

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities in the Company.*

*This announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Company's shares mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Company's shares will be made in the United States.*



**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)**

**(1) PLACING OF EXISTING SHARES  
AND  
(2) SUBSCRIPTION FOR NEW SHARES  
UNDER GENERAL MANDATE**

**Placing Agent**



## **PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES**

On 11 December 2019 (before trading hours), the Company, the Vendor and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which, (a) the Vendor has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent to the Vendor to (i) procure purchasers for, or failing which to purchase itself (i.e. on a fully underwritten basis), the Placing Shares, and (ii) at the option of the Placing Agent, to procure purchasers on a best efforts basis for the Optional Shares in each case at the Placing Price; and (b) the Vendor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Vendor, a total of up to 40,000,000 Subscription Shares at the Subscription Price (being the same price as the Placing Price), upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and the Subscription, the Placing Shares under the Placing represent (a) approximately 2.60% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 2.54% of the issued share capital of the Company as enlarged by the allotment and issue of 31,000,000 Subscription Shares pursuant to the Subscription (assuming the Option is not exercised). In addition, the Placing Shares and Optional Shares represent (a) approximately 3.36% of the existing issued share capital of the Company as at the date of the announcement; and (b) approximately 3.25% of the issued share capital of the Company as enlarged by the allotment and issue of 40,000,000 Subscription Shares pursuant to the Subscription (assuming the Option is fully exercised).

The Placing Agent has agreed to place the Placing Shares and, at the option of Placing Agent, the Optional Shares to no less than six (6) independent Placees at HK\$19.10 per Share, who and whose respective ultimate beneficial owners are not connected person of the Company and are independent of and not acting in concert with any of the Vendor or any of its or the Group's directors, chief executive or substantial shareholders or any of their respective associates.

Completion of the Subscription is conditional upon: (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement. The Company intends to use the net proceeds from the Subscription for possible business development or investments in the future when opportunities arise and to supplement the general working capital of the Group.

The Company will apply to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

**The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **PLACING AND SUBSCRIPTION AGREEMENT**

**Date:** 11 December 2019 (before trading hours)

**Parties:**

- (1) the Company;
- (2) the Vendor, a company wholly-owned by Ms. Lu and a controlling shareholder of the Company. As at the date of this announcement, the Vendor is interested in 940,000,000 Shares, representing approximately 78.95% of the total number of Shares in issue; and
- (3) CICC, as the Placing Agent.

To the best knowledge, information and belief of the Directors, having made reasonable enquiries, the Placing Agent and its ultimate beneficial owner: (a) is independent of, and not connected with the Company and the connected persons of the Company; and (b) is independent of, and not acting in concert with, the Vendor and persons acting in concert with the Vendor.

## **THE PLACING AND THE SUBSCRIPTION**

Pursuant to the Placing and Subscription Agreement, (a) the Vendor has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent to the Vendor to (i) procure purchasers for, or failing which to purchase itself (i.e. on a fully underwritten basis), the Placing Shares, and (ii) at the option of the Placing Agent, to procure purchasers on a best efforts basis for the Optional Shares to not less than six Placees, in each case at the Placing Price (together with such Hong Kong stamp duty, brokerage, SFC transaction levy and Stock Exchange trading fee payable by the purchasers); and (b) the Vendor has conditionally agreed to subscribe for, and the Company has agreed to allot and issue to the Vendor, a total of up to 40,000,000 Subscription Shares at the Subscription Price.

## **THE PLACING**

### **Number of Placing Shares and Optional Shares**

The number of Placing Shares is 31,000,000 Shares.

Pursuant to the Placing and Subscription Agreement, the Vendor also granted the Option to the Placing Agent whereby the Placing Agent can exercise it, either partially or fully, at its sole discretion, to require the Vendor to sell up to 9,000,000 Shares by notifying the Vendor in writing by no later than 4:00 p.m. on the Transaction Date.

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and the Subscription, the Placing Shares under the Placing represents (a) approximately 2.60% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 2.54% of the issued share capital of the Company as enlarged by the allotment and issue of 31,000,000 Subscription Shares pursuant to the Subscription (assuming the Option is not exercised). In addition, the Placing Shares and Optional Shares represent (a) approximately 3.36% of the existing issued share capital of the Company as at the date of the announcement; and (b) approximately 3.25% of the issued share capital of the Company as enlarged by the allotment and issue of 40,000,000 Subscription Shares pursuant to the Subscription (assuming the Option is fully exercised).

### **Rights of the Placing Shares and the Optional Shares**

The Placing Shares and the Optional Shares (if any) will be sold free from all liens, charges and encumbrances, and together with all rights attaching thereto as at the Transaction Date, including the right to receive all dividends declared, made or paid on or after the Transaction Date.

### **Placees**

The choice of Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules.

The Placing Agent has agreed to place the Placing Shares and, at the option of the Placing Agent, the Optional Shares to no less than six (6) independent Placees, who and whose respective ultimate beneficial owners are not connected person of the Company and are independent of and not acting in concert with any of the Vendor or any of its or the Group's directors, chief executive or substantial shareholders or any of their respective associates.

Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company.

### **Placing Price**

The Placing Price is HK\$19.10 per Share and represents:

- (a) a discount of approximately 6.83% to the closing price of HK\$20.50 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 4.64% to the average closing price of HK\$20.03 per Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;

- (c) a discount of approximately 3.83% to the average closing price of HK\$19.86 per Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider the Placing Price and the terms and conditions of the Placing and Subscription Agreement to be fair and reasonable under the current market conditions and is in the best interests of the Company and the Shareholders as a whole.

### **Expenses**

Under the Placing and Subscription Agreement, all costs and expenses incurred by the Vendor (including the Placing Agent's commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing, the Subscription and the consummation of the transactions contemplated by the Placing and Subscription Agreement shall be borne by the Company. Such costs and expenses will, to the extent paid by the Vendor before the completion of the Subscription, be deducted from the aggregate Subscription Price payable by the Vendor at the completion of the Subscription.

### **Completion of the Placing**

The Placing is unconditional and the Placing Agent has the rights to terminate the Placing and Subscription Agreement under certain circumstances as described in the paragraph headed "Termination of the Placing and Subscription Agreement" below in this announcement. The parties expect the Placing will be completed on 13 December 2019 (or such other date as the parties may agree in writing).

## **THE SUBSCRIPTION**

### **Number of Subscription Shares**

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing and the Subscription, the 31,000,000 Subscription Shares to be subscribed by the Vendor represent (a) approximately 2.60% of the existing issued share capital of the Company as at the date of this announcement; and (b) approximately 2.54% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription (assuming the Option is not exercised). Assuming the Option is exercised in full, the 40,000,000 Subscription Shares represent (a) approximately 3.36% of the existing issued share capital of the Company as at the date of the announcement; and (b) approximately 3.25% of the issued share capital of the Company as enlarged by the allotment and issue of 40,000,000 Subscription Shares pursuant to the Subscription.

Assuming the Option is not exercised, such 31,000,000 Subscription Shares have an aggregate nominal value of HK\$31,000,000 based on the par value of HK\$1.00 per Share and a market value of HK\$635,500,000 based on the closing price of HK\$20.50 per Share as quoted on the Stock Exchange on the Last Trading Day. Assuming the Option is exercised in full, such 40,000,000 Subscription Shares have an aggregate nominal value of

HK\$40,000,000 based on the par value of HK\$1.00 per Share and a market value of HK\$820,000,000 based on the closing price of HK\$20.50 per Share as quoted on the Stock Exchange on the Last Trading Day.

### **Ranking of the Subscription Shares**

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

### **General mandate to issue the Subscription Shares**

Pursuant to the resolution passed by the Shareholders at the annual general meeting of the Company on 28 May 2019, the Directors were granted a general mandate to allot, issue and deal with up to 238,113,400 Shares, representing 20% of the total number of Shares of the Company in issue as at the date of the annual general meeting.

The Directors have not exercised their power to allot and issue any new Shares pursuant to such general mandate prior to the Placing and the Subscription. Accordingly, the issue of the Subscription Shares will fall within the limit of the general mandate and will not be subject to Shareholders' approval. The Company has not repurchased any Shares within the last thirty (30) days prior to the date of this announcement.

### **Subscription Price**

The subscription price per Subscription Share is the same as the Placing Price of HK\$19.10 per Share.

The net price for the Subscription, after deduction of all costs and expenses incurred by the Vendor and to be borne by the Company, and other expenses incurred by the Company (including the Placing Agent's commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing and the Subscription, is estimated to be approximately HK\$18.89 per Subscription Share.

### **Conditions of the Subscription**

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares. None of the conditions stated above can be waived.

## Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions of the Subscription shall have been satisfied, or such later time and/or date as the Vendor and the Company may agree in writing, provided that it shall be no later than the date falling 14 days after the date of the Placing and Subscription Agreement, i.e. 25 December 2019.

Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed no later than a date falling 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Vendor, its ultimate beneficial owners and its associates).

## Lock-up Undertakings

### *The Vendor*

Pursuant to the Placing and Subscription Agreement, the Vendor undertakes to the Placing Agent that (except for the sale of the Placing Shares and the Optional Shares (if any) and any encumbrance over any Vendor Securities (as defined below) which has been created or which may be or is required to be created pursuant to the terms of any agreement or document to which the Vendor is a party, entered into prior to the date of the Placing and Subscription Agreement) for a period of 90 days from the Closing Date, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will:

(a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests (together but excluding the Placing Shares and the Optional Shares (if any), the “**Vendor Securities**”); or

(b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of Shares,

whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

(c) announce any intention to enter into or effect any of the above transactions,

unless with the prior written consent of the Placing Agent.

## *The Company*

Pursuant to the Placing and Subscription Agreement, the Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that for a period of 90 days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option scheme of the Company or (2) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association:

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or
- (c) announce any intention to enter into or effect any of the transactions described in (a) or (b) above,

without first having obtained the written consent of the Placing Agent.

### **Termination of the Placing and Subscription Agreement**

The Placing Agent may terminate the Placing and Subscription Agreement without liability to the Vendor and/or the Company by giving notice in writing to the Vendor and the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date if prior to then:

- (a) there develops, occurs or comes into force:
  - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the sole opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
  - (ii) any significant change in local, national or international monetary, economic, financial, political or military conditions which in the sole opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
  - (iii) any significant change in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) a general moratorium on commercial banking activities in Hong Kong, the PRC, London or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the United Kingdom or the United States which in the sole opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
  - (v) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the transactions contemplated under the Placing and Subscription Agreement); or
  - (vi) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (b) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor under the Placing and Subscription Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the sole opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a material breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of the Vendor and/or the Company; or
- (c) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the sole opinion of the Placing Agent is materially adverse to the success of the Placing.

In the event that the Placing Agent terminates the Placing and Subscription Agreement in accordance with its terms, all obligations of each of the parties under the Placing and Subscription Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing and Subscription Agreement, except for: (a) any antecedent breach of any obligation under the Placing and Subscription Agreement; and (b) liabilities in relation to the payment of fees, expenses and indemnity pursuant to the terms of the Placing and Subscription Agreement.

## **GENERAL**

The Company is an investment holding company. The Group is principally engaged in property development and sales, property management services and investment and operation of commercial properties in the PRC.

## **REASON FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS**

The gross proceeds from the Subscription are expected to be HK\$764,000,000 (assuming the Option is exercised in full) and HK\$592,100,000 (assuming the Option is not exercised). The net proceeds from the Subscription (after deducting all costs and expenses incurred by the Vendor and to be borne by the Company, and other expenses incurred by the Company (including the Placing Agent's commission, the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) in connection with the Placing and the Subscription) are expected to be approximately HK\$755,537,172 (assuming the Option is exercised in full) and HK\$585,541,308 (assuming the Option is not exercised). The net Subscription Price, after deducting such fees, costs and expenses, is therefore estimated to be approximately HK\$18.89 per Subscription Share (assuming the Option is exercised in full) and HK\$18.89 per Subscription Share (assuming the Option is not exercised).

The Company intends to use the net proceeds from the Subscription for possible business development or investments in the future when opportunities arise and to supplement the general working capital of the Group.

As at the date of this announcement, (a) the Company intends to invest in businesses or targets that are related to its core businesses but has not identified any specific investment or acquisition targets; (b) no agreement has been entered by the Group in respect of any such investments or acquisitions; and (c) no allocation plan of such net proceeds between possible investments or acquisitions and general working capital has been formulated. The Company will make announcement(s) in respect of any such investment(s) or acquisition(s) in compliance with the requirements of the Listing Rules where appropriate.

The Directors (including the independent non-executive Directors) are of the view that the Placing and the Subscription will provide a good opportunity to raise additional funds to strengthen the financial position and to broaden the shareholder base and capital base of the Group to facilitate future development and can also increase the liquidity of the Shares. The Directors are of the view that the terms of the Placing and Subscription Agreement (including the Placing Agent's commission, the Placing Price and the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming the Placing Shares are fully placed under the Placing, the Subscription is completed and there being no other change in the share capital of the Company, the shareholding structure of the Company (a) as at the date of this announcement; (b) immediately after the completion of the Placing but before the completion of the Subscription; and (c) immediately after the completion of the Placing and the Subscription will be as follows:

	As at the date of this announcement		Immediately after the completion of the Placing but before completion of the Subscription (assuming the Option is not exercised)		Immediately after the completion of the Placing but before completion of the Subscription (assuming the Option is exercised in full)		Immediately after the completion of the Placing and the Subscription (assuming the Option is not exercised)		Immediately after the completion of the Placing and the Subscription (assuming the Option is exercised in full)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Shareholders</b>										
The Vendor (Note 1)	940,000,000	78.95	909,000,000	76.35	900,000,000	75.59	940,000,000	76.95	940,000,000	76.39
Midea Ever (Note 1)	30,000,000	2.52	30,000,000	2.52	30,000,000	2.52	30,000,000	2.46	30,000,000	2.44
Midea Field (Note 1)	30,000,000	2.52	30,000,000	2.52	30,000,000	2.52	30,000,000	2.46	30,000,000	2.44
<b>Public</b>										
Placees (Note 2)	—	—	31,000,000	2.60	40,000,000	3.36	31,000,000	2.54	40,000,000	3.25
Other public Shareholders	<u>190,567,000</u>	<u>16.01</u>	<u>190,567,000</u>	<u>16.01</u>	<u>190,567,000</u>	<u>16.01</u>	<u>190,567,000</u>	<u>15.60</u>	<u>190,567,000</u>	<u>15.49</u>
<b>Total:</b>	<u><u>1,190,567,000</u></u>	<u><u>100</u></u>	<u><u>1,190,567,000</u></u>	<u><u>100</u></u>	<u><u>1,190,567,000</u></u>	<u><u>100</u></u>	<u><u>1,221,567,000</u></u>	<u><u>100</u></u>	<u><u>1,230,567,000</u></u>	<u><u>100</u></u>

### Notes:

- Each of the Vendor, Midea Ever and Midea Field is wholly-owned by Ms. Lu, who is the daughter-in-law of and acting in concert with Mr. He Xiangjian. Mr. He Xiangjian, Ms. Lu and the Vendor are the controlling shareholders of the Company. Mr. He Jianfeng, a non-executive Director, is the spouse of Ms. Lu.
- It is assumed that the Placing Shares will be placed to not less than six independent Placees. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.
- The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

**The Placing and Subscription Agreement may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the conditions under the Placing and Subscription Agreement. As the Placing and/or the Subscription may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“acting in concert”	having the meaning ascribed to it under the Takeovers Code;
“associate(s)”	having the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong;
“CICC” or “Placing Agent”	China International Capital Corporation Hong Kong Securities Limited;
“Closing Day”	two Business Days after the Transaction Date or such other date as the Vendor and the Placing Agent may agree in writing;
“Company”	Midea Real Estate Holding Limited (美的置業控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which have been listed on the Stock Exchange (stock code: 3990);
“connected person(s)”	having the meaning ascribed to it in the Listing Rules;
“controlling shareholder(s)”	having the meaning ascribed to it in the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	10 December 2019, being the last trading day of the Shares immediately preceding the date of signing of the Placing and Subscription Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;

“Midea Ever”	Midea Ever Company Limited (美恒有限公司), a company incorporated in the British Virgin Islands with limited liability on 28 November 2017, which was wholly-owned by Ms. Lu as at the date of this announcement;
“Midea Field”	Midea Field Company Limited (美域有限公司), a company incorporated in the British Virgin Islands with limited liability on 28 November 2017, which was wholly-owned by Ms. Lu as at the date of this announcement;
“Ms. Lu”	Ms. Lu Deyan (盧德燕), a controlling shareholder of the Company, the spouse of Mr. He Jianfeng (何劍鋒) (a non-executive Director) and the daughter-in-law of Mr. He Xiangjian (何享健), who is also a controlling shareholder of the Company;
“Option”	the option to be exercisable by the Placing Agent, either partially or fully, for the Optional Shares;
“Optional Shares”	up to 9,000,000 Shares which the Placing Agent, at its sole discretion, may require the Vendor to sell pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Placees”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the obligations of the Placing Agent under the Placing and Subscription Agreement;
“Placing”	the placing of the Placing Shares and the Optional Shares (if any) pursuant to the terms of the Placing and Subscription Agreement;
“Placing and Subscription Agreement”	the placing and subscription agreement dated 11 December 2019 between the Company, the Vendor and the Placing Agent in respect of the Placing and the Subscription;
“Placing Price”	the placing price of HK\$19.10 per Share;
“Placing Shares”	31,000,000 existing Shares beneficially owned by the Vendor and to be placed pursuant to the Placing and Subscription Agreement;
“PRC”	the People’s Republic of China;
“Shareholder(s)”	holder(s) of the Share(s);
“Shares”	ordinary share(s) in the share capital of the Company with nominal value of HK\$1.00 each;

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement;
“Subscription Price”	the subscription price of HK\$19.10 per Share (being the same price as the Placing Price);
“Subscription Shares”	means the number of new Shares (up to 40,000,000 new Shares) to be issued to the Vendor by the Company under the Subscription which shall be equivalent to the number of Placing Shares and the Optional Shares to the extent exercised and placed by the Placing Agent;
“substantial shareholder(s)”	having the meaning ascribed to it in the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC;
“Transaction Date”	the date when the sale of the Placing Shares and the Optional Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 11 December 2019 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 11 December 2019, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing;
“Vendor” or “Midea Development (BVI)”	Midea Development Holding (BVI) Limited (美的發展控股(BVI)有限公司), a company incorporated in the British Virgin Islands with limited liability on 24 November 2017, which was wholly-owned by Ms. Lu as at the date of this announcement, and is one of the controlling shareholders of the Company; and
“%”	per cent.

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

Hong Kong, 11 December 2019

As at the date of this announcement, the executive Directors of the Company are Mr. Hao Hengle, Mr. Yao Wei, Mr. Lin Ge and Ms. Lin Dongna; 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.