Meeting, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total issued share capital of the Company as at the date on which the Share Option Scheme is adopted unless the Company obtains a fresh approval from Shareholders to renew the 10% limit on the basis that the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme together with any Options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes shall not exceed 30% of the issued share capital of the Company from time to time.

As at the Latest Practicable Date, there were 1,230,567,000 Shares in issue. Assuming no further Shares will be allotted, issued or repurchased prior to the Annual General Meeting, the total number of Shares that may fall to be allotted and issued after the resolution authorising the Directors to allot and issue up to 10% of the then issued share capital of the Company has passed at the Annual General Meeting would be 123,056,700 Shares, representing approximately 10% of the total number of Shares in issue.

The Share Option Scheme is intended to be a long term incentive arrangement to, amongst others, recognise and motivate Eligible Participants and maintain a long term relationship with them. Subject to the terms and conditions of the Share Option Scheme, the Board may, at its absolute discretion, grant options to Eligible Participants from time to time having regard to, amongst others, the performance of the Group and of the Eligible Participants, as well as the potential contributions of the Eligible Participants. As at the Latest Practicable Date, the Board has not identified any target Grantees and there is no current plan to grant any Options to the Eligible Participants but the Board may consider granting Options to Eligible Participants in the coming 12 months in accordance with the terms and conditions of the Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the Share Option Scheme.

5. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 32 to 37 of this circular and a form of proxy is also enclosed. Whether or not you are able to attend and vote at the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor

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Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions to be proposed at the Annual General Meeting will be voted by poll. No Shareholder is required under the Listing Rules to abstain from voting at the Annual General Meeting.

An announcement will be made by the Company following the conclusion of the Annual General Meeting to inform you of the results of the Annual General Meeting in the manner prescribed under Rule 13.39(5) and Rule 17.02(1)(a) of the Listing Rules.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATIONS

The Directors consider that the proposed grant of the Issue Mandate, Buy-back Mandate and the extension of the Issue Mandate, the proposed re-election of Directors and the adoption of the Share Option Scheme are beneficial to and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of each of the relevant proposed resolutions at the Annual General Meeting.

Yours faithfully
By order of the Board
Midea Real Estate Holding Limited
Hao Hengle
Chairman, Executive Director and President

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Buy-back Mandate and should be read in conjunction with the Letter from the Board on pages 9 to 10 of this circular.

1. SHARE CAPITAL

As at Latest Practicable Date, there were a total of 1,230,567,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Buy-back Mandate and on the basis that no further Shares will be issued or bought-back prior to the Annual General Meeting, the Company will be allowed under the Buy-back Mandate to buy-back a maximum of 123,056,700 Shares which represents approximately 10% of the total number of Shares in issue as at the Latest Practicable Date.

2. REASONS FOR BUY-BACKS

Although the Directors have no present intention of repurchasing any Shares, they believe the flexibility afforded by the Buy-back Mandate would be beneficial to the Company and the Shareholders as a whole.

Share buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

3. FUNDING OF BUY-BACKS

The Company is empowered by its Articles of Association to buy-back its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules, the Cayman Companies Law and other applicable laws. The Directors may not buy-back the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

As compared with the position as at 31 December 2019, being the date to which its latest audited consolidated financial statements were made up, the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company if the Buy-back Mandate were to be exercised in full. The Directors do not intend to exercise the Buy-back Mandate to such an extent as would have a material adverse effect on the working capital or the gearing position of the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Main Board of the Stock Exchange in each of the twelve months preceding the date of this circular were as follows:

Month	Highest Price HK\$	Lowest Price HK\$
2019		
April	23.05	20.10
May	21.35	18.96
June	20.35	18.52
July	21.90	19.90
August	20.90	18.74
September	21.40	18.98
October	20.65	19.06
November	20.05	19.18
December	23.90	19.74
2020		
January	24.95	21.70
February	23.95	21.75
March	23.75	16.32
April (up to the Latest Practicable Date)	20.55	19.40

5. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If, on the exercise of the power to buy-back Shares pursuant to the Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following are the Shareholders who were interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the SFO:

Name	Capacity	Number of shares held	Approximate percentage of shareholding	Approximate percentage of shareholding if the Buy-back Mandate is exercised in full
Midea Development Holding (BVI) Limited	Beneficial owner	940,000,000	76.39%	84.88%
Ms. Lu Deyan (Note 1)	Interests of controlled corporations	1,000,000,000	81.26%	90.29%
Mr. He Xiangjian (Note 2)	Interest held jointly with another person	1,000,000,000	81.26%	90.29%
Mr. He Jianfeng (Note 3)	Interest of spouse	1,000,000,000	81.26%	90.29%

Notes:

1. Ms. Lu Deyan (“**Ms. Lu**”) holds the entire equity interest in each of Midea Development Holding (BVI) Limited (“**Midea Development (BVI)**”), Midea Ever Company Limited (“**Midea Ever**”) and Midea Field Company Limited (“**Midea Field**”). Midea Development (BVI), Midea Ever and Midea Field held 940,000,000, 30,000,000 and 30,000,000 Shares, respectively. Therefore, Ms. Lu is deemed to be interested in the Shares held by Midea Development (BVI), Midea Ever and Midea Field by virtue of the SFO.
2. Mr. He Xiangjian (“**Mr. He**”) 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. 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.
3. Mr. He Jianfeng, a non-executive Director, is the spouse of Ms. Lu. Therefore, Mr. He Jianfeng is deemed to be interested in Ms. Lu’s interest in the Company by virtue of the SFO.

In the event that the Buy-back Mandate was exercised in full and on the basis that no further Shares are issued, the interests of each of the above Shareholders would be increased to approximately the percentages as set out opposite their respective names in the table above. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not intend to exercise the power to buy-back Shares to such extent that would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Buy-back Mandate to such extent that would result in the amount of Shares held by the public being reduced to less than 16.01% of the issued share capital of the Company, that is the minimum public float requirement prescribed in the conditions imposed by the Stock Exchange in the waiver from strict compliance with Rule 8.08(1) of the Listing Rules granted to the Company. For details on the waiver, please refer to the prospectus of the Company dated 28 September 2018.

6. SHARE BUY-BACKS MADE BY THE COMPANY

No Share had been bought-back by the Company (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

7. GENERAL

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell any Shares to the Company under the Buy-back Mandate if such Buy-back Mandate is approved by the Shareholders.

No core connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

The biographical details of the retiring Directors who are eligible for re-election at the Annual General Meeting are set out below:

1. **Mr. Hao Hengle** (郝恒樂) (alias, He Hengle (赫恒樂)), aged 50, has been a Director since 29 November 2017. Mr. Hao was re-designated as the Chairman and an executive Director and appointed as president of the Company on 15 May 2018. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Hao presides over the Board and is primarily responsible for the overall business direction and day-to-day business and management of the Group. Mr. Hao has extensive experience in the PRC real estate industry. Since joining the Group in May 2004, Mr. Hao has served as a director and the president of Midea Real Estate Group Limited (美的置業集團有限公司), a subsidiary of the Company, since January 2006. Mr. Hao has also assumed multiple directorships in other subsidiaries, including, among others, Guangdong Midea Property Management Co., Ltd. (廣東美的物業管理股份有限公司), a company listed on the NEEQ (stock code: 839955), and Midea Construction (Hong Kong) Limited (美的建業(香港)有限公司).

Mr. Hao also served various management positions in Midea Group Co., Ltd. (美的集團股份有限公司) (Shenzhen Stock Exchange: 000333), a connected person of the Company which was listed in 2013, from July 1998 to December 2005, including the chief legal officer and the chief supervisor of the legal management and audit department where he was primarily responsible for the management of legal affairs. Mr. Hao graduated from Shanghai University of Finance and Economics (上海財經大學) in the PRC with a bachelor's degree of Law in Economic Legal Studies. He also graduated from China Europe International Business School (中歐國際工商學院) in the PRC with an executive master's degree in Business Administration. He has been admitted to practice law in the PRC since April 1995.

Mr. Hao has entered into a service contract with the Company for a term of three years subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The service contract can be terminated by either party giving one month's prior notice in writing. Under the service contract, Mr. Hao is entitled to receive director's emoluments and a discretionary bonus per annum which would be determined by reference to various factors such as duties and responsibilities of Mr. Hao and the Group's performance for the financial year concerned. Mr. Hao received director's emoluments of approximately RMB9,310,000 for the year ended 31 December 2019. Any future emoluments to be paid to Mr. Hao shall be determined and approved by the Remuneration Committee based on the responsibilities and performance of Mr. Hao and prevailing market conditions and will be disclosed in due course.

2. **Mr. He Jianfeng** (何劍鋒), aged 52, was appointed as a non-executive Director on 15 May 2018. He is primarily responsible for providing strategic advice and recommendations on the operations and management of the Group.

Mr. He Jianfeng is the chairman and president of Infore Holding Group Co., Ltd. (盈峰控股集團有限公司), and has held multiple directorships and/or senior management position(s) in other companies which are connected persons of the Company, including Midea Group Co., Ltd. (美的集團股份有限公司) (Shenzhen Stock Exchange: 000333) and Midea Holding Co., Ltd. (美的控股有限公司). From October 2007 to November 2016, he had served as the chairman of Infore Environment Technology Group Co., Ltd. (盈峰環境科技集團股份有限公司) (Shenzhen Stock Exchange: 000967). Mr. He Jianfeng graduated from South China University of Technology (華南理工大學) in the PRC with a degree in Industrial Management Engineering. He completed the president programme and the CEO business study programme at Tsinghua University (清華大學) in the PRC, and the CEO programme at Cheung Kong Graduate School of Business (長江商學院) in the PRC. He has also served as the chairman of He Foundation (廣東省和的慈善基金會) and the curator of the He Art Museum (和美術館).

Mr. He Jianfeng is the spouse of Ms. Lu Deyan and the son of Mr. He Xiangjian, the controlling shareholders of the Company. As at the Latest Practicable Date, Mr. He Jianfeng is deemed to be interested in Ms. Lu Deyan's shares in the Company, namely 1,000,000,000 Shares, representing approximately 81.26% of the total number of issued Shares, by virtue of the SFO.

Mr. He Jianfeng has entered into a letter of appointment with the Company for a term of three years subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The letter of appointment can be terminated by either party giving one month's prior notice in writing. Under the letter of appointment, Mr. He Jianfeng is not entitled to any director's fee. Mr. He Jianfeng did not receive any director's emoluments for the year ended 31 December 2019. Any future emoluments to be paid to Mr. He Jianfeng shall be determined and approved by the Remuneration Committee based on the responsibilities and performance of Mr. He Jianfeng and prevailing market conditions and will be disclosed in due course.

3. **Mr. Tan Jinsong** (譚勁松), aged 55, was appointed as an independent non-executive Director on 15 May 2018 with effect from 11 October 2018. He is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee. He is primarily responsible for providing independent advice on the operations and management of the Group.

Mr. Tan has served as a professor of the School of Management of Sun Yatsen University (中山大學) in the PRC, and has extensive experience serving in a number of listed companies, including: (i) an independent director of Guangzhou Hengyun Enterprises Holding Ltd. (廣州恆運企業集團股份有限公司) (Shenzhen Stock Exchange: 000531) since May 2014; (ii) an independent director of Shanghai RAAS Blood Products Co., Ltd. (上海萊士血液製品股份有限公司) (Shenzhen Stock Exchange: 002252) since April 2016; (iii) an independent director of Huafa Industrial Co., Ltd. Zhuhai (珠海華發實業股份有限公司) (Shanghai Stock Exchange: 600325) since September 2015; (iv) an independent director of COSCO Shipping Specialised Carriers Co., Ltd. (中遠海運特種運輸股份有限公司) (Shanghai Stock Exchange: 600428) since December 2018; and (v) an independent non-executive director of China Southern Airlines Company Limited (中國南方航空股份

有限公司) (Stock Exchange: 1055) since December 2013. Mr. Tan was an independent director of Poly Real Estate Group Co., Ltd. (保利房地產(集團)股份有限公司) (Shanghai Stock Exchange: 600048) from April 2012 to September 2018 and an independent non-executive director of Welling Holding Limited (威靈控股有限公司) (a company previously listed on the Stock Exchange and was privatised in February 2018) from August 2009 to February 2018. Mr. Tan graduated from Hunan University of Finance and Economics (湖南財經學院) in the PRC with a bachelor's degree of Economics in Accounting Studies. He further obtained a master's degree of Economics and a doctoral degree of Management in Accounting Studies from Renmin University of China (中國人民大學) in the PRC. He is a non-practising senior member of the Chinese Institute of Certified Public Accountants.

Mr. Tan has entered into a letter of appointment with the Company for a term of three years subject to rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. The letter of appointment can be terminated by either party giving one month's prior notice in writing. Under the letter of appointment, Mr. Tan is entitled to an annual director's fee. Mr. Tan received a director's fee of HK\$200,028 for the year ended 31 December 2019. The director's fee is subject to annual review and recommendation by the Remuneration Committee and determined and approved by the Board with reference to salaries paid by comparable companies, the Company's remuneration policy and the Director's time commitment, performance and responsibilities within the Group.

GENERAL

None of the Directors to be re-elected has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

Save as disclosed above, each of the Directors to be re-elected (i) had no other relationship with any Directors or members of the senior management or substantial or controlling shareholder of the Company as of the Latest Practicable Date; and (ii) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date or any other position with the Company and other members of the Group or other major appointments and professional qualifications.

Save as disclosed above, none of the Directors to be re-elected have any interests or short positions in the Shares or underlying shares of the Company which are discloseable under Part XV of the SFO.

Save as disclosed above, there is no other information relating to the Directors to be re-elected that should be disclosed under Rule 13.51(2) of the Listing Rules nor any other matter that needs to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the Share Option Scheme proposed to be approved by the Shareholders at the Annual General Meeting:

1. APPROVAL CONDITIONS

The Share Option Scheme shall take effect upon the satisfaction of the following conditions:

- (a) the passing of the necessary resolution by the Shareholders at general meeting as required by the Articles of Association for approving the adoption of the Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares pursuant to the exercise of any Option to be granted under the Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares to be allotted and issued by the Company pursuant to the exercise of the Options in accordance with the terms and conditions of the Share Option Scheme.

2. PURPOSES OF THE SHARE OPTION SCHEME

The purposes of the Share Option Scheme are to enable the Group to (a) recognise and acknowledge the contributions that Eligible Participants have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the Eligible Participants, and attract, retain and motivate the Eligible Participants to continue to contribute to the growth and development of the Group; and (b) provide Eligible Participants with direct economic benefits in order to maintain a long term relationship between the Group and the Eligible Participants.

3. DURATION AND ADMINISTRATION

The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Effective Date. However, the Company may by resolution at general meeting or the Board may at any time terminate the Share Option Scheme. Upon the expiry or termination of the Share Option Scheme, no further Options may be offered or granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in full force and effect.

The Share Option Scheme shall be subject to the administration of the Board, whose decision shall be final, conclusive and binding on all parties.

4. WHO MAY JOIN AND BASIS FOR DETERMINING ELIGIBILITY

The Board shall have the absolute discretion to determine whether a person is qualified to be (or, where applicable, continues to qualify to be) an Eligible Participant, which may include (i) any director or proposed director of any member of the Group; and (ii) any management, key technician, officer, manager and employee of any member of the Group.

In determining the basis of eligibility of each Eligible Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate. The Board may in its absolute discretion specify such conditions as it thinks fit when making such an offer to an Eligible Participant (including, without limitation, as to any performance targets which must be satisfied by the Eligible Participant and/or us, and any minimum period for which an option must be held, before an option may be exercised, if any).

Subject to the terms and conditions of the Share Option Scheme, the Board shall be entitled at any time on a Business Day within a period of ten (10) years commencing on the Effective Date to make an Offer or Offers to any Eligible Participant(s) as the Board may in its absolute discretion select.

5. RESTRICTION ON THE TIMING OF GRANT OF OPTIONS

A grant of Options shall not be made after inside information (as defined under the SFO) has come to knowledge of the Board until such inside information has been announced by the Company pursuant to the relevant requirements of the Applicable Laws. In particular, no Options shall be granted during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual, half-year, quarterly or other interim period results (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its annual or half-year, or quarterly or other interim period results (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement, and where an Option is granted to a Director:
 - (i) no Option shall be granted during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) no Option shall be granted during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly (if any) or half-year period up to the publication date of the results.

6. ACCEPTANCE OF AN OFFER OF OPTIONS

An Option shall be deemed to have been granted and accepted when the Company receives a duplicate Offer Letter duly signed from the Grantee together with a remittance of HK\$1.00 or RMB1.00 (or such other nominal sum in any currency as the Board may determine) in favour of the Company as consideration for the grant within twenty-eight (28) days after the date of the Offer Letter or such other period as the Board determines. Such

remittance shall in no circumstances be refundable. Once accepted, the Option shall be deemed to have been granted as from the date on which it was offered to the relevant Eligible Participant. No Offer shall be capable of or open for acceptance after the expiry of ten (10) years from the Effective Date. Any offer to grant an Option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the Option. To the extent that the offer to grant an Option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined and lapsed automatically without notice.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company (if applicable).

7. MAXIMUM NUMBER OF SHARES

- (a) Subject to sub-paragraphs (b), (c) and (d) below, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and Other Schemes shall not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme (the “**Scheme Mandate Limit**”) unless approved by the Shareholders pursuant to sub-paragraph (c) below. Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Scheme Mandate Limit may be refreshed if so approved by the Shareholders at general meeting from time to time provided always that the Scheme Mandate Limit so refreshed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by Shareholders at general meeting (the “**Refreshed Limit**”). Upon such renewal, all options granted under the Share Option Scheme and Other Schemes (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or Other Schemes) prior to the approval of such renewal shall not be counted for the purpose of calculating the Refreshed Limit. A circular must be sent to the Shareholders containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.
- (c) The Board may seek separate approval by the Shareholders at general meeting to grant Options beyond the Scheme Mandate Limit or the Refreshed Limit provided that the Options in excess of the Scheme Mandate Limit or the Refreshed Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.

- (d) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and Other Schemes must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything contrary to the terms of the Share Option Scheme, no options may be granted under the Share Option Scheme or Other Schemes if this will result in the said 30% limit being exceeded.

8. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The maximum number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to each Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such grant shall not exceed 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further Options above this limit shall be subject to the following requirements:

- (a) approval of the Shareholders at general meeting, with such Eligible Participant and his close associates (or his associates if such Eligible Participant is a connected person of the Company) abstaining from voting;
- (b) a circular in relation to the proposal for such further grant having been sent by the Company to its Shareholders with such information from time to time as required by the Listing Rules; and
- (c) the number and terms (including the Exercise Price) of the Options to be granted to such proposed Grantee shall be fixed before the Shareholders' approval mentioned in (a) above.

9. GRANT OF OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR RESPECTIVE ASSOCIATES

Any grant of Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of such Options).

If the Board is to grant Options to a substantial shareholder of the Company or an independent non-executive Director or their respective associates which would result in the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue or such percentage as prescribed by the Listing Rules from time to time; and

- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million or such amount as prescribed by the Listing Rules from time to time,

such further grant of Options must be approved by the Shareholders. The Company must send a circular to its Shareholders containing such information as required under the Applicable Laws (including Rule 17.04 of the Listing Rules). The relevant Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

10. EXERCISE PRICE

The Exercise Price in respect of any particular Option shall be a price determined by the Board and stated in the Offer Letter, and shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Offer, which must be a Business Day;
- (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the date of the Offer; and
- (c) the nominal value of a Share prevailing on the date of the Offer.

11. EXERCISE OF OPTIONS

Subject to the other terms and conditions of the Offer, sufficient authorised share capital being available and any other reasonable actions required by the Board, an Option may be exercised in whole or in part by the Grantee within the relevant Exercise Period, being such period as determined and notified by the Board to the Grantee which shall not be more than ten (10) years from the Commencement Date.

Subject to the restrictions stated in the foregoing paragraph, the Grantee shall give notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price and any applicable taxes for the Shares in respect of which the notice is given. Any notice given without such relevant remittance in full shall be invalid. Within twenty-eight (28) Business Days (excluding any period(s) of closure of the Company's share registers) after receipt of the notice together with remittance of the relevant Exercise Price in full and, where appropriate, receipt of the certificate given by the Auditor or an independent financial adviser under sub-paragraph 14(c) below, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted and issued.

12. RESTRICTIONS ON EXERCISE OF OPTIONS

Subject to the Applicable Laws and as provided in the Share Option Scheme, an Option may be exercised by the Grantee at any time during the applicable Exercise Period, provided that, unless otherwise determined to the contrary by the Board:

- (a) in the event of the Grantee ceasing to be an Eligible Participant due to retirement as determined by the Board, then:
 - (i) he may exercise the Option (to the extent exercisable and not already exercised) either in full or in part until the earlier of the expiry of (x) the Exercise Period; and (y) six (6) months following his retirement, or such longer period as the Board may determine; and
 - (ii) the Options that have not become exercisable will lapse automatically on the date of retirement of the Grantee as determined by the Board;
- (b) in the event that the Grantee ceasing to be an Eligible Participant due to the reasons of a Group member (including but not limited to layoff or change of business), and the Grantee is not dismissed due to Culpable Termination, then:
 - (i) he may exercise the Option (to the extent exercisable and not already exercised) either in full or in part until the earlier of the expiry of (x) the Exercise Period; and (y) six (6) months following his cessation of employment, or such longer period as the Board may determine; and
 - (ii) the Options that have not become exercisable will lapse automatically on the date of cessation of employment of the Grantee as determined by the Board;
- (c) in the event of death of the Grantee (being an individual) or the Grantee (being an individual) ceasing to be an Eligible Participant by reason of Disability, then:
 - (i) his Personal Representative(s) may exercise the Option (to the extent exercisable and not already exercised) either in full or in part until the earlier of the expiry of (x) the Exercise Period; and (y) twelve (12) months following the date on which, as the case may be, (A) the Personal Representative(s) is granted an authorisation letter (which is issued by the relevant Group member confirming death of the Grantee) or (B) the Grantee becomes Disabled, or such longer period as the Board may determine; and
 - (ii) the Options that have not become exercisable will lapse automatically on the date on which, as the case may be, (A) the Personal Representative(s) is granted the authorisation letter or (B) the Grantee becomes Disabled;
- (d) in the event of the Grantee ceasing to be an Eligible Participant for any reasons other than his death or Disability, Bankruptcy or Culpable Termination of the Eligible Participant or in the circumstances as described in sub-paragraphs (a), (b), (c) above,

and unless otherwise determined by the Board, then the limitations to the Exercise Period and exercise rights of the Option in sub-paragraphs (b)(i) and (b)(ii) above apply;

- (e) in the event of a compromise or arrangement between the Company and its members and/or creditors, pursuant to the Cayman Companies Law, is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice (together with a notice of the existence of the provisions of this sub-paragraph) to all the Grantees (or his Personal Representative(s)) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and each Grantee (or his Personal Representative(s)) shall immediately be entitled to exercise his Options (to the extent not already exercised) in full or in part (but shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective) at any time prior to 12 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Share Option Scheme. The Company may require the Grantee (or his Personal Representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and
- (f) if a general offer (whether by way of take-over offer, share buy-back offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares and the Grantees (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), and the same having been approved in accordance with Applicable Laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his Personal Representative(s)) shall be entitled to exercise his Option (to the extent not already exercised) in full at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional.

13. LAPSE OF OPTION

An Option (to the extent not already exercised) shall lapse and not be exercisable on the earliest of:

- (a) the expiry of the Exercise Period;
- (b) the breach of the terms under paragraph 16 below;
- (c) the expiry of any of the periods referred to sub-paragraphs 12(a) to 12(f) above;

- (d) the date of commencement of the winding-up of the Company;
- (e) the date on which the relevant Eligible Participant ceases to be eligible by reason of Culpable Termination;
- (f) the occurrence of Bankruptcy of the Grantee, unless otherwise determined to the contrary by the Board; and
- (g) the date on which the Grantee commits a breach of any terms or conditions attached to the grant of the Option, unless otherwise determined to the contrary by the Board.

14. REORGANISATION OF CAPITAL STRUCTURE

- (a) In the event of any alteration in the capital structure of the Company while any Option remains exercisable, whether by way of a capitalisation issue, rights issue, open offer, subdivision or consolidation of Shares, or reduction of capital of the Company, or otherwise, the Board may, if it deems appropriate, direct that such corresponding adjustments (if any) be made in:
 - (i) the number of Shares subject to the Options so far as unexercised; and/or
 - (ii) the Exercise Price; and/or
 - (iii) the terms of the Options; and/or
 - (iv) the number of Shares subject to the Share Option Scheme.

For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment.

- (b) Any adjustments required under sub-paragraph 14(a) above must be made in accordance with the following requirements:
 - (i) the adjustments must give a Grantee the same proportion of the equity capital as that to which that Grantee was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value;
 - (ii) the adjustments must be made in accordance with the Applicable Laws and any other requirements or guidance by the Stock Exchange (including the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to share option schemes), if applicable;
 - (iii) if the Company conducts a consolidation or subdivision of the Shares after the date of approval of the Share Option Scheme, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share

Option Scheme and Other Schemes under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (iv) if the Company conducts a consolidation or subdivision of the Shares after the date of approval of the renewal of the Scheme Mandate Limit by Shareholders at general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under the Share Option Scheme and Other Schemes under the Refreshed Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.
- (c) In respect of any adjustments required under sub-paragraph 14(a) above (other than any made on a capitalisation issue), the Auditor or an independent financial adviser appointed by the Company must certify the Directors in writing that the adjustments satisfy the requirements set out under sub-paragraph 14(b) above. In giving the certificate, the Auditor or the independent financial adviser appointed by the Company shall be deemed to be acting as expert and not as arbitrator and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected. The costs of the Auditor or the independent financial adviser appointed by the Company for the purpose of and in connection with the Share Option Scheme shall be borne by the Company.

15. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles of Association and the Applicable Laws in force as at the Allotment Date and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the Allotment Date and accordingly shall entitle the holder to the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to other fully-paid Shares in issue on or after the Allotment Date. Options do not carry any right to vote at general meetings, or any dividend, transfer or other rights (including those arising on the winding-up of the Company).

16. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, except for the transmission of an Option on the death of the Grantee or the Grantee becoming Disabled according to the terms of the Share Option Scheme and Applicable Laws. Any breach of the foregoing shall cause the relevant Option to lapse automatically and entitle the Company to cancel any outstanding Option or part thereof granted to such Eligible Participant.

17. ALTERATION OF THE SHARE OPTION SCHEME

The Share Option Scheme may be altered in any respect by resolution of the Board save for the following alterations which may be effected only with the prior approval of the Shareholders at general meeting:

- (a) any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees or prospective Grantees;
- (b) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature except where such alterations take effect automatically under the existing terms of the Share Option Scheme; and
- (c) any change to the authority of the Board in relation to any alterations to the terms of the Share Option Scheme,

provided always that the amended terms of the Share Option Scheme must continue to comply with the relevant provisions of the Listing Rules and any other Applicable Laws.

18. TERMINATION

The Company by resolution at general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event, no further Options may be offered or granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of the Share Option Scheme.

19. CANCELLATION

Any Option may be cancelled in whole or in part and at any time if agreed between the Company and the relevant Grantee. If an Option is cancelled and a new Option is proposed to be issued to the same Grantee, the issue of such new Option may only be made under a scheme with available unissued options (excluding for this purpose all cancelled Options) within the limits referred to in paragraph 7 above.

20. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Board shall procure that details of the Share Option Scheme are disclosed in the Company's annual and interim reports in compliance with the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Annual General Meeting**”) of Midea Real Estate Holding Limited (the “**Company**”) will be held on 29 May 2020 at 11:00 a.m. at 30/F, Tower 4, Midea Real Estate Plaza, No. 1 Chengde Road, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC and Orchid Room, 4/F, Marco Polo Hongkong Hotel, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong concurrently by video conference for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the Company’s directors (the “**Directors**”) and the Company’s auditor for the year ended 31 December 2019.
2. To declare a final dividend of HK\$1.60 per ordinary share for the year ended 31 December 2019.
3.
 - (a) To re-elect Mr. Hao Hengle as an executive Director of the Company.
 - (b) To re-elect Mr. He Jianfeng as a non-executive Director of the Company.
 - (c) To re-elect Mr. Tan Jinsong as an independent non-executive Director of the Company.
 - (d) To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint PricewaterhouseCoopers as the Company’s auditor and authorise the Board to fix their remuneration.

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT** there be granted to the Directors an unconditional general mandate to allot, issue and deal with additional shares of the Company (the “**Share(s)**”) and to make or grant offers, agreements, options and other securities in respect thereof, subject to the following conditions:

NOTICE OF ANNUAL GENERAL MEETING

- (a) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements, options and other securities which might require the exercise of such powers after the end of the Relevant Period;
- (b) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; (iii) an issue of Shares pursuant to the exercise of any options which may be granted under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; or (iv) an issue of Shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into Shares, shall not exceed 20% of the total number of Shares in issue at the date of passing of this resolution (subject to adjustment in the case of a share consolidation or subdivision after the passing of this resolution) and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the applicable laws or the Memorandum and Articles of Association of the Company; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors made to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong.”

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6. “**THAT** there be granted to the Directors an unconditional general mandate to buy-back Shares, and **THAT** the exercise by the Directors of all powers of the Company to buy-back Shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period (as defined below);
 - (b) such mandate shall authorise the Directors to procure the Company to buy-back Shares at such prices as the Directors may at their discretion determine;
 - (c) the total number of Shares bought-back or agreed to be bought-back by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution (subject to adjustment in the case of a share consolidation or subdivision after the passing of this resolution) and the said approval shall be limited accordingly; and
 - (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under the applicable laws or the Memorandum and Articles of Association of the Company; and
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT**, conditional upon the passing of resolutions numbered 5 and 6 above, the total number of Shares which are bought-back by the Company pursuant to and in accordance with resolution numbered 6 above shall be added to the total number of Shares which may be allotted or agreed, conditionally or unconditionally, to be allotted by the Directors pursuant to and in accordance with resolution numbered 5 above.”
8. “**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme (the “**Share Option Scheme**”), the terms of which are contained in the document marked “A” produced to the meeting and signed by the chairman of the meeting for the purposes of identification, the Share Option Scheme be approved and adopted and the Directors be and are hereby authorised to do all such acts and to

NOTICE OF ANNUAL GENERAL MEETING

enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme, including without limitation to:

- (a) to administer and grant options to participants eligible under the Share Option Scheme;
- (b) to modify and/or amend the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange;
- (c) to allot, issue and deal with from time to time such number of Shares as may be required to be allotted, issued and dealt with pursuant to the exercise of the options under the Share Option Scheme provided that the total number of Shares subject to the Share Option Scheme, when aggregated with any Shares subject to any grants after the date of passing this resolution pursuant to any other share option schemes, shall not exceed 10% of the relevant class of the shares of the Company in issue as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme and the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the shares of the Company in issue from time to time;
- (d) to make application at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any shares in the Company which may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme, and where any such application has been made prior to the date of passing this resolution, the same be approved, confirmed and ratified; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

By order of the Board
Midea Real Estate Holding Limited
Hao Hengle
Chairman, Executive Director and President

Hong Kong, 24 April 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
2. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the above meeting or any adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or poll concerned. The instrument of proxy shall be valid as well for any adjournment of the above meeting.
4. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For the purpose of ascertaining the shareholders' rights of attending and voting at the meeting, the register of members of the Company will be closed from 26 May 2020 to 29 May 2020, both days inclusive, during which period no transfer of shares shall be effected. In order to be entitled to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 25 May 2020.
6. For the purpose of determining the identity of shareholders who are entitled to the proposed final dividend, the register of members of the Company will be closed from 18 June 2020 to 19 June 2020, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 17 June 2020.
7. Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.
8. If a tropical cyclone warning signal No. 8 or above or "extreme conditions" caused by super typhoons or a black rainstorm warning is in force at or after 10:00 a.m. on the date of the Annual General Meeting, the meeting will be postponed or adjourned to such date, time and place as the Board may decide and announce by issuing further announcement.
9. **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

Due to the constantly evolving novel coronavirus infection situation in the Mainland China and Hong Kong, the following measures will be implemented at the Annual General Meeting:

- (1) Entry to the Annual General Meeting venue will only be allowed to the attendee who does not have any symptoms of the novel coronavirus, including runny nose, headache, cough, sore throat, and fever, and every attendee must pass the compulsory temperature screening/checks;
- (2) No entry will be allowed to any attendee who is subject to mandatory quarantine order imposed by the government of the Mainland China or Hong Kong;
- (3) Every attendee allowed to enter the Annual General Meeting venue must properly wear a surgical face mask throughout the Annual General Meeting; and

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(4) No refreshments and/or corporate gifts will be provided to attendees at the Annual General Meeting.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue so as to ensure the health and safety of the attendees at the Annual General Meeting.

To further reduce the risk of the novel coronavirus spreading at the Annual General Meeting, the shareholders of the Company are strongly encouraged to cast their votes by submitting a proxy form appointing the Chairman of the Annual General Meeting as their proxy.

The Company may be required to change the Annual General Meeting arrangements at short notice. The shareholders of the Company and their proxies are recommended to check the Company's website at <http://www.mideadc.com> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> for future announcements and updates on the Annual General Meeting arrangements, if any.