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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2025, the Group's revenue from the continuing operations amounted to RMB1,996.59 million, representing an increase of 41.3% as compared to the corresponding period of 2024. Among this, revenue from property management services amounted to RMB929.99 million, representing an increase of 8.7% as compared to the corresponding period of 2024; revenue from asset operation amounted to RMB274.93 million, representing an increase of 13.9% as compared to the corresponding period of 2024; revenue from real estate technology amounted to RMB286.97 million, representing a decrease of 9.2% as compared to the corresponding period of 2024; and revenue from project management services* amounted to RMB504.70 million.

For the six months ended 30 June 2025, the Group's gross profit from the continuing operations amounted to RMB614.73 million, representing an increase of 28.8% as compared to the corresponding period of 2024. The gross profit margin from the continuing operations was 30.8%, representing a decrease of 3 percentage points as compared to the corresponding period of 2024.

For the six months ended 30 June 2025, the profit from the continuing operations attributable to owners of the Company for the period amounted to RMB305.46 million, representing an increase of 117.1% as compared to the corresponding period of 2024. The core net profit from the continuing operations attributable to owners of the Company** amounted to RMB312.08 million, representing an increase of 119.4% as compared to the corresponding period of 2024.

For the six months ended 30 June 2025, the basic earnings per share attributable to owners of the Company amounted to RMB0.21.

* "Project management services" is a new business segment of the Group following completion of the Group's distribution in specie and disposal on 22 October 2024 and does not have comparable data for the same period.

** "Core net profit from the continuing operations attributable to owners of the Company" represents profit attributable to owners of the Company excluding the post-tax profit or loss arising from changes in fair value of investment properties and the post-tax expenses arising from equity-settled share-based payment transactions.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.15 per share for the six months ended 30 June 2025, payable in cash on or about 22 December 2025 to the shareholders whose names appear on the register of members of the Company on 4 December 2025.

The board of directors (the “**Board**” or the “**Director(s)**”) of Midea Real Estate Holding Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”), with the comparative figures for the corresponding period of 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000 (Restated)
Continuing Operations			
Revenue	3	1,996,589	1,413,029
Cost of sales	4	<u>(1,381,862)</u>	<u>(935,796)</u>
Gross profit		614,727	477,233
Other income and gains — net	5	13,438	28,615
Selling and marketing expenses	4	(49,269)	(50,392)
Administrative expenses	4	(156,809)	(143,985)
Net impairment losses on financial assets		<u>(26,277)</u>	<u>(77,370)</u>
Operating profit		395,810	234,101
Finance income	6	11,732	28,333
Finance costs	6	(101)	(61,471)
Finance income/(costs) — net	6	11,631	(33,138)
Share of results of joint ventures and associates		<u>349</u>	<u>(5,420)</u>

		Unaudited	
		Six months ended 30 June	
		2025	2024
<i>Note</i>		RMB'000	RMB'000
			(Restated)
Profit before income tax		407,790	195,543
Income tax expenses	7	<u>(94,699)</u>	<u>(58,309)</u>
Profit for the period from Continuing Operations		<u>313,091</u>	<u>137,234</u>
Discontinued Operations			
Profit for the period from Discontinued Operations		<u>–</u>	<u>458,945</u>
Profit for the period		<u>313,091</u>	<u>596,179</u>
Profit attributable to:			
Owners of the Company		305,461	375,869
Non-controlling interests		<u>7,630</u>	<u>220,310</u>
		<u>313,091</u>	<u>596,179</u>
Profit attributable to owners of the Company:			
Continuing Operations		305,461	140,670
Discontinued Operations		<u>–</u>	<u>235,199</u>
		<u>305,461</u>	<u>375,869</u>
Total comprehensive income for the period		<u>313,091</u>	<u>596,179</u>

		Unaudited	
		Six months ended 30 June	
		2025	2024
<i>Note</i>		RMB'000	RMB'000
			(Restated)
Total comprehensive income attributable to:			
	Owners of the Company	305,461	375,869
	Non-controlling interests	7,630	220,310
		<u>313,091</u>	<u>596,179</u>
Total comprehensive income attributable to owners of the Company			
	Continuing Operations	305,461	140,670
	Discontinued Operations	–	235,199
		<u>305,461</u>	<u>375,869</u>
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
	Basic	8	
	Continuing Operations	0.21	0.10
	Included Discontinued Operations	0.21	0.26
		<u>0.21</u>	<u>0.26</u>
	Diluted	8	
	Continuing Operations	0.21	0.10
	Included Discontinued Operations	0.21	0.26
		<u>0.21</u>	<u>0.26</u>

The above interim condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		276,142	302,158
Investment properties		4,852,801	4,863,369
Right-of-use assets		66,142	69,380
Intangible assets		187,840	200,998
Investments in joint ventures		807	619
Investments in associates		41,924	41,763
Finance lease receivables		10,258	9,725
Deferred income tax assets		99,464	105,533
Financial assets at amortised cost		199,026	–
Financial assets at fair value through profit or loss	11	1,197	1,222
		<u>5,735,601</u>	<u>5,594,767</u>
Current assets			
Inventories		36,651	71,221
Contract assets and contract acquisition costs		31,473	34,909
Properties under development		424,613	520,252
Completed properties held for sale		417,278	198,315
Trade and other receivables	10	1,854,928	2,089,561
Prepaid taxes		110,650	112,533
Financial assets at fair value through profit or loss	11	172,359	–
Restricted cash		42,190	68,989
Term deposits with initial terms over three months		40,259	–
Cash and cash equivalents		<u>625,973</u>	<u>1,033,953</u>
		<u>3,756,374</u>	<u>4,129,733</u>
Total assets		<u><u>9,491,975</u></u>	<u><u>9,724,500</u></u>

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	<i>Note</i>		
EQUITY			
Equity attributable to the owners of the Company			
Share capital and premium	12	2,386,616	2,742,629
Other reserves		220,408	221,868
Retained earnings		2,237,721	1,932,260
		4,844,745	4,896,757
Non-controlling interests		134,192	184,689
Total equity		4,978,937	5,081,446
LIABILITIES			
Non-current liabilities			
Bank and other borrowings		–	586,580
Lease liabilities		197,935	179,801
Deferred income tax liabilities		174,068	167,113
		372,003	933,494
Current liabilities			
Bank and other borrowings		–	48,803
Lease liabilities		18,861	18,488
Contract liabilities		1,123,937	875,106
Other financial liabilities under supplier finance arrangement		37,547	–
Trade and other payables	13	2,685,373	2,475,933
Current income tax liabilities		275,317	291,230
		4,141,035	3,709,560
Total liabilities		4,513,038	4,643,054
Total equity and liabilities		9,491,975	9,724,500

The above interim condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1 BASIS OF PRESENTATION AND PREPARATION

The Interim Financial Information has been prepared in accordance with the Hong Kong Accounting Standard (“**HKAS**”) 34, ‘Interim financial reporting’. The Interim Financial Information does not include all the notes normally included in an annual financial report. Accordingly, the Interim Financial Information is to be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2024 (the “**2024 Financial Statements**”), which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”) and the disclosure requirements of the Hong Kong Companies Ordinance, and any public announcements made by the Company during the interim reporting period.

Going concern basis

As at 30 June 2025, the Group’s current liabilities exceeded its current assets by RMB385 million mainly due to the Group repaid all its bank borrowing with total principal amounts of approximately RMB635 million.

The directors of the Company have reviewed the Group’s cash flow projections, which cover a period of not less than twelve months from 30 June 2025. The directors of the Company are of the opinion that, considering the anticipated cash flows generated from the Group’s operations and the proceeds from redemption of investment in August 2025, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the twelve months from 30 June 2025. Accordingly, the Interim Financial Information has been prepared on a going concern basis.

2 MATERIAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the 2024 Financial Statements and corresponding interim reporting period.

(a) New and amended standard adopted by the Group

The following new and amended standards and interpretations are mandatory for the first time for the financial year beginning or after 1 January 2025:

Amendments to HKAS 21	Lack of exchangeability
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The adoption of these new and amended standards and interpretations did not result in any significant impact on the results and financial position of the Group.

- (b) **New standards, amendments and interpretations to existing standards have been issued but not yet effective and have not been early adopted by the Group.**

		Effective for accounting periods beginning on or after
Amendment to HKFRS 9 and HKFRS 7	Classification and measurement of financial instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new or amended standards and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective, except for certain presentation adjustment might be raised due to the adoption of IFRS18.

3 REVENUE AND SEGMENT INFORMATION FROM CONTINUING OPERATIONS

The chief operating decision maker ("CODM") has been identified as the executive directors, who reviews the Group's internal reporting in order to assess performance and allocate resources. The executive directors have determined the operating segments based on these reports.

The executive directors assess the performance of the Group organised into four business segments as follows:

- Property management services business;
- Asset operation business;
- Real estate technology business; and
- Project management services business.

The executive directors assess the performance of the operating segments based on a measure of operating profit. This measurement basis excludes financial costs and share of results of associates and joint ventures from the operating segments. Other information provided, except as noted below, to the executive directors is measured in a manner consistent with that in the consolidated financial statements. At the Group level no information regarding segment assets and segment liabilities is provided to the executive directors.

Sales between segments are carried out on terms agreed upon by the respective parties. The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The segment information was as follows:

Continuing Operations	Six months ended 30 June 2025 (Unaudited)					
	Property management services business RMB'000	Asset operation business RMB'000	Real estate technology business RMB'000	Project management services business RMB'000	Others RMB'000	Group RMB'000
Revenue from contracts with customers	935,658	100,114	288,522	505,212	–	1,829,506
Recognised over time	887,613	78,669	182,532	505,212	–	1,654,026
Recognised at a point in time	48,045	21,445	105,990	–	–	175,480
Revenue from lease	5,397	175,564	–	–	–	180,961
Rental income	5,397	175,564	–	–	–	180,961
Total segment revenue	941,055	275,678	288,522	505,212	–	2,010,467
Less: inter-segment revenue	(11,063)	(744)	(1,556)	(515)	–	(13,878)
Revenue (from external customers)	929,992	274,934	286,966	504,697	–	1,996,589
Operating profit/(loss)	145,879	101,439	(8,488)	161,818	(4,838)	395,810
Continuing Operations	Six months ended 30 June 2024 (Unaudited)					
	Property management services business RMB'000 (Restated)	Asset operation business RMB'000 (Restated)	Real estate technology business RMB'000 (Restated)	Project management services business RMB'000 (Restated)	Others RMB'000 (Restated)	Group RMB'000 (Restated)
Revenue from contracts with customers	856,274	93,845	321,155	–	–	1,271,274
Recognised over time	817,330	83,323	204,739	–	–	1,105,392
Recognised at a point in time	38,944	10,522	116,416	–	–	165,882
Revenue from lease	4,940	149,046	–	–	–	153,986
Rental income	4,940	149,046	–	–	–	153,986
Total segment revenue	861,214	242,891	321,155	–	–	1,425,260
Less: inter-segment revenue	(5,633)	(1,482)	(5,116)	–	–	(12,231)
Revenue (from external customers)	855,581	241,409	316,039	–	–	1,413,029
Operating profit/(loss)	168,187	84,277	(46,485)	–	28,122	234,101

(a) Analysis of revenue by category

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Property management services business	929,992	855,581
Asset operation business	274,934	241,409
Real estate technology business	286,966	316,039
Project management services business	504,697	—
	<u>1,996,589</u>	<u>1,413,029</u>

(b) Information about major customers

The Group's revenue derived from major customers, which individually contributed 10% or more of the Group's total revenue was as follows:

	Unaudited
	Six months
	ended
	30 June
	2025
	RMB'000
The PrivateCo and its subsidiaries	<u>775,099</u>

4 EXPENSES BY NATURE FROM CONTINUING OPERATIONS

Expenses included in cost of sales, selling and marketing expenses and administrative expenses were analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Employee benefit expenses	722,305	478,899
Cleaning expenses and greening gardening expenses	155,366	144,875
Security expenses	107,617	79,159
Manufacturing cost	105,015	89,823
Cost of sales of goods	51,539	22,609
Installation cost	51,056	40,304
Utilities	49,253	48,959
Community maintenance fee	45,976	45,282
Depreciation and amortisation	43,412	17,697
Write-downs of property, plant and equipment, completed properties held for sale and inventories	39,607	–
Marketing and advertising expenses	31,088	20,624
Cost of property development and sales — including construction cost, land cost, capitalised interest expenses	28,693	20,367
Taxes and surcharges	26,338	19,775
Travelling and entertainment expenses	23,864	11,895
Professional service and consulting fees	12,447	3,818
Office expenses	4,360	3,909
Design service fee	1,996	22,920
Others	88,008	59,258
	<hr/>	<hr/>
Total	1,587,940	1,130,173
	<hr/> <hr/>	<hr/> <hr/>

5 OTHER INCOME AND GAINS — NET FROM CONTINUING OPERATIONS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Other income		
Government subsidy income	7,499	1,016
Compensation income	1,856	963
	<u>9,355</u>	<u>1,979</u>
Other gains — net		
Realised and unrealised gains on financial assets		
at fair value through profit or loss	1,372	—
Losses arising from changes in fair value of investment properties	(3,837)	(2,733)
Losses on disposal of property, plant and equipment	(44)	(174)
Net foreign exchange gains	2,718	27,956
Others	3,874	1,587
	<u>4,083</u>	<u>26,636</u>
Other income and gains — net	<u>13,438</u>	<u>28,615</u>

6 FINANCE INCOME/(COSTS) — NET FROM CONTINUING OPERATIONS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Finance costs		
— Interest expenses		
— Bank and other borrowings	(4,704)	(86,717)
— Lease liabilities	(607)	(3,389)
	(5,311)	(90,106)
Less:		
— Capitalised interest	5,210	28,635
	(101)	(61,471)
Finance income		
— Interest income	11,732	28,333
Finance income/(costs) — net	11,631	(33,138)

7 INCOME TAX EXPENSES FROM CONTINUING OPERATIONS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
		(Restated)
Current income tax		
— Corporate income tax	79,038	67,598
— PRC land appreciation tax	2,637	17,823
	<u>81,675</u>	<u>85,421</u>
Deferred income tax		
— Corporate income tax	13,024	(27,112)
	<u>13,024</u>	<u>(27,112)</u>
	<u>94,699</u>	<u>58,309</u>

Note:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits of the Group's subsidiaries in Hong Kong.
- (b) The general corporate income tax rate in PRC is 25%. Certain subsidiaries of the Group in the PRC are either supported by Western Development Strategy or qualified as "High and New Technology Enterprise" and thus subject to a preferential income tax rate of 15%.
- (c) PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales property development and sales less deductible expenditures including cost of land use rights and all property development expenditures.
- (d) Withholding income tax is provided on the dividends distributed and to be distributed by the PRC subsidiaries of the Group. As at 30 June 2025, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside the PRC, for which no deferred income tax liability had been provided, were approximately RMB1,025,680,000. Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their overseas holding companies in the foreseeable future based on management's best estimates of the Group's overseas funding requirements.

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2025	2024
		(Restated)
From continuing operations attributable to the ordinary equity holders of the Company	0.21	0.10
From discontinued operations attributable to the ordinary equity holders of the Company	<u>–</u>	<u>0.15</u>
Total basic earnings per share attributable to the ordinary equity holders of the Company	<u>0.21</u>	<u>0.26</u>

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares.

The Group has one category of potential ordinary shares for the six months ended 30 June 2025.

A calculation was done to determine the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options. The effect of share options was anti-dilutive because the exercise price of the share options was higher than the market price of the Company's shares as at 30 June 2025.

Hence the diluted earnings per share was equal to the basic earnings per share.

9 DIVIDENDS

On 27 August 2025, the Board has declared the payment of an interim dividend of HK\$0.15 per share for the six months ended 30 June 2025 out of the share premium account of the Company (six months ended 30 June 2024: nil). The interim dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

10 TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Included in current assets:		
Trade receivables — net (<i>note (a)</i>)	1,282,590	1,346,276
Other receivables — net (<i>note (b)</i>)	463,177	633,749
Other prepayments	109,161	109,536
	<u>1,854,928</u>	<u>2,089,561</u>

(a) Details of trade receivables are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade receivables — related parties	470,854	534,965
Trade receivables — third parties	959,502	942,483
	<u>1,430,356</u>	<u>1,477,448</u>
Less: allowance for impairment	(147,766)	(131,172)
Trade receivables — net	<u>1,282,590</u>	<u>1,346,276</u>

Aging analysis of the gross amount of trade receivables based on invoice date is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	1,086,308	1,039,802
Over 1 year and within 2 years	183,293	252,079
Over 2 years and within 5 years	156,504	183,498
Over 5 years	4,251	2,069
	<u>1,430,356</u>	<u>1,477,448</u>

The Group's trade receivables are denominated in RMB.

Property management services income, asset operation income are received in accordance with the terms of the relevant service agreements. Service income from property management, asset operation are due for payment by the residents upon the issuance of demand note.

For real estate technology services and project management services, customers are generally given a credit term of up to 90 days.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the six months ended 30 June 2025, a provision of RMB16,594,000 was made against the gross amounts of trade receivables.

(b) Details of other receivables are as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Amounts due from related parties	129,252	112,202
Deposits and others from third parties	152,688	137,008
Loans to third parties	191,152	395,464
	473,092	644,674
Less: allowance for impairment	(9,915)	(10,925)
Other receivables — net	463,177	633,749

As at 30 June 2025, balance of approximately RMB191 million related to a loan to Shenzhen Qianhai Lianjie Commercial Factoring Co., Ltd. (深圳前海聯捷商業保理有限公司, “**Qianhai LianJie**”), an independent third-party counterparty. The balance is unsecured, bearing interest rate with 4% per annum, and repayable with term of one year.

For the loan provided to the counterparty, management makes periodic collective assessments as well as individual assessment on the recoverability of the loans provided. As at 30 June 2025, a provision of RMB0.5 million was made against the gross amount of loan provided.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Investments in wealth management products	172,359	–
Equity investments in unlisted companies	1,197	1,222
	<u>173,556</u>	<u>1,222</u>
Non-current	1,197	1,222
Current	172,359	–
	<u>173,556</u>	<u>1,222</u>

On 20 August 2025, the Group redeemed the above investments in wealth management products with total principal amounts of approximately RMB160 million.

12 SHARE CAPITAL AND PREMIUM

Note	Number of ordinary shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
Ordinary share of HKD1.00 each upon incorporation	1,000,000,000	1,000,000			
Increase in authorised share capital	1,000,000,000	1,000,000			
	<u>2,000,000,000</u>	<u>2,000,000</u>			
Issued and fully paid					
At 31 December 2023 and 1 January 2024	1,435,411,483	1,435,412	1,219,233	3,931,750	5,150,983
Dividends	–	–	–	(470,489)	(470,489)
At 30 June 2024 (unaudited)	<u>1,435,411,483</u>	<u>1,435,412</u>	<u>1,219,233</u>	<u>3,461,261</u>	<u>4,680,494</u>
At 31 December 2024 and 1 January 2025	1,435,411,483	1,435,412	1,219,233	1,523,396	2,742,629
Dividends (a)	–	–	–	(356,013)	(356,013)
At 30 June 2025 (unaudited)	<u>1,435,411,483</u>	<u>1,435,412</u>	<u>1,219,233</u>	<u>1,167,383</u>	<u>2,386,616</u>

- (a) On 28 March 2025, the Board recommended the payment of a final dividend of HK\$0.27 per share for the year ended 31 December 2024 out of the share premium account of the Company, which was approved by the shareholders of the Company at the annual general meeting held on 23 May 2025. It was recorded in “trade and other payables” in the interim condensed consolidated balance sheet and was subsequently paid in August 2025.

13 TRADE AND OTHER PAYABLES

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Trade payables (<i>note (a)</i>)	1,345,405	1,319,614
— related parties	161,964	154,649
— third parties	1,183,441	1,164,965
Amounts due to related parties	114,737	90,166
Amounts due to non-controlling interests	5,450	7,500
Deposit payables	190,643	189,631
Accrued expenses	100,412	173,536
Salaries payable	213,936	315,153
Interests payable	5,637	2,253
Other taxes payable	55,575	58,252
Receipts on-behalf of third parties	173,068	201,992
Other payables	127,074	117,836
Dividends payable to shareholders	353,436	—
	<u>2,685,373</u>	<u>2,475,933</u>

(a) The aging analysis of the trade payables based on invoice dates is as follows:

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Within 1 year	1,016,446	934,796
Over 1 year and within 2 years	89,787	143,348
Over 2 years and within 5 years	185,210	194,186
Over 5 years	53,962	47,284
	<u>1,345,405</u>	<u>1,319,614</u>

The Group's trade payables as at 30 June 2025 and 31 December 2024 are denominated in RMB.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

As of the end of the Reporting Period, the contracted area of property management services was 96.06 million square metres, with an area under management of 79.46 million square metres. There were 64 industrial parks under management, covering an area of 9.74 million square metres. Asset operation includes commercial operations and industrial park leasing and sales business. The Group managed 13 commercial properties with an area more than 0.70 million square meters under management, including 5 self-owned commercial properties. The average occupancy rate of commercial properties under management exceeded 90%. Three self-owned industrial parks complement the Group's commercial operations, collectively forming a more robust asset operation and management ecosystem. Real estate technology is a focus of the Group, centering on building good houses and providing green services for business scenarios along the entire value chain. Project management services are a new business segment of the Group following completion of the Group's distribution in specie and disposal (the “**Restructuring**”) on 22 October 2024. It mainly undertakes the full-chain development management of real estate development assets held by the controlling shareholders* after the Restructuring, covering the entire process or phased development management services such as property design, development, planning and construction, and sales. The Group will also explore third-party entrusted construction services with a focus on quality.

Looking ahead, the Group will continue to focus on four business pillars: project management services + property management services + asset operation + real estate technology. We are committed to building quality housing, enhancing property management service capabilities, improving asset operation and management capabilities, steadily implementing products and services, and creating greater value for society.

* “Controlling Shareholders” means the controlling shareholders of the Company, namely Mr. He Xiangjian (何享健), Ms. Lu Deyan (盧德燕) and Midea Development Holding (BVI) Limited

FINANCIAL REVIEW

During the Reporting Period, the Group recorded revenue from the continuing operations of RMB1,996.59 million, representing an increase of 41.3% as compared to RMB1,413.03 million for the corresponding period of 2024. Operating profit from the continuing operations amounted to RMB395.81 million, representing an increase of 69.1% as compared to RMB234.10 million for the corresponding period of 2024. Profit from the continuing operations for the Reporting Period amounted to RMB313.09 million, representing an increase of 128.1% as compared to RMB137.23 million for the corresponding period of 2024. The core net profit from the continuing operations amounted to RMB316.27 million, representing an increase of 127.1% as compared to RMB139.28 million for the corresponding period of 2024. The core net profit from the continuing operations attributable to owners of the Company amounted to RMB312.08 million, representing an increase of 119.4% as compared to RMB142.26 million for the corresponding period of 2024. Profit from the continuing operations attributable to owners of the Company reached RMB305.46 million, representing an increase of 117.1% as compared to RMB140.67 million for the corresponding period of 2024. Basic and diluted earnings per share from the continuing operations reached RMB0.21 (the corresponding period of 2024: RMB0.10).

Revenue from the Continuing Operations

Property Management Services

During the period, revenue from property management services was RMB929.99 million, representing an increase of 8.7% as compared to RMB855.58 million for the corresponding period of 2024. The increase was primarily due to business expansion and the continued delivery of existing residential projects.

Asset Operation

During the period, revenue from asset operation was RMB274.93 million, representing an increase of 13.9% as compared to RMB241.41 million for the corresponding period of 2024. The increase was primarily due to increase in rental income of commercial properties and income of car park.

Real Estate Technology

During the period, revenue from real estate technology was RMB286.97 million, representing a decrease of 9.2% as compared to RMB316.04 million for the corresponding period of 2024. The decrease was primarily due to the reduction in business activities caused by the impact of the real estate market environment.

Project Management Services

Revenue from project management services for the period was RMB504.70 million, primarily derived from providing entrusted construction services to the controlling shareholders.

Cost of Sales from the Continuing Operations

The Group's cost of sales primarily represents costs incurred directly from providing property management services, project management services, asset operation and real estate technology. During the Reporting Period, the Group's cost of sales was RMB1,381.86 million, representing an increase of 47.7% as compared to RMB935.80 million for the corresponding period of 2024. The increase was primarily due to the expansion of the property management business and additional cost of the project management services business.

Gross Profit from the Continuing Operations

During the period, the Group's gross profit was RMB614.73 million, representing an increase of 28.8% as compared to RMB477.23 million for the corresponding period of 2024. The increase in gross profit was primarily driven by the rise in revenue during the period.

Other Income and Other Gains — Net from the Continuing Operations

During the period, the Group's other income and other gains — net amounted to RMB13.44 million, representing a decrease of 53.0% as compared to RMB28.62 million for the corresponding period of 2024. The above other income and other gains mainly include government grants, exchange gains/losses, and losses arising from fair value change of investment properties. The decrease was primarily due to the reduced exchange gains during the period.

Selling and Marketing Expenses from the Continuing Operations

During the period, the Group's selling and marketing expenses recorded RMB49.27 million, representing a decrease of 2.2% as compared to RMB50.39 million for the corresponding period of 2024, primarily due to the enhancement of workforce efficiency per capita.

Administrative Expenses from the Continuing Operations

During the period, the Group's administrative expenses was RMB156.81 million, representing an increase of 8.9% as compared to RMB143.99 million for the corresponding period of 2024, primarily due to the increase in travelling and entertainment expenses for the Group's newly launched project management services business during the period.

Finance Income/(Costs) — Net from the Continuing Operations

The Group's finance income/(costs) — net primarily consists of interest expenses for bank loans and other borrowings (net of capitalised interest relating to properties under construction), interest income from bank deposits, as well as foreign exchange gains and losses arising from financing activities. The general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that necessarily take a substantial period of time to get ready for their intended use or sale) are capitalised into the costs of those assets, until such assets are substantially ready for their intended use or sale.

During the Reporting Period, the Group recorded a net finance income of RMB11.63 million as compared to the net financial costs of RMB33.14 million for the corresponding period of 2024, mainly due to the decrease in interest expenses following the Group's full repayment of all borrowings during the period.

Core Net Profit from the Continuing Operations Attributable to Owners of the Company

During the period, the core net profit attributable to owners of the Company was RMB312.08 million, representing an increase of 119.4% as compared to RMB142.26 million for the corresponding period of 2024.

LIQUIDITY AND CAPITAL RESOURCES

Cash Position and Available Funds

The Group's total cash and bank deposits reached RMB708.42 million as at 30 June 2025, including RMB625.97 million in cash and cash equivalents, RMB40.26 million in term deposits with initial terms over three months and RMB42.19 million in restricted cash.

Borrowings

As at 30 June 2025, the Group had no borrowings.

Borrowing Cost

During the Reporting Period, the total borrowing costs of the Group amounted to RMB4.70 million, representing a decrease of RMB82.02 million from RMB86.72 million for the corresponding period of 2024, mainly due to the Group's full repayment of all borrowings during the period.

Interest Rate Risk

The Group's interest rate risk arises from interest-bearing bank deposits. Bank deposits at variable rates expose the Group to cash flow interest rate risk.

Currency Risk

The Group's businesses are mainly conducted in RMB and most of its assets are denominated in RMB. Non-RMB assets and liabilities are mainly bank deposits denominated in Hong Kong dollars and US dollars. The Group is subject to certain foreign exchange risks arising from future commercial transactions and recognised assets and liabilities which are denominated in Hong Kong dollars and US dollars.

Legal Contingencies

The Group may be involved in litigations and other legal proceedings in its ordinary course of business from time to time. The Group believes that the liabilities arising from these legal proceedings will not have a material adverse effect on our business, financial condition or results of operations.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the Reporting Period, there were no other significant investments held, and no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorised by the Board for other material investments or additions of capital assets.

CHANGES SINCE 31 DECEMBER 2024

Save as disclosed in this announcement, there were no other significant changes in the Group's financial position or from the information disclosed under the section headed "Management Discussion and Analysis" in the Group's annual report for the year ended 31 December 2024.

SUBSEQUENT EVENTS

There were no significant subsequent events of the Group since 30 June 2025 and up to the date of this announcement.

HUMAN RESOURCES

As at 30 June 2025, the Group had employed 8,622 full time employees, most of whom were based in the PRC. Employee's remuneration includes salaries, bonuses and other cash subsidies. The remuneration and bonuses of the employees are determined based on the Group's remuneration and welfare policies, the performance of the employees, the profitability of the Group and market level. The Group will also provide employees with comprehensive welfare plans and career development opportunities, including social insurances, housing provident funds, commercial insurance as well as internal and external training opportunities.

In addition, the Group had granted certain share options and award shares for the purpose of providing incentives to eligible participants of the Group in the past. For details, please refer to the paragraphs headed "2020 Share Option Scheme" and "2021 Share Award Scheme" below.

TERMINATION OF THE 2020 SHARE OPTION SCHEME AND THE 2021 SHARE AWARD SCHEME AND ADOPTION OF THE 2024 SHARE OPTION SCHEME AND THE 2024 SHARE AWARD SCHEME

With effect from 1 January 2023, Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (the "**Listing Rules**") has been amended and it applies to both share option schemes and share award schemes. In this connection, there are certain changes to Chapter 17 of the Listing Rules that would eventually entail substantial revisions to the share option scheme which was approved and adopted by the shareholders of the Company at the Company's annual general meeting held on 29 May 2020 (the "**2020 Share Option Scheme**") and the share award scheme managed by the independent trustee(s) which was approved and adopted by the Board on 22 April 2021 (the "**2021 Share Award Scheme**").

In view of such amendments, the shareholders of the Company at the Company's annual general meeting held on 24 May 2024 had approved the termination of the 2020 Share Option Scheme and the 2021 Share Award Scheme, and the adoption of a new share option scheme (the "**2024 Share Option Scheme**") and a new share award scheme (the "**2024 Share Award Scheme**") (collectively, the "**2024 Share Schemes**").

2020 Share Option Scheme

The 2020 Share Option Scheme was valid and effective for a period of 10 years commencing on 29 May 2020 and ending 28 May 2030. The Board had granted 66,660,000 share options to 193 eligible participants at an exercise price of HK\$18.376 per share on 22 April 2021 under the 2020 Share Option Scheme. Subject to satisfaction of the vesting conditions including the achievement of performance targets, the first tranche of 40% share options shall be exercisable from 22 April 2023 to 21 April 2027, the second tranche of 40% share options shall be exercisable from 22 April 2024 to 21 April 2027 and the third tranche of 20% share options shall be exercisable from 22 April 2025 to 21 April 2027. Pursuant to the resolution passed by the shareholders of the Company at the Company's annual general meeting held on 24 May 2024, the 2020 Share Option Scheme was terminated and no further share option may be granted thereunder. All outstanding share options granted prior to such termination and not then exercised shall continue to be in full force and effect in accordance with the 2020 Share Option Scheme. Please refer to the Company's announcement dated 22 April 2021 and the Company's circular dated 29 April 2024 for details.

As at 30 June 2025, a total of 22,807,400 share options remain outstanding and exercisable under the 2020 Share Option Scheme, and upon its full exercise, representing approximately 1.59% of the total number of shares in issue as at the date of this announcement.

2021 Share Award Scheme

The 2021 Share Award Scheme was valid and effective for a period of 10 years commencing on 22 April 2021 and ending 21 April 2031. The Board had granted 5,225,000 award shares at nil consideration to 31 eligible participants on 22 April 2021, 8,932,500 award shares at nil consideration to 423 eligible participants on 13 May 2022 and 4,770,000 award shares at nil consideration to 25 eligible participants on 12 May 2023 under the 2021 Share Award Scheme, which shall be vested subject to satisfaction of the vesting conditions, including the length of service and the achievement of performance targets as determined by the Board. Pursuant to the resolution passed by the shareholders of the Company at the Company's annual general meeting held on 24 May 2024, the 2021 Share Award Scheme was terminated and no further award share may be granted thereunder. There was no outstanding award share under the 2021 Share Award Scheme and 4,770,000 award shares lapsed were held in trust by the independent trustee(s) appointed by the Company for the purpose to service the 2024 Share Award Scheme. Please refer to the Company's announcements dated 22 April 2021, 13 May 2022 and 12 May 2023, and the Company's circular dated 29 April 2024 for details.

2024 Share Schemes

The 2024 Share Schemes were approved and adopted by the shareholders of the Company at the Company's annual general meeting held on 24 May 2024 (the "**Adoption Date**"), which are valid and effective for a period of 10 years commencing on the Adoption Date and ending 23 May 2034.

The total number of new shares which may be issued in respect of all share options and award shares that may be granted under the 2024 Share Schemes and any other schemes involving the issue or grant of share options or award shares or similar rights over new shares by the Company (the "**Other Schemes**") would be no more than 143,541,148 shares (the "**Scheme Mandate Limit**"), representing approximately 10% of the total number of shares in issue as at the Adoption Date and as at the date of this announcement. The total number of share options and award shares which may be granted under the 2024 Share Schemes and the Other Schemes is 143,541,148 as at the Adoption Date and as at the date of this announcement. The Company may seek approval by the shareholders in general meeting for "refreshing" the Scheme Mandate Limit after 3 years from the date of shareholders' approval for the last refreshment (or the Adoption Date) or, in the case where refreshment is made within the 3 years period, approval by shareholders with the controlling shareholders and their associates abstaining from voting in favour of the relevant resolutions.

Given that the outstanding share options granted under the 2020 Share Option Scheme were historical grants made by the Company and the terms and conditions of such outstanding share options will remain unchanged, such outstanding share options will not be counted towards the Scheme Mandate Limit.

During the six months ended 30 June 2025, the Company had not granted any share options or award shares under the 2024 Share Schemes. The number of share options and award shares available for grant under the 2024 Share Schemes as at 1 January 2025 and 30 June 2025 was 143,541,148 and 143,541,148, respectively, each representing approximately 10% of the total number of shares in issue as at the date of this announcement.

As at 30 June 2025, there was no outstanding share option or unvested award share granted under the 2024 Share Schemes, and the independent trustee(s) holding 4,770,000 unvested shares in trust shall abstain from voting on matters that require shareholders' approval under the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities (including treasury shares, as defined under the Listing Rules) of the Company during the six months ended 30 June 2025. As at 30 June 2025, the Company did not hold any treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the Model Code during the six months ended 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules as its corporate governance policies and practices, and had complied with all the code provisions of the CG Code throughout the six months ended 30 June 2025.

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

The Company established its audit committee (“**Audit Committee**”) on 12 September 2018 with the responsibility to assist the Board in providing an independent review of the financial statements, risk management and internal control systems. The Audit Committee comprises two independent non-executive Directors, Mr. Tan Jinsong (chairman of the Audit Committee) and Mr. O’Yang Wiley, and one non-executive Director, Mr. Zhao Jun. Mr. Tan Jinsong is the independent non-executive Director possessing the appropriate professional accounting and related financial management expertise.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group. In addition, PricewaterhouseCoopers, the Company’s auditor, has reviewed the unaudited interim financial information of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK\$0.15 per share for the six months ended 30 June 2025 (the “**Interim Dividend**”) (for the corresponding period of 2024: Nil). The Interim Dividend will be payable in cash on or about 22 December 2025 to the shareholders whose names appear on the register of members of the Company on 4 December 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of shareholders who are entitled to the Interim Dividend, the register of members of the Company will be closed from 3 December 2025 to 4 December 2025, both days inclusive, during which period no transfer of shares shall be effected. In order to qualify for the Interim 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 2 December 2025.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the Company’s website at <http://www.mideadc.com> and the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk>. The 2025 interim report will be despatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 27 August 2025

As at the date of this announcement, the executive directors of the Company are Mr. Hao Hengle, Mr. Wang Dazai 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.