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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)**

## **ADOPTION OF RESTRICTED SHARE AWARD SCHEME**

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On 22 April 2021, the Board has adopted the Scheme to, among other things, recognise the contributions by, and to attract, motivate and retain, Selected Participants. The Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date.

Pursuant to the Scheme, the Awards may be satisfied by the Company by: (i) transfer of Award Shares and Related Income which shall comprise (a) new Shares to be allotted and issued to the Trustee (which holds the same on behalf of the Grantees) by the Company under the general or specific mandate sought from the shareholders of the Company in its general meeting; and/or (b) existing Shares to be purchased by the Trustee on the market; or (ii) payment of the Actual Selling Price and the Related Income in cash as the Board shall determine in accordance with the Scheme.

The number of Shares which may be awarded under the Scheme shall not exceed ten percent (10%) of the total number of issued Shares as at the Adoption Date, and the maximum number of unvested Shares which may be awarded to any one Selected Participant at any time shall not exceed one percent (1%), of the total number of issued Shares from time to time.

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval of the Company is required for the adoption of the Scheme.

### **ADOPTION OF SHARE AWARD SCHEME**

On 22 April 2021, the Board has adopted a restricted share award scheme to, among other things, recognise the contributions by, and to attract, motivate and retain, Selected Participants.

## **SUMMARY OF THE SCHEME**

### **Purposes and Objectives**

The purpose of the Scheme is to enable the Group to:

- (i) recognise and acknowledge the contributions that Eligible Persons have made or may make to the Group (whether directly or indirectly), remunerate the best possible quality of the Eligible Persons, and attract, retain and motivate the Eligible Persons to continue to contribute to the growth and development of the Group; and
- (ii) provide Eligible Persons with direct economic benefits in order to maintain a long term relationship between the Group and the Eligible Persons.

### **Administration**

The Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise provided in the Scheme) be final and binding on all parties.

### **Maximum Limit**

The number of Shares which may be awarded under the Scheme shall not exceed ten percent (10%) of the total number of issued Shares as at the Adoption Date.

The maximum number of unvested Shares which may be awarded to any one Selected Participant at any time shall not exceed one percent (1%), of the total number of issued Shares from time to time.

### **Operation**

The Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Scheme as Selected Participants, subject to the terms and conditions set out in the Scheme. In determining the Selected Participants, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group.

The Company shall issue a letter to each Selected Participant in such form as the Board may from time to time determine, specifying the Grant Date, the number of Award Shares underlying the Award, the Vesting Dates (if any) and such other criteria and conditions and further details as the Board may consider necessary.

Upon the satisfaction of conditions including without limitation, the vesting of the Award, the Board may at its absolute discretion to either:

- (i) direct and procure the Trustee to release the Award Shares and the Related Income to the Grantees by transferring the number of Award Shares and the Related Income to the Grantees in such manner as determined by the Board in its absolute discretion from time to time; or

- (ii) to the extent where it is in the reasonable opinion of the Company not practicable for the Grantee to receive the Award Shares and the Related Income due to legal or regulatory restrictions or otherwise with respect to the Grantee's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the Grantee, direct and procure the Trustee to sell the number of Award Shares and the Related Income on such dates and in such manner as the Board shall in its absolute discretion determine and pay the Grantee the proceeds arising from such sale based on the Actual Selling Price of the Shares and the Related Income in cash.

### **Satisfaction of Awards**

Subject to the paragraph headed "Restrictions" below, the Awards may be satisfied by the Company by: (i) transfer of Award Shares and Related Income which shall comprise (a) new Shares to be allotted and issued to the Trustee (which holds the same on behalf of the Grantees) by the Company under the general or specific mandate sought from the shareholders of the Company in its general meeting; and/or (b) existing Shares to be purchased by the Trustee on the market; or (ii) payment of the Actual Selling Price and the Related Income in cash as the Board shall determine in accordance with the Scheme.

### **Restrictions**

No Award shall be made to Selected Participants and no Shares or payment shall be made to the Trustees and no directions or recommendation to acquire Shares shall be given to the Trustees under the Scheme:

- (i) where the Company is in possession of unpublished inside information in relation to the Company;
- (ii) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or other interim period (if any); and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement; or
- (iii) where dealings by the Selected Participants are prohibited under any code or requirement of the Listing Rules or any other applicable laws or regulations from time to time.

### **Vesting and Lapse**

Subject to the Scheme, the vesting of the Award Shares and the Related Income is subject to the Grantee remaining at all times after the Grant Date and on the Vesting Date (if any) an Eligible Person.

In the event that the Grantee ceases to be an Eligible Person at any time prior to the Vesting Date (if any) by reason of:

- (i) resignation of the Grantee's employment with the Group;

- (ii) termination of the Grantee's employment or early termination of the contractual engagement with the Group due to a Culpable Termination;
- (iii) winding-up of any member of the Group in which the Grantee is employed or is contractually engaged;
- (iv) death or Disability of the Grantee; or
- (v) any other reasons,

any outstanding Award not yet vested shall lapse, unless the Board determines otherwise at its absolute discretion.

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement, all the unvested Award shall immediately vest on the date when such change of control event becomes or is declared unconditional.

### **Rights attached to Awards**

Neither the Trustee nor the Grantee shall exercise any voting rights in respect of any Shares held under the Trust. The Related Income shall be held by the Trustee and transferred to the Grantee upon vesting of the Award.

### **Transferability**

An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee. A Grantee shall not in any way sell, transfer, charge, mortgage, encumber, pledge or create any interests in favour of any other party over or in relation to any Award, or enter into any agreement to do so.

### **Alteration**

The Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any Grantee hereunder except:

- (i) where the consent in writing of Grantees is obtained amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or
- (ii) with the sanction of a resolution at a meeting of the Grantees passed by not less than three-fourths of the votes cast by the Grantees entitled to vote at the meeting.

### **Duration and Termination**

The Scheme commences on the Adoption Date and remains valid and effective unless and until being terminated on the earlier of: (i) the tenth (10) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Grantee.

On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or can be made under the Scheme (whichever is later), the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company, and remit all cash and net proceeds of such sale and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

## **LISTING RULES IMPLICATIONS**

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval of the Company is required for the adoption of the Scheme.

Further announcement will be made in the event that new Shares are allotted and issued in satisfaction of the Awards granted in future.

## **DEFINITIONS**

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

“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, Securities and Futures Commission transaction levy and any other applicable costs) on the vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company, the consideration receivable under the related scheme or offer;
“Adoption Date”	means 22 April 2021 (the date on which the Scheme was adopted by the Board);
“Award(s)”	an award granted by the Board to the Selected Participants which may be settled in the form of transfer of the Award Shares or payment of the Actual Selling Price in cash, together with any Related Income attributable to such award as the Board may determine in accordance with the Scheme;
“Award Share(s)”	the Shares granted under the Award;
“Board”	the board of directors of the Company or a duly authorised committee thereof;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;

“Company”	Midea Real Estate Holding Limited, 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 in the Listing Rules;
“Culpable Termination”	the termination of the Grantee’s employment or early termination of the Grantee’s contractual engagement with the Group 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 memorandum of association and articles of association of the Company (as amended from time to time); (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;
“Director(s)”	the director(s) of the Company;
“Disability”	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, “ <b>Disability</b> ” 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 determined 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 or she furnishes proof of such impairment sufficient to satisfy the Board in its discretion;

“Eligible Person(s)”	<p>means the following persons:</p> <p>(i) any director or proposed director of any member of the Group; and</p> <p>(ii) any management, key technician, officer, manager and employee of any member of the Group,</p> <p>however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person;</p>
“Grant Date”	the date (which shall be a Business Day) on which the grant of an Award is made to a Selected Participant;
“Grantee(s)”	a Selected Participant who has accepted the grant of an Award;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time;
“Related Income”	in relation to a Share, all income derived from the Share (including but not limited to, any bonus Shares and scrip Shares, cash dividends and cash distributions received in respect of that Share), but, for the avoidance of doubt, excluding any nil-paid rights, bonus warrants, options and/or non-cash and non-scrip distribution or proceeds of sale of the same;
“Scheme”	the restricted share award scheme in its present or any amended form as adopted by the Company on the Adoption Date or as otherwise altered in accordance with the Scheme, subject to the requirements under the Listing Rules;
“Selected Participant(s)”	any Eligible Person approved for participation in the Scheme on the relevant Grant Date;
“Share(s)”	ordinary share(s) of nominal value of HK\$1.00 each (or of such other nominal value as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	shall have the meaning ascribed to it in the Listing Rules;
“Trust”	the trust constituted by the Trust Deed to service the Scheme;
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”	the trustee to be appointed by the Company for the purpose of the Trust; and
“Vesting Date(s)”	the date(s), as determined from time to time by the Board, on which the Award is to vest in the relevant Grantee as set out in the relevant award letter.

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

Hong Kong, 22 April 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Hao Hengle, Mr. Xu Chuanfu, Mr. Yao Wei and Mr. Lin Ge; the non-executive Directors of the Company are Mr. He Jianfeng and Mr. Zhao Jun; and the independent non-executive Directors of the Company are Mr. Tan Jinsong, Mr. O’Yang Wiley and Mr. Lu Qi.