

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)

DIVIDEND POLICY

1. Purpose

This dividend policy (the “**Policy**”) aims to set out the principles and measures on how the board of directors (the “**Board**”) of Midea Real Estate Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) may propose a dividend and determine the dividend amount of the Company.

2. Objectives

The Company should strike a balance between maintaining sufficient capital to grow the business and rewarding the shareholders of the Company. This Policy is formulated and disclosed to enhance transparency of the Company and facilitate shareholders and investors to make informed investment decisions.

3. Dividend Policy Requirements

3.1 In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia, the following factors:

- (a) the Company’s operating results, actual and expected financial performance;
- (b) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (c) the level of the Group’s debts to equity ratio, return on equity and the relevant financial covenants;
- (d) any restrictions on payments of dividends that may be imposed by the Group’s lenders or other third parties;
- (e) the Group’s expected working capital requirements, capital expenditure requirements and future expansion plans and any statutory fund reserve requirements;
- (f) the Group’s liquidity position;
- (g) general economic conditions, business cycle of the Group’s business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factor that the Board deems appropriate and relevant.

- 3.2 Such declaration and payment of the dividend by the Company is also subject to any restrictions under the Companies Laws of the Cayman Islands, any applicable laws, rules and regulations and the Articles of Association of the Company.
- 3.3 Any declaration and payment of future dividends under this Policy are subject to the Board's determination that the same would be in the best interests of the Group and the shareholders of the Company as a whole.

4. Monitoring and Reporting

The Board monitors the implementation of this Policy and will report thereon in the Corporate Governance Report of the Company on an annual basis.

5. Review of this Policy

The Board will review this Policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify this Policy at any time as it seems fit and necessary.

6. Disclosure of the Dividend Policy

This Policy will be disclosed in the Corporate Governance Report of the Company.

January 2019