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)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

Continuing Operations

- For the year ended 31 December 2024, the Group's operating revenue from continuing operations was RMB3,725.80 million, representing a year-on-year increase of 33.3%. Among this, revenue from property management services was RMB1,839.22 million, representing a year-on-year increase of 12.6%; revenue from asset operation was RMB987.20 million, representing a year-on-year increase of 91.8%; revenue from real estate technology was RMB606.47 million, representing a year-on-year decrease of 6.2%; revenue from the project management services was RMB292.91 million, accounting for 7.9% of revenue.

- For the year ended 31 December 2024, the Group's gross profit from continuing operations was RMB1,331.69 million, representing a year-on-year increase of 38.7%. The gross profit margin was 35.7%, with a year-on-year increase of 1.3 percentage points.

Overall

- For the year ended 31 December 2024, the Company's loss from continuing operations and discontinued operations for the year was RMB2,350.41 million. Core net loss[*] amounted to RMB2,284.27 million, and core net loss attributable to owners of the Company[**] was RMB1,993.77 million, of which, core net loss attributable to owners of the Company from the discontinued operations[***] was RMB2,497.62 million and core net profit RMB503.85 million from the Continuing Operations.

FINAL DIVIDEND

For the year ended 31 December 2024, the basic and diluted earnings per share from the Continuing Operations attributable to owners of the Company were RMB0.33. Based on the Continuing Operations and the core net profit attributable to owners of the Company recorded from the Continuing Operations, the Board has recommended the payment of a final dividend of HK$0.27 per share for the year ended 31 December 2024, payable in cash.

* Core net profit/loss represents profit/loss 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, with the core net profit/loss for the year comprising a combination of the Discontinued Operations and Continuing Operations.

** Core net profit/loss attributable to owners of the Company represents profit/loss 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, with the core net profit/loss attributable to owners of the Company for the year comprising a combination of the Discontinued Operations and Continuing Operations.

*** "Discontinuing Operations" represent the property development and sales business (excluding certain commercial properties and industrial parks held and operated by the Group) distributed from the Group upon completion of the distribution in specie on 22 October 2024. "Continuing Operations" represent the Group's continuing operations, including property management services, asset operation (i.e. commercial property and industrial park), real estate technology, project management services.

The board of directors (the "**Board**" or the "**Director(s)**") of Midea Real Estate Holding Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024, with the comparative figures restated for the year ended 31 December 2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
			(Restated)
Continuing Operations			
Revenue	*2*	**3,725,800**	2,794,219
Cost of sales	*3*	**(2,394,115)**	(1,834,242)
Gross profit		**1,331,685**	959,977
Other income and other gains — net	*4*	**10,960**	60,897
Selling and marketing expenses	*3*	**(137,289)**	(105,764)
Administrative expenses	*3*	**(347,956)**	(385,339)
Net impairment losses on financial assets		**(36,624)**	(45,553)
Operating profit		**820,776**	484,218
Finance income	*5*	**34,430**	98,327
Finance costs	*5*	**(126,464)**	(99,495)
Finance costs — net	*5*	**(92,034)**	(1,168)
Share of results of joint ventures and associates		**(43,326)**	(465)
Profit before income tax		**685,416**	482,585
Income tax expenses	*6*	**(199,233)**	(88,021)
Profit for the year from Continuing Operations		**486,183**	394,564
Discontinued Operations			
(Loss)/profit for the period/year from Discontinued Operations		**(2,836,590)**	1,730,504
(Loss)/profit for the year		**(2,350,407)**	2,125,068

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000 (Restated)
(Loss)/profit attributable to:			
Owners of the Company		**(2,057,887)**	913,584
Non-controlling interests		**(292,520)**	1,211,484
		(2,350,407)	2,125,068
(Loss)/profit attributable to owners of the Company:			
Continuing Operations		**478,401**	374,989
Discontinued Operations		**(2,536,288)**	538,595
		(2,057,887)	913,584
Other comprehensive income			
Items that will not be reclassified to profit or loss			
— Revaluation upon transfer to investment properties		**31,224**	–
Total comprehensive (loss)/income for the year		**(2,319,183)**	2,125,068
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(2,026,663)**	913,584
Non-controlling interests		**(292,520)**	1,211,484
		(2,319,183)	2,125,068
Total comprehensive (loss)/income attributable to owners of the Company			
Continuing Operations		**509,625**	374,989
Discontinued Operations		**(2,536,288)**	538,595
		(2,026,663)	913,584

		Year ended 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
			(Restated)
(Losses)/earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
Basic	*7*		
Continuing Operations		**0.33**	0.27
Included Discontinued Operations		**(1.44)**	0.66
Diluted	*7*		
Continuing Operations		**0.33**	0.27
Included Discontinued Operations		**(1.44)**	0.66

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**302,158**	1,090,198
Investment properties		**4,863,369**	6,199,032
Right-of-use assets		**69,380**	273,854
Intangible assets		**200,998**	257,158
Properties under development		**–**	545,409
Investments in joint ventures		**619**	12,221,842
Investments in associates		**41,763**	11,525,105
Finance lease receivables		**9,725**	36,102
Deferred income tax assets		**105,533**	6,399,468
Financial assets at fair value through profit or loss	*10*	**1,222**	383,709
		5,594,767	38,931,877
Current assets			
Inventories		**71,221**	149,360
Contract assets and contract acquisition costs	*2(a)*	**34,909**	1,838,072
Properties under development		**520,252**	75,375,606
Completed properties held for sale		**198,315**	22,359,352
Trade and other receivables	*9*	**2,089,561**	34,180,070
Prepaid taxes		**112,533**	8,553,171
Financial assets at fair value through profit or loss	*10*	**–**	50,000
Restricted cash		**68,989**	2,538,626
Term deposits with initial terms over three months		**–**	50,000
Cash and cash equivalents		**1,033,953**	17,553,071
		4,129,733	162,647,328
Total assets		**9,724,500**	201,579,205

EQUITY

		As at 31 December	
		2024	2023
	Note	***RMB'000***	*RMB'000*
Equity attributable to owners of the Company			
Share capital and premium	*11*	**2,742,629**	5,150,983
Other reserves		**221,868**	4,126,269
Retained earnings		**1,932,260**	16,032,062
		4,896,757	25,309,314
Non-controlling interests		**184,689**	24,809,433
Total equity		**5,081,446**	50,118,747
LIABILITIES			
Non-current liabilities			
Corporate bonds		**–**	6,632,220
Bank and other borrowings		**586,580**	19,202,605
Lease liabilities		**179,801**	43,931
Deferred income tax liabilities		**167,113**	306,102
		933,494	26,184,858
Current liabilities			
Corporate bonds		**–**	6,246,470
Bank and other borrowings		**48,803**	5,987,669
Lease liabilities		**18,488**	54,197
Contract liabilities	*2(b)*	**875,106**	44,391,799
Trade and other payables	*12*	**2,475,933**	59,525,590
Current income tax liabilities		**291,230**	9,069,875
		3,709,560	125,275,600
Total liabilities		**4,643,054**	151,460,458
Total equity and liabilities		**9,724,500**	201,579,205

NOTES

1. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards ("HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements of the Group have been prepared in accordance with HKFRS as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of HKCO Cap. 622.

HKFRS comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

(b) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (financial assets at "FVPL") and investment properties, which are carried at fair value.

(c) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing 1 January 2024:

Amendments to HKAS 1	Classification of liabilities as current or non-current and Non-current liabilities with covenants
Amendments to HKFRS 16	Lease liability in sales and lease back
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements
HK Interpretation 5 (2020)	Presentation of financial statements — Classification by the borrower of a term loan that contains a repayment on demand clause

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) New and amended standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group, so summarised below.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of exchangeability	1 January 2025
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 the application of HKFRS 18 which has impact on presentation of the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated balance sheet.

2. 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.

During the current year ended 31 December 2024, as part of the change of internal management structure due to the Distribution in Specie, information reported to the CODM for the purposes of resource allocation and assessment of segment performance, focuses on the continuing business. In order to better reflect the continuing business activities after the distribution in specie, the discontinued operations was no longer separately assessed or reviewed. Instead, the information reviewed by the CODM as at the end of the reporting period analyses the performance of the continuing operation. Comparatives have been restated to reflect the changes.

After the completion of the Distribution in Specie, the Group is principally engaged in provision of property management services, commercial property and industrial park business, real estate technology business and project management services.

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

- Property management services business;
- Commercial property and industrial park business;
- Real estate technology business; and
- Project management services.

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:

	Year ended 31 December 2024					
Continuing Operations	**Property management services business**	**Commercial property and industrial park business**	**Real estate technology business**	**Project management business**	**Others**	**Group**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue						
Recognised over time	**1,710,082**	**519,074**	**348,364**	**292,915**	**–**	**2,870,435**
Recognised at a point in time	**135,707**	**477,810**	**272,799**	**–**	**–**	**886,316**
Less: inter-segment revenue	**(6,572)**	**(9,685)**	**(14,694)**	**–**	**–**	**(30,951)**
Revenue (from external customers)	**1,839,217**	**987,199**	**606,469**	**292,915**	**–**	**3,725,800**
Operating profit	**357,921**	**297,593**	**101,925**	**46,261**	**17,076**	**820,776**

Continuing Operations	Year ended 31 December 2023					
	Property management services business	Commercial property and industrial park business	Real estate technology business	Project management business	Others	Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Segment revenue						
Recognised over time	1,506,109	439,976	482,516	–	–	2,428,601
Recognised at a point in time	136,180	89,663	176,313	–	–	402,156
Less: inter-segment revenue	(9,554)	(14,866)	(12,118)	–	–	(36,538)
Revenue (from external customers)	1,632,735	514,773	646,711	–	–	2,794,219
Operating profit	282,040	73,929	50,267	–	77,982	484,218

(a) Analysis of revenue by category

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Property management services business	**1,839,217**	1,632,735
Commercial property and industrial park business	**987,199**	514,773
Real estate technology business	**606,469**	646,711
Project management services	**292,915**	–
	3,725,800	2,794,219

The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(b) Assets and liabilities related to contracts with customers

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Details of contract assets are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Commercial property and industrial park business	**14,180**	11,878
Real estate technology business	**20,729**	–
Total contract assets	**34,909**	11,878

The Group recognised the following revenue-related contract liabilities:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Property management services business	**466,593**	440,312
Commercial property and industrial park business	**159,950**	86,574
Real estate technology business	**243,487**	71,426
Project management services	**5,076**	–
Total contract liabilities	**875,106**	598,312

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying services are yet to be provided.

The following table shows the revenue recognised during the year related to carried-forward contract liabilities.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Property management services business	**440,312**	331,315
Commercial property and industrial park business	**78,851**	24,800
Real estate technology business	**58,011**	26,930
	577,174	383,045

(c) Unsatisfied long-term performance obligations

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Expected to be recognised within one year	**664,290**	454,177
Expected to be recognised after one year	**210,816**	144,135
	875,106	598,312

The unsatisfied contracts amounts of RMB664,290,000 as at 31 December 2024 expected to be recognised within one year was calculated based on the Group's pre-sales contracts signed up to 31 December 2024.

(d) For property management services contracts, the Group recognises revenue equal to the right to invoice amount when it corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts. The majority of the property management service contracts do not have a fixed term.

3. EXPENSES BY NATURE FROM CONTINUING OPERATIONS

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Employee benefit expenses	**1,122,272**	980,403
Cost of property development and sales — including construction cost, land cost, capitalised interest expenses	**325,122**	71,359
Cleaning expenses and greening gardening expenses	**297,308**	256,662
Manufacturing cost	**189,757**	127,644
Security expenses	**138,204**	135,914
Community maintenance fee	**109,439**	83,909
Utilities	**101,057**	90,131
Marketing and advertising expenses	**74,211**	74,044
Installation cost	**70,562**	91,589
Cost of sales of goods	**62,057**	34,964
Depreciation and amortisation	**51,941**	37,373
Taxes and surcharges	**44,779**	38,319
Travelling and entertainment expenses	**40,582**	29,193
Design service fee	**28,573**	32,108
Professional service and consulting fees	**14,177**	11,707
Office expenses	**11,557**	9,033
Auditor's remuneration	**10,563**	7,874
— Annual audit services	**7,500**	7,000
— Non-audit services	**3,063**	874
Others	**187,199**	213,119
Total	**2,879,360**	2,325,345

4. OTHER INCOME AND OTHER (LOSSES)/GAINS — NET FROM CONTINUING OPERATIONS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Other income		
Management and consulting service income	**2,997**	2,172
Government subsidy income	**11,189**	8,279
Compensation income	**4,177**	2,885
	18,363	13,336
Other (losses)/gains — net		
Realised and unrealised gains on financial assets at FVPL	**3,978**	431
Losses arising from changes in fair value of investment properties	**(34,783)**	(35,085)
Net foreign exchange gains	**23,204**	66,635
Others	**198**	15,580
	(7,403)	47,561
Other income and other (losses)/gains — net	**10,960**	60,897

5. FINANCE COST — NET FROM CONTINUING OPERATIONS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Finance costs		
— Interest expenses		
— Bank and other borrowings	**(138,388)**	(126,631)
— Lease liabilities	**(4,914)**	(1,825)
	(143,302)	(128,456)
Less:		
— Capitalised interest	**16,838**	28,961
	(126,464)	(99,495)
Finance income		
— Interest income	**34,430**	98,327
Finance cost — net	**(92,034)**	(1,168)

6. INCOME TAX EXPENSES FROM CONTINUING OPERATIONS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
		(Restated)
Current income tax:		
— Corporate income tax	**167,207**	119,221
— LAT	**55,511**	(8,364)
	222,718	110,857
Deferred income tax		
— Corporate income tax	**(23,485)**	(22,836)
	(23,485)	(22,836)
	199,233	88,021

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%.

For the Group's PRC subsidiaries qualified as Small and Micro Enterprise ("SME") by the relevant government authorities, they are subject to a 75% deduction of the assessable profits as well as a preferential tax rate of 20%, effective during the year ended 31 December 2024 and 2023.

(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 31 December 2024, 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 RMB717,610,000. 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.

7. (LOSSES)/EARNING PER SHARE

(a) Basic

Basic (losses)/earning 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, excluding those ordinary shares held for restricted share award scheme.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
From continuing operations attributable to the ordinary equity holders of the Company	**0.33**	0.27
From discontinued operation attributable to the ordinary equity holders of the Company	**(1.77)**	0.39
Total basic (losses)/earning per share attributable to the ordinary equity holders of the Company	**(1.44)**	0.66

(b) Diluted

Diluted (losses)/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 year ended 31 December 2024.

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 31 December 2024.

8. DIVIDENDS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Dividends *(note (a))*	**357,614**	468,287
Distribution in specie *(note (b))*	**17,983,441**	–
Total	**18,341,055**	468,287

(a) The Board has recommended the payment of a final dividend of HK$0.27 per share (2023: HK$0.36 per share) for the year ended 31 December 2024 out of the share premium account of the Company.

(b) On 23 June 2024, the Company announced a proposed distribution in specie of the entire interests of the direct wholly-owned subsidiary, the PrivateCo, which are principally engaged in property development and sales business in PRC through its subsidiaries. The distribution was made to the shareholders of the Company based on their shareholding percentage in the Company and was completed on 22 October 2024. The distributed amount of approximately RMB17,983,441,000 was the net assets of the PrivateCo attributable to the shareholders of the Company as at 22 October 2024.

9. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Included in current assets:		
Trade receivables — net *(note (a))*	**1,346,276**	1,690,713
Other receivables — net *(note (b))*	**633,749**	31,747,005
Other prepayments	**109,536**	742,352
	2,089,561	34,180,070

As at 31 December 2024 and 2023, the fair value of trade and other receivables approximated their carrying amounts.

(a) Details of trade receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables — related parties	**534,965**	147,910
Trade receivables — third parties	**942,483**	1,772,633
	1,477,448	1,920,543
Less: allowance for impairment	**(131,172)**	(229,830)
Trade receivables — net	**1,346,276**	1,690,713

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**1,039,802**	1,501,937
Over 1 year and within 2 years	**252,079**	177,422
Over 2 years and within 5 years	**183,498**	240,731
Over 5 years	**2,069**	453
	1,477,448	1,920,543

The Group's trade receivables were denominated in RMB.

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

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

Trade receivables arise from property development and sales. Proceeds from property development and sales are generally received in accordance with the terms stipulated in the sale and purchase agreements. There is generally no credit period granted to the property purchasers.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the year ended 31 December 2024, a provision of RMB134,039,000 (2023: RMB82,566,000) was made against the gross amounts of trade receivables.

(b) Details of other receivables are as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Amounts due from related parties	**112,202**	11,367,437
Amounts due from non-controlling interests	**–**	16,994,095
Deposits and other receivables from third parties	**137,008**	4,373,875
Loans to third parties	**395,464**	–
	644,674	32,735,407
Less: allowance for impairment	**(10,925)**	(988,402)
Other receivables — net	**633,749**	31,747,005

During the year ended 31 December 2024, the Group provided certain loans to third-parties. As at 31 December 2024, RMB395 million of these loans were outstanding, including:

(i) RMB200 million was loaned to Shenzhen Qianhai Yifang Hengrong Commercial Factoring Co., Ltd. (深圳市前海一方恒融商業保理有限公司, "**Qianhai Yifang**"), a third-party counterparty. The principal amount of this loan is RMB200 million which is unsecured, bearing interest rate with 4% per annum, and repayable on demand. The balance has been fully settled in February 2025.

(ii) RMB195 million was loaned to Shenzhen Qianhai Lianjie Commercial Factoring Co., Ltd. (深圳前海聯捷商業保理有限公司, "**Qianhai LianJie**"), a third-party counterparty. The principal amount of this loan is RMB195 million which is unsecured, bearing interest rate with 4% per annum, and repayable with term of one year.

For the loans provided to the counterparties, management makes periodic collective assessments as well as individual assessment on the recoverability of the loans provided. As at 31 December 2024, a provision of RMB1 million was made against the gross amount of loans provided. The interest income arising from the provided loans amounted to RMB4 million.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Investments in wealth management products	**–**	50,000
Equity investments in unlisted companies	**1,222**	371,000
Others	**–**	12,709
	1,222	433,709
Non-current	**1,222**	383,709
Current	**–**	50,000
	1,222	433,709

11. SHARE CAPITAL AND PREMIUM

	Note	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Share premium	Total
			HKD'000	*RMB'000*	*RMB'000*	*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	–	–	–
		2,000,000,000	2,000,000	–	–	–
Issued and fully paid						
At 31 December 2022 and 1 January 2023		1,355,411,993	1,355,412	1,147,475	4,480,292	5,627,767
Issue of new shares for the purpose of restricted share award scheme		538,500	539	478	–	478
Issue of new shares as a result of scrip dividend		79,460,990	79,461	71,280	(71,280)	–
Dividends		–	–	–	(477,262)	(477,262)
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	*(a)*	–	–	–	(470,490)	(470,490)
Distribution in Specie		–	–	–	(1,937,864)	(1,937,864)
At 31 December 2024		1,435,411,483	1,435,412	1,219,233	1,523,396	2,742,629

(a) On 27 March 2024, the Board recommended the payment of a final dividend of HK$0.36 per share for the year ended 31 December 2023 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 24 May 2024, with the dividend paid in cash.

12. TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables *(note (a))*	**1,319,614**	28,992,496
— related parties	**154,649**	2,925,464
— third parties	**1,164,965**	26,067,032
Amounts due to related parties	**90,166**	20,848,347
Amounts due to non-controlling interests	**7,500**	2,492,647
Outstanding acquisition considerations payable	**–**	848,586
Deposit payables	**189,631**	691,068
Accrued expenses	**173,536**	619,247
Salaries payable	**315,153**	650,545
Interest payable	**2,253**	334,521
Other taxes payable	**58,252**	1,555,178
Receipts on-behalf of third parties	**201,992**	1,029,868
Other payables	**117,836**	1,463,087
	2,475,933	59,525,590

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

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**934,796**	22,721,434
Over 1 year and within 2 years	**143,348**	3,729,110
Over 2 years and within 5 years	**194,186**	2,523,956
Over 5 years	**47,284**	17,996
	1,319,614	28,992,496

The Group's trade and other payables as at 31 December 2024 and 2023 were denominated in RMB.

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW FOR 2024

Annual Results

I. Industry Overview

2024 has quietly passed, and within the calm flow of time, change is always brewing. Under the overarching theme of "seeking progress amidst stability", China's real estate market has entered a new phase characterised by parallel processes of deep adjustment and structural transformation. "Policy support" and "market differentiation" have become key themes, as the industry gradually shifts from scale expansion to high-quality development.

Faced with cyclical bottom fluctuations in the real estate sector and gradual market polarisation, embracing change has become both an instinct for corporate survival and a reconstruction of dual capabilities to combat risks while maintaining stable growth. Yet this is no easy task. Only through courage and determination, responsibility and accountability, resilience and perseverance can we forge a new path and open a fresh growth cycle for the enterprise.

II. Strategic Positioning

Our Group has been listed on the Hong Kong Stock Exchange since October 2018, completing over six years as a public company. Supported by this listing platform, all business segments of the Group have experienced rapid development while maintaining healthy and stable financial conditions. However, to reduce debt and mitigate credit risks associated with the heavy-asset nature of real estate development operations, the Group completed the restructuring and distribution of its real estate development business within the year. Looking ahead, the Group will continue to seek its own stability amidst industry transformations.

Strategic Focus: Unwavering Commitment to Light-Asset Business. Having entered the real estate industry in 2004, the Group has accumulated over two decades of sector expertise. Against the backdrop of the industry's transition from "incremental development" to "stock operation," we have divested our property development business, substantially reduced its interest-bearing debt, and focused on light-asset segments across the entire real estate value chain. This enables us to build a more robust business system through a leaner organisational structure.

Deepening of Tactical Level: Solid Execution of Four Major Business Segments. The Group will focus on four business pillars: "project management services + property management services + asset operation + real estate technology". We are committed to building quality housing, comprehensively exploring post-delivery building markets, enhancing property service quality, improving asset operation and management capabilities, steadily implementing products and services, actively exploring new real estate models, and creating greater value for society.

III. Business Strategy

The restructuring completed by the Group within the year has laid a more solid foundation for stable and sustainable long-term development. Maintaining an entrepreneurial mindset, upholding reverence for the market, adhering to long-termism, and implementing pragmatic operations constitute the core values upheld by the Group.

(I) Property Management Services: Consolidating residential services fundamentals while anchoring on core businesses

Midea Real Estate Services, as a crucial carrier for delivering the Group's brand value and the development of back-end service capability in the value chain, has steadily expanded its management scale in recent years, supported by the timely delivery of the Group's developed properties. As of the end of the Reporting Period, the contracted area of Midea Real Estate Services reached 92.55 million square metres, with an area under management of 75.38 million square metres. Following the restructuring, ensuring smooth and high-quality deliveries remains one of the most critical tasks for both the controlling shareholder and the Group, which will undoubtedly provide robust support for the stable development of Midea Real Estate Services.

Building on its solid residential base, Midea Real Estate Services has extended its management scope to industrial parks by leveraging the controlling shareholders' strong industrial chain resources. As of the end of the Reporting Period, Midea Real Estate Services managed 56 industrial parks covering 8.32 million square metres under its management. Rooted in this expanded industrial park portfolio, Midea Real Estate Services will continue refining its service ecosystem, providing highly tailored service matrices to empower enterprises and industries, positioning itself as an integrated logistics partner for industrial parks.

In April 2024, Midea Real Estate Services officially began servicing Heyou Hospital and Hetai Elderly Care Center under the controlling shareholders, marking its entry into the medical care and wellness sectors. Capitalising on Heyou Hospital's brand strength, Midea Real Estate Services rapidly expanded externally to Shenzhen, where it started to provide professional property management services to Shenzhen Zhongshan Obstetrics and Gynecology Hospital in December 2024. This strong start created favourable conditions for deepening Midea Real Estate Services presence in medical care and wellness. Moving forward, it will leverage Heyou Hospital's exemplary role to actively scale operations and develop comprehensive management services for the entire life cycle in medical care and wellness sector.

The solid residential base remains the cornerstone of Midea Real Estate Services' steady growth. By harnessing the controlling shareholders' resources and focusing on core businesses, Midea Real Estate Services will build differentiated competitiveness, unlocking new room for the long-term development.

(II) Asset Operation: Refining properties holding and building benchmark industrial parks

Midea Real Estate Commercial, adhering to the concept of "revitalising urban life", covers urban complexes, characteristic commercial streets, community neighborhood commerce, and long-term rental apartments, with a focus on its "Wonderful" line. As at the end of the Reporting Period, the Group managed 13 commercial properties with an area of 0.70 million square meters under management, including 5 self-owned commercial properties. Among these, Foshan Wonderful Square has been in operation for 5 years, and its commercial operations have entered a mature stage, with a NOI Margin (operating profit margin) of 74%, which is at an excellent level in the industry. Guiyang Wonderful Square and Guiyang Wonderful Times have been open for 2 years and are still in a critical nurturing period. Currently, its customer quality, reputation and community recognition have gradually stabilised, and with the gradual improvement of the business portfolio and the continuous enhancement of the operations in the future, the operation will reach a stable growth stage and enter the growth period. Meanwhile, leveraging on the mature operation system of "Wonderful" line, Midea Real Estate Commercial actively expanded its light-asset business, and landed projects like Vibrant Island in Shunde, Foshan and Yushu in Huangpu, Guangzhou during the year.

Midea Real Estate Property Development, leveraging the Group's entrenched resource advantages in Foshan, focuses on creating benchmark industrial parks to drive industrial upgrading. As of the end of the Reporting Period, the Group holds ownership (or rights to use) to 3 industrial parks: Shanghua Industrial Park, positioned as a high-end intelligent manufacturing hub; Foshan Ruichuang Center, a research and innovation headquarters cluster; and China Plastic World, a specialised national plastics industry distribution and trading center. These 3 industrial parks complement commercial operations, collectively forming a more robust asset operation and management ecosystem.

By integrating premium commercial and industrial parks and strengthening assets operating capabilities, the Group believes it aligns with new opportunities in real estate industry while building an extensible strategic framework for long-term growth.

(III) Real Estate Technology: Firmly leading in product excellence, leveraging building industrialisation to build good houses

REMAC ASPACE, a real estate technology track that the Group has been cultivating based on the background of domestic building industrialisation upgrades. It deploys the design technology industry with "Remac TY" as the main body, the green prefabricated industry ecosystem relying on "Remac industrialisation", and the space intelligence industry with "Remac Smart" as the carrier, all centered around building good houses and providing green full value chain business scenario services.

Adhering to technological innovation, research and development of new materials and new products, focusing on products, deeply cultivating the Guangdong-Hong Kong-Macao Greater Bay Area, are the fundamental strategy for the current development of REMAC ASPACE. In terms of its product matrix, based on PC components (prefabricated concrete building) products, we integrate design and closely follow the market for self-product iteration, thereby evolving into the MIC (modular integrated construction) series products. We focus on low-carbon decorative materials, modular components, and smart home products to create green, healthy, and intelligent full-dimensional solutions for indoor spaces. In terms of market positioning, amid domestic real estate development cycle, the Group proactively adjusts its strategy by scaling back its share in domestic PC component (prefabricated concrete building) market, pivoting to Hong Kong, and actively exploring developed overseas markets. As at the end of the Reporting Period, REMAC ASPACE secured contracts totaling RMB650 million within the year, with MIC (modular integrated construction), its flagship product, successfully completing its first Hong Kong project delivery in 2023 after securing the initial contract within the year.

Cultivating an industry requires time and patience, not overnight success. REMAC ASPACE remains committed to advancing prefabricated structural systems and interior decoration market, delivering smart, healthy, and low-carbon housing for clients. While the road ahead is long, its growth prospects remain promising.

(IV) Project Management services: Focusing on existing stock resources and qualitatively promoting external expansion.

Project management services are new business segment of the Group after the completion of the restructuring during the year. It undertakes the full-chain development management of real estate development assets held by the controlling shareholders after the completion of the restructuring, covering the entire process or phased development management services such as property design, development, planning and construction, and sales. Under the premise of deleveraging, we further aim at the new topic of how to create "good products, good value", guided by technology, health, and energy saving, steadily and solidly deepen the basic skills of operation, learn from the manufacturing industry, and seek productivity from professional refined management.

Project management services are not unfamiliar to the Group. In the past few years, the Group has continuously provided engineering construction management services to public hospitals, schools, and various properties or business premises related to recreation and sports, medical and office functions, and has received positive feedback from the market. In the future, apart from undertaking the development service of the controlling shareholders, we will also qualitatively explore third-party development service. By integrating resources through project management, exporting brands and standards, we will create value for clients with customised solutions and high-quality services.

IV. Future Prospect

Currently, the real estate industry is still oscillating at the bottom of a major cycle, and going through the cycle is an important challenge faced by every company. The restructuring successfully completed by the Group within the year has reduced its cyclical risk exposure to the real estate market. Moving forward, the Group will focus more intently on light-asset operation and deepen its commitment to products and services across the real estate value chain. This strategic shift in business priorities is expected to achieve higher profit margins and deliver more sustainable returns to all shareholders.

Our approach is to uphold consistency while embracing change, and to act purposefully by knowing when to pause. We seek changes within stability and strive toward new goals amid transformation. For the Group, 2024 marks a year of both transformation and renewal. Our more sustainable business model, long-standing pragmatic and resilient corporate culture, and the unwavering support and accountability of the controlling shareholders collectively position us to emerge as a stronger, more promising listed company worthy of heightened expectations!

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance of Continuing Operations

During the year, the revenue of the Continuing Operations was RMB3,725.80 million (2023: RMB2,794.22 million), representing a year-on-year increase of 33.3%. Operating profit of the Continuing Operations was RMB685.42 million (2023: RMB482.59 million), representing a year-on-year increase of 42.0%. Net loss of the Continuing Operations and Discontinued Operations for the year was RMB2,350.41 million (2023: net profit of RMB2,125.07 million), of which net loss on the Discontinued Operations was RMB2,836.59 million and net profit on Continuing Operations was RMB486.18 million. Core net loss was RMB2,284.27 million (2023: core net profit of RMB2,256.45 million), of which core net loss from the Discontinued Operations was RMB2,796.99 million and core net profit from the Continuing Operations was RMB512.72 million. Loss attributable to owners of the Company amounted to RMB1,993.77 million (2023: net profit of attributable to owners of the Company RMB1,029.72 million), of which loss attributable to owners of the Company from the Discontinued Operations was RMB2,497.62 million and profit attributable to owners of the Company from the Continuing Operations was RMB503.85 million. Basic and diluted earnings per share for the Continuing Operations attributable to owners of the Company was RMB0.33.

FINANCIAL REVIEW

Revenue of the Continuing Operations

Property Management Services

During the year, the Group's revenue from property management services was RMB1,839.22 million, representing an increase of 12.6% compared to RMB1,632.74 million in 2023, primarily driven by the growth in the gross floor area of the properties under contract management.

Asset Operation

During the year, the Group's revenue from asset operation was RMB987.20 million, representing an increase of 91.8% compared to RMB514.77 million in 2023, which was mainly due to the delivery of the Midea Real Estate Property Development plant within the year.

Real Estate Technology

During the year, the Group's revenue from real estate technology was RMB606.47 million, representing a decrease of 6.2% compared to RMB646.71 million in 2023, primarily due to the downturn in real estate industry sales, resulting in fewer projects commencing this year.

Project Management Services

During the year, the Group added the project management services segment, with revenue for the year reaching RMB292.91 million.

Cost of Sales

The Group's cost of sales primarily represents costs incurred directly from property management services, asset operation, real estate technology, and development service business. During the Reporting Period, the Group's cost of sales was RMB2,394.12 million, representing an increase of 30.5% compared to RMB1,834.24 million in 2023, mainly attributable to the increase in gross floor area of the properties under contract management and costs from the newly added project management services business.

Gross Profit of the Continuing Operations

During the year, the Group's gross profit was RMB1,331.69 million, representing an increase of 38.7% compared to RMB959.98 million in 2023. The increase in gross profit was primarily driven by the rise in revenue during the year.

Other Income and Other Losses — Net of the Continuing Operations

During the year, the Group's other income and other losses — net amounted to RMB10.96 million, representing a year-on-year decrease of 82.0% compared to RMB60.90 million in 2023. The above other income and other losses mainly include income from management and consulting services, government grants, exchange gains/losses, and losses arising from fair value change of investment properties. The decrease was primarily due to reduced exchange gains during the year.

Selling and Marketing Expenses of the Continuing Operations

During the year, the Group's selling and marketing expenses were RMB137.29 million, representing an increase of 29.8% compared to RMB105.76 million in 2023. This was mainly due to the increase in amortisation of the cost of contracts acquired during the year and the increase in investment in attracting visitors for the newly opened shopping malls, which in combination led to the rise in selling and marketing expenses.

Administrative Expenses of the Continuing Operations

During the year, the Group's administrative expenses were RMB347.96 million, representing a decrease of 9.7% compared to RMB385.34 million in 2023, mainly attributable to the Group's strict cost control measures and enhanced workforce efficiency, collectively leading to reduced administrative expenses.

Finance (Cost)/Income — Net of the Continuing Operations

The Group's finance (cost)/income— net primarily consists of interest expenses for bank loans, 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.

During the year, the Group's finance cost— net was RMB92.03 million, representing an increase compared to a finance cost of RMB1.17 million in the same period of 2023, mainly due to increased interest expenses and decrease in interest income during the year.

Core Net Loss Attributable to Owners of the Company

During the year, the core net loss attributable to owners of the Company was RMB1,993.77 million, of which, the core net loss attributable to owners of the Discontinued Operations was RMB2,497.62 million, representing a decrease from the net profit attributable to owners from the Discontinued Operations of RMB627.81 million in the same period of 2023, primarily due to the decline in sales within the real estate industry, reduced carry-forward sales revenue during the year, and increased impairment provisions made for property development projects showing signs of impairment; the core net profit attributable to owners of the Continuing Operations was RMB503.85 million, representing a 25.4% increase compared to RMB401.92 million in 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash Position and Available Funds

The Group's total cash and bank deposits reached RMB1,102.94 million as at 31 December 2024, including RMB1,033.95 million in cash and cash equivalents, and RMB68.99 million in restricted cash.

Borrowings

As at 31 December 2024, the Group's total borrowings amounted to RMB635.38 million, all of which were bank and other borrowings.

Borrowing Cost

During the Reporting Period, the total borrowing costs of the Group amounted to RMB138.39 million, representing an increase of RMB11.76 million from RMB126.63 million for the corresponding period of 2023.

Interest Rate Risk

The Group's interest rate risk arises from interest-bearing bank deposits and other borrowings. Bank deposits, bank and other borrowings at variable rates expose the Group to cash flow interest rate risk. Corporate bonds, bank and other borrowings at fixed rates expose the Group to fair value 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 and borrowings 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

Save as disclosed below, 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 during the year.

Acquisition of 50% Equity Interests in the Project Company

On 9 January 2024, Ningbo Meishan Bonded Port Area Yongfeng Real Estate Development Limited (寧波梅山保稅港區甬豐房地產開發有限公司) (the "**Purchaser**") and Ningbo Meishan Midea Real Estate Development Limited (寧波市梅山美的房地產發展有限公司) (as an existing shareholder holding 50% equity interests in the Project Company), all of which are indirect wholly-owned subsidiaries of the Company, entered into an equity transfer agreement with Hangzhou Lixuan Commerce Services Limited (杭州利烜商務服務有限公司) (the "**Vendor**") and Ningbo Meirui Real Estate Development Limited (寧波市美睿房地產發展有限公司) (the "**Project Company**"), pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire 50% equity interests in the Project Company at a consideration of RMB400.0 million. The consideration has been settled by the Purchaser by assuming a debt of RMB400.0 million owed by the Vendor to the Project Company. The Project Company is engaged in property development business in Ningbo City, Zhejiang Province, the PRC. The acquisition was completed on 11 January 2024. As at the date of this announcement, the Company indirectly holds 100% equity interests in the Project Company. For details, please refer to the Company's announcement dated 9 January 2024.

The Distribution and the Disposal

On 23 June 2024, the Company announced that it is proposing the implementation of the distribution in specie (the "**Distribution in Specie**") of the shares (the "**PrivateCo Shares**") of a direct wholly-owned subsidiary of the Company, Midea Construction (BVI) Limited (美的建業(英屬維京群島)有限公司) (the "**PrivateCo**"), by the Company to its shareholders (the "**DIS-Electing Shareholders**") with a cash alternative (the "**Cash Alternative**") to be provided by the Company to its shareholders (the "**Cash-Electing Shareholders**") opting not to receive the PrivateCo Shares, pursuant to which the Company will internally reorganise its property development and sales business of the Group (excluding certain commercial properties and industrial parks owned and operated by the Group (the "**PD&S Business**") to being held by the PrivateCo and forming the PrivateCo and its subsidiaries (the "**PrivateCo Group**"), and separate the PrivateCo Group from the Group by way of the Distribution in Specie of the PrivateCo Shares (the "**Distribution**").

Under the Distribution:

- the Distribution in Specie to the DIS-Electing Shareholders shall be conducted on the basis of one PrivateCo Share for every share of the Company; and

- the Cash Alternative of HK$5.90 per share shall be payable to the Cash-Electing Shareholders for every share of the Company held by them, the amount of which represents approximately a premium of 57.3% over the closing price of HK$3.75 per share as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the last trading day prior to 23 June 2024.

On 21 June 2024, the controlling shareholders of the Company, Ms. Lu Deyan, Mr. He Xiangjian, Midea Development Holding (BVI) Limited, Midea Field Company Limited and Midea Ever Company Limited have undertaken to (i) elect, accept and hold the PrivateCo Shares under the Distribution in Specie based on their shareholding level in the Company as of the record date in full (i.e., without electing for the Cash Alternative); and (ii) in respect of the PrivateCo Shares not taken on by the Cash-Electing Shareholders (if any), acquire or arrange for their wholly-owned subsidiary(ies) to acquire from the Company such PrivateCo Shares on or around the time of completion of the Distribution, by paying to the Company a consideration equivalent to the amount of the Cash Alternative payable/paid by the Company to the Cash-Electing Shareholders (namely, the "**Disposal**").

The Distribution and the Disposal are subject to the requisite approval of the independent shareholders of the Company and such approval was obtained at the extraordinary general meeting of the Company convened on 2 September 2024. Following the completion of the Distribution and the Disposal on 22 October 2024, the Company has ceased to hold any shares in the PrivateCo, and the PrivateCo Group has ceased to be subsidiaries of the Company. Accordingly, the financial results of the PD&S Business will no longer be consolidated into the consolidated financial statements of the Company. The Company will continue to operate the Continuing Operations and the shares of the Company will continue to be listed on the Stock Exchange.

The Distribution has the objective of enabling the shareholders of the Company to realise their investments in the Company and reduce their exposure to investment risks in relation to the shares of the Company with respect to the PD&S Business, and at the same time the Company can focus on developing the Continuing Operations.

For details of the Distribution and the Disposal, please refer to the announcements of the Company dated 23 June 2024, 2 September 2024 and 22 October 2024 and the circular of the Company dated 16 August 2024.

SUBSEQUENT EVENTS

There were no significant subsequent events of the Group since 31 December 2024 and up to the date of this announcement.

HUMAN RESOURCES

As at 31 December 2024, the Group had employed 9,213 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 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. Please refer to the Company's announcement dated 22 April 2021 for details.

During the period from 1 January 2024 to 24 May 2024 (i.e., the date of termination of the 2020 Share Option Scheme), the Company had not granted any share options. The number of share options available for grant under the 2020 Share Option Scheme as at 1 January 2024 and 24 May 2024 was 97,107,700 and 97,107,700, respectively, and upon its full exercise, each representing approximately 6.77% of the total number of shares in issue as at the date of this announcement.

The 2020 Share Option Scheme was terminated on 24 May 2024 and no further share option may be granted thereunder. Nevertheless, 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 circular dated 29 April 2024 for details.

As at 31 December 2024, a total of 23,115,400 share options remain outstanding and exercisable in three tranches subject to the vesting conditions of the 2020 Share Option Scheme.

2021 Share Award Scheme

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. Please refer to the Company's announcements dated 22 April 2021, 13 May 2022 and 12 May 2023 for details.

The Board had on 27 March 2024 determined a total of 4,770,000 award shares granted on 12 May 2023 shall be lapsed as the vesting conditions were not satisfied.

During the period from 1 January 2024 to 24 May 2024 (i.e., the date of termination of the 2021 Share Award Scheme), the Company had not granted any award shares. The number of award shares available for grant under the 2021 Share Award Scheme as at 1 January 2024 and 24 May 2024 was 109,758,200 and 109,758,200, respectively, each representing approximately 7.65% of the total number of shares in issue as at the date of this announcement.

The 2021 Share Award Scheme was terminated on 24 May 2024. There was no outstanding award share under the 2021 Share Award Scheme, and no further award share may be granted thereunder.

2024 Share Schemes

The 2024 Share Schemes are valid and effective for a period of 10 years commencing on 24 May 2024 and ending 23 May 2034, subject to early termination. Subject to the Listing Rules and the terms and conditions of the 2024 Share Schemes, the Board may in its absolute discretion specify such conditions as it thinks fit when making such an offer to an eligible participant.

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 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 date on which the 2024 Share Schemes were adopted by the shareholders of the Company at the Company's annual general meeting held on 24 May 2024.

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 period from 24 May 2024 to 31 December 2024, 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 24 May 2024 and 31 December 2024 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 31 December 2024, there was no outstanding share option or unvested award share granted under the 2024 Share Schemes.

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 year ended 31 December 2024. As at 31 December 2024, 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 year ended 31 December 2024.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Save as disclosed below, the Company had complied with all the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules during the year ended 31 December 2024.

According to code provision C.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. The Company had deviated from code provision C.2.1 of the CG Code in that Mr. Hao Hengle was both the chairman and president of the Company from the start of the year until 21 October 2024. However, given Mr. Hao Hengle has considerable experience in the PRC real estate industry and the business operations of the Group, the Board believes that vesting both roles of chairman and president in Mr. Hao Hengle facilitates the execution of the Group's strategic aims and achieving its operations and business objectives. The Board also believes that this structure would not impair the balance of power and authority between the Board and the management of the Company because the Board comprises nine experienced and high-calibre individuals with demonstrated integrity, of which three are independent non-executive Directors, and they will take the lead where potential conflicts of interests of other Directors arise.

To maintain a high standard of corporate governance of the Company, the Board has reviewed the Board effectiveness and composition with reference to the CG Code from time to time. On 22 October 2024, the Board announced that the following segregation of duties for the chairman and the president of the Company.

Mr. Hao Hengle would act as the chairman and an executive director of the Company with effect from 22 October 2024, who is responsible for formulating the overall strategies and policies of the Company and providing leadership for the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company.

Mr. Wang Dazai would act as an executive director and the president of the Company with effect from 22 October 2024, who is delegated the authority by the Board to lead the day-to-day operation and business management of the Group in accordance with the corporate objectives, directions and policies laid down by the Board.

As such, the Company has complied with the code provision C.2.1 of the CG Code since 22 October 2024.

REVIEW OF THE ANNUAL 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 Group's consolidated financial statements for the year ended 31 December 2024. It meets regularly with the management, the external auditor and the internal audit personnel to discuss the accounting principles and practices adopted by the Group, the risk management and internal control systems, and the financial reporting matters.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2024 as set out in this annual results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this annual results announcement.

ANNUAL GENERAL MEETING

The notice of the annual general meeting of the Company will be 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 in due course.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK$0.27 per share for the year ended 31 December 2024 (the "**Final Dividend**") (2023: HK$0.36 per share). Subject to the approval of the shareholders at the annual general meeting of the Company and the compliance with the Companies Act of the Cayman Islands, the Final Dividend will be payable in cash to the shareholders of the Company on or about 21 August 2025.

On 16 August 2024, the Company published a circular in relation to the Distribution which was eventually completed on 22 October 2024. For details, please refer to the sub-paragraph headed "The Distribution and the Disposal" above. In addition, as disclosed in note 8(b) to the financial statements stated above, the distributed amount of approximately RMB17,983,441,000 was the net assets of the PrivateCo attributable to the shareholders of the Company as at 22 October 2024.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL 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 2024 annual report will be available on the aforesaid websites in due course.

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

Hong Kong, 28 March 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.