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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of Midea Real Estate Holding Limited (the "**Company**") dated 4 November 2026 (the "**Announcement**") in relation to, among other things, the renewal of the continuing connected transactions. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

In respect of the 2027 Commercial Property Leasing Framework Agreement disclosed in the Announcement, the Board wishes to provide Shareholders and potential investors with the following supplemental information in relation to (i) the basis for the increase in the proposed annual caps; and (ii) the accounting treatment of the leases to be entered into thereunder.

1. BASIS FOR THE INCREASE IN THE PROPOSED ANNUAL CAPS

As disclosed in the Announcement, the table below sets out the existing annual caps under the 2024 Commercial Property Leasing Framework Agreement (Midea Construction) and the historical transaction amounts and the proposed annual caps in respect of the 2027 Commercial Property Leasing Framework Agreement:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ending 31 December 2026**
	RMB in million	*RMB in million*	*RMB in million*
Existing annual caps	7.0	12.0	12.0
Historical transaction amounts	6.8	8.0	8.6 *(Note)*

Note: The figure represents the estimated annualised transaction amount based on the historical transaction amount of approximately RMB6.4 million for the nine months ended 30 September 2026. Such amount is based on the unaudited management accounts of the Company and is subject to change and may differ from the figure to be disclosed in the audited financial statements to be published by the Company.

	For the year ending 31 December 2027	For the year ending 31 December 2028	For the year ending 31 December 2029
	RMB in million	*RMB in million*	*RMB in million*
Proposed annual caps	30.0	30.0	31.0

The proposed annual caps represent a significant increase as compared with the existing annual caps and the historical transaction amounts. Such increase is principally attributable to the Group's new business initiative to be launched in 2027. The Group intends to lease certain unsold parking spaces from the Midea Construction Group, and to operate and sublease such parking spaces to property owners, visitors and other third parties. Through this arrangement, the Group expects to generate additional value-added operating income from temporary parking fees and parking space rental income.

The relevant parking spaces have already been identified and comprise approximately 10,000 parking spaces located within approximately 155 existing and new development projects of the Midea Construction Group, covering retail and residential projects across 45 cities in the PRC, principally in Foshan, Wuhan, Guiyang, Kunming, Xuzhou, Dongguan, Heyuan, Zunyi, Wuxi and etc. The figure of approximately 10,000 parking spaces is an estimated average, taking into account expected additions of parking spaces from new development projects and expected deductions for parking spaces sold. Separate lease agreements are expected to be entered into with the Midea Construction Group commencing from 2027, each with a term of one year or less.

The property leasing fee in respect of the parking spaces payable by the Group to the Midea Construction Group will be calculated based on the estimated annual income to be generated by the Group from third parties through the operation and subleasing of the parking spaces, multiplied by a percentage which is determined with reference to general commercial terms, the applicable local property management guidance prices and the operating costs associated with the parking spaces. The estimated annual income takes into account (i) historical parking rental transactions and temporary parking volumes and rates in respect of the relevant projects; and (ii) the estimated average number of parking spaces leased within each project, which may increase as new parking spaces are provided or decrease as parking spaces are sold. The actual aggregate property leasing fee payable by the Group will therefore vary and is not fixed. Based on the above, the aggregate property leasing fee is estimated to be approximately RMB20 million per annum.

The remaining portion of the proposed annual cap is broadly in line with the historical transaction amounts under the Group's existing commercial property leasing arrangements with the Midea Construction Group, after taking into account the projected underlying inflation rate and potential increases in commercial property rental fees.

The Board considers that the new business initiative is commercially beneficial to the Group for the following reasons:

(i) it opens up a new value-added income stream and increases the Group's operating income;

(ii) the Group's property management teams are already stationed at the relevant development projects and provide security, cleaning and maintenance services. The Group can therefore leverage its existing personnel and operational infrastructure to undertake the leasing, inspection, maintenance and fee collection in respect of the parking spaces without significant additional staffing, resulting in relatively low incremental operating costs;

(iii) it strengthens the Group's control over project resources, enabling the Group to manage scattered parking spaces in a centralised manner and to apply uniform operating standards and parking rules; and

(iv) it enriches the Group's one-stop service offering and enhances owner satisfaction by addressing parking leases and the parking needs of visitors and nearby temporary users at the property service counter.

2. ACCOUNTING TREATMENT OF LEASES

All leases to be entered into pursuant to the 2027 Commercial Property Leasing Framework Agreement are expected to be variable leases and will be classified as "variable leases" under Hong Kong Financial Reporting Standard 16 "Leases" ("**HKFRS 16**").

In accordance with HKFRS 16, the variable lease payments to be made by the Group under the 2027 Commercial Property Leasing Framework Agreement will be recognised as expenses in the consolidated statement of comprehensive income of the Group over the relevant lease terms, and will not be recognised as right-of-use assets. Accordingly, the proposed annual caps under the 2027 Commercial Property Leasing Framework Agreement have been determined by reference to the expected aggregate lease payments to be made by the Group in each year, rather than the expected total value of right-of-use assets relating to the leases to be entered into thereunder.

GENERAL

Save as disclosed in this announcement, all other information set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 12 November 2026

As at the date of this announcement, the executive directors of the Company are Mr. Wang Dazai (President), Ms. Liu Min and Mr. She Zuojun; the non-executive directors of the Company are Mr. He Jianfeng, Mr. Zhao Jun (Chairman) 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.