

MideaGroup
humanizing technology



2021

Annual Report

April 2022
Midea Group Co., Ltd.
Stock Code: 000333



Letter to Shareholders

This is a century of change. A falling leaf reveals the coming of the fall, and each leaf, each person, can feel the changes of this great era. We would like to pay tribute to the perseverance and dedication of every Midea employee, helping us chase our dreams regardless of what the future holds. Their strong will and yearning for the future have become the strength to continue the success and warmth of Midea. We would also like to pay tribute to our shareholders who have been loyal to Midea for so long. In a turbulent year of huge changes and market fluctuations, their long-standing trust and insistence on long-term value are invaluable. With a decade of transformation, Midea's revenue exceeded RMB300 billion for the first time. For the sixth consecutive year, Midea was included in the *Fortune Global 500* list. Meanwhile, Midea was recognized as one of "*Forbes China 2021 Top 10 Chinese Companies in Industrial Digital Transformation*". Also, four factories of Midea have been included in the "Global Lighthouse Network" initiated by the World Economic Forum. Even more exceptionally, despite the substantial increase in various costs related to commodities, shipping logistics, and energy supplies, Midea was still able to maintain profitability, demonstrating its resilience.

There is neither a better era nor a worse era, only a new era. The changes of the times have led to disruptive changes in many industries. Every major change and crisis are like big waves in the sea, and after the wave ebbs away, high-quality companies stand out. In this great era, no path is entirely smooth, nor is any path set in stone, and a great company will inevitably undergo different cycles. In this era, uncertainty has become the norm and part of the mainstream, while the pandemic crisis has served as an accelerator for some companies to enhance their competitiveness and for the commercial competition. However, technology-driven transformation remains the main theme of the current era. The emergence and in-depth application of artificial intelligence and digital technologies, rapid changes in user needs and the strengthening of the awareness of consumer sovereignty, as well as the continuous ups and downs of the market have all significantly promoted the progress of

technology-driven transformation. Midea needs to truly listen to the voice of this era, face up to reality, seek continuous evolution, grasp certainties amid uncertainties to build strengths, and innovate and change for greater growth in order to adapt to the times and shape a brighter future.

A company either prospers in making changes or perishes in mediocrity. All seeds of destruction are planted at the height of business prosperity. All goodness, excellence and greatness are meant to be broken, just like all athlete records. A decade of course resetting lies ahead. With a great story woven by all Mideans, Midea must be the first to apply industry-leading technologies, create a second growth curve at the optimum time, and open up a new avenue for growth. It must also upgrade and transform itself from a world-leading home appliance manufacturer to a technology- and innovation-driven group by continually reforming and challenging itself. In the current time and the new decade ahead, Midea's key business principle is to implement new strategies to boost new growth areas, including new business models, new processes, new techniques, new alternative materials, new products, new technology breakthroughs, new brands, new channels, new marketing methods, new national market breakthroughs, among others. Innovation is to do things we have not done before, and it requires our courage and our new mindset.

Our mission and vision are the cornerstones of our everlasting business success. Midea has repositioned its five business segments and established the new strategic focuses of "Technology Leadership, Digitization & Intelligence Driven, Direct to Users, and Global Impact". In the process of implementing new strategies to boost the new growth areas, operating efficiency is the key to Midea's survival and competitiveness, technology and innovation are the foundations of Midea, and the customer-oriented approach is the starting point for all business logic.

In this cold winter, we should further invest in the future, accelerate the upgrading of existing operations and the creation of further growth, retain the "Number One Engine" of the core home appliance business, adhere to long-term technology investment, thoroughly promote IoT and digital transformation, and accelerate product intelligent upgrades and overall smart

home business improvement. We must consolidate our existing strengths. Meanwhile, given the grand backdrop of intelligent manufacturing, energy conservation and emission reduction, and domestic substitution, we must be decisive in our deployment and accelerate the takeoff of our four core engines of robotics & automation, building technologies, energy management, and intelligent travel. Midea will continue to improve operating efficiency, maintain the stability of profitability, advocate long-termism and altruism, make the right choices, and invest in the future, in technologies, and in talent. Today, Midea already has all the strengths necessary for growth over the long run.

"Faith in a Seed" is our review of the past and our expectations for the future to mark the occasion of Midea's 50th anniversary. This magnificent tree that is Midea today must be firmly built to grow into an evergreen tree, one that has a thick trunk and roots reaching deeply into the soil so that the branches and leaves have the nourishment they need. The trunk represents our core business, while the dense branches represent the further innovation and growth that we need to create. Midea's advanced governance mechanism, adaptive values and ideas, and managerial mindset growth are the essential root of the tree of Midea. Only if it is truly built to grow, will Midea be able to continue prospering far into the future.

This turning point will pass eventually. In the face of a century of great change and a turbulent world, there is no way of knowing what will happen, but dedication is the best farewell. Youth has no age, stay young inside. Midea stays young because it dares to reform, innovate and challenge itself.

If you don't know where to go, every road will take you ahead. As we make our way forward, we look forward to continuing to witness the sustained growth of the Midea tree together with all our shareholders.

Board of Directors, Midea Group

April 2022

Section I Important Statements, Contents and Definitions

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management of Midea Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this report is free of any misrepresentations, misleading statements or material omissions, and shall together be wholly liable for the truthfulness, accuracy and completeness of its contents.

Mr. Fang Hongbo, Chairman of the Board and CEO of the Company, Ms. Zhong Zheng, CFO and Director of Finance of the Company, and Ms. Chen Lihong, head of the accounting department of the Company, have represented and warranted that the financial statements in this report are true, accurate and complete.

All directors of the Company attended the Board meeting to review this report.

The future plans and other forward-looking statements mentioned in this report shall not be considered as promises of the Company to investors. Therefore, investors are kindly reminded to pay attention to possible investment risks.

The Board has considered and approved the following dividend payout plan: based on the 6,869,123,038 shares at the disclosure date of this report (the total share capital of 6,997,053,441 shares minus the repurchased 127,930,403 shares in the repo securities account at that date), it is proposed that the Company should distribute a cash dividend of RMB17 (tax inclusive) per 10 shares to all the shareholders and should not carry out any bonus issue or convert capital surplus into share capital.

This report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Contents

LETTER TO SHAREHOLDERS	2
SECTION I IMPORTANT STATEMENTS, CONTENTS AND DEFINITIONS	5
SECTION II COMPANY PROFILE AND KEY FINANCIAL RESULTS.....	9
SECTION III MANAGEMENT DISCUSSION AND ANALYSIS.....	15
SECTION IV CORPORATE GOVERNANCE	110
SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY	151
SECTION VI SIGNIFICANT EVENTS	182
SECTION VII CHANGES IN SHARES AND INFORMATION ABOUT SHAREHOLDERS.....	207
SECTION VIII PREFERENCE SHARES.....	218
SECTION IX BONDS	219
SECTION X FINANCIAL REPORT.....	223

Documents Available for Reference

- 1. The original of The 2021 Annual Report of Midea Group Co., Ltd. signed by the legal representative;**
- 2. The financial statements signed and stamped by the legal representative, the CFO & Director of Finance and the head of the accounting department;**
- 3. The original of the auditor's report with the seal of the accounting firm, and signed and stamped by CPAs;**
- 4. The originals of all company documents and announcements that are disclosed to the public via newspaper designated for information disclosure during the Reporting Period; and**
- 5. The electronic version of The 2021 Annual Report that is released on <http://www.cninfo.com.cn>.**

Definitions

Term	Definition
The "Company", "Midea", "Midea Group" or the "Group"	Midea Group Co., Ltd.
Midea Holding	Midea Holding Co., Ltd.
KUKA	KUKA Aktiengesellschaft
TLSC	Toshiba Lifestyle Products & Services Corporation
Hiconics	Hiconics Eco-energy Technology Co., Ltd.
WDM	Beijing Wandong Medical Technology Co., Ltd.
Swisslog	Swisslog Holding AG
Servotronix	Servotronix Motion Control Ltd.
WINONE	WINONE Elevator Company Limited
Reporting Period	1 January 2021 to 31 December 2021

Section II Company Profile and Key Financial Results

1. Corporate Information

Stock name	Midea Group	Stock code	000333
Stock exchange where the shares of the Company are listed	Shenzhen Stock Exchange		
Name of the Company in Chinese	美的集团股份有限公司		
Abbr. of the Company name in Chinese	美的集团		
Name of the Company in English (if any)	Midea Group Co., Ltd.		
Abbr. of the Company name in English (if any)	Midea Group		
Legal representative	Fang Hongbo		
Registered address	Midea Headquarters Building, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan City, Guangdong Province, China		
Postal code	528311		
Past changes of registered address	N/A		
Business address	Midea Headquarters Building, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan City, Guangdong Province, China		
Postal code	528311		
Company website	http://www.midea.com		
E-mail	IR@midea.com		

2. Contact Us

	Board Secretary	Representative for Securities Affairs
Name	Jiang Peng	You Mingyang
Address	Midea Headquarters Building, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan City, Guangdong Province, China	Midea Headquarters Building, No. 6 Midea Avenue, Beijiao Town, Shunde District, Foshan City, Guangdong Province, China
Tel.	0757-22607708	0757-23274957

Fax	0757-26605456
E-mail	IR@midea.com

3. Information Disclosure and Place Where this Report Is Kept

Stock exchange website where this Report is disclosed	The website of the Shenzhen Stock Exchange (http://www.szse.cn)
Media and website where this Report is disclosed	China Securities Journal, Securities Times and Shanghai Securities News, as well as http://www.cninfo.com.cn
Place where this Report is kept	Company Investor Relations Department

4. Company Registration and Alteration

Organization code	91440606722473344C
Changes in main business activities since the Company was listed (if any)	None
Changes of controlling shareholder of the Company (if any)	None

5. Other Relevant Information

Accounting firm engaged by the Company

Name of the accounting firm	PricewaterhouseCoopers Zhong Tian LLP
Business address of the accounting firm	11/F., PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai 200021, PRC
Name of accountants writing signatures	Yao Wenping and Wu Fangfang

Sponsor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable N/A

Financial advisor engaged by the Company to continuously perform its supervisory function during the Reporting Period

Applicable N/A

6. Key Accounting Data and Financial Indicators

Whether the Company performed a retroactive adjustment to or restatement of accounting data

Yes No

	2021	2020		2021-over-2020 change (%)	2019	
		Before	Restated		Restated	Before
Operating revenue (RMB'000)	341,233,208	284,221,249	284,221,249	20.06%	278,216,017	278,216,017
Net profit attributable to shareholders of the Company (RMB'000)	28,573,650	27,222,969	27,222,969	4.96%	24,211,222	24,211,222
Net profit attributable to shareholders of the Company before non-recurring gains and losses (RMB'000)	25,929,086	24,614,653	24,614,653	5.34%	22,724,392	22,724,392
Net cash flows from operating activities (RMB'000)	35,091,704	29,557,117	29,557,117	18.73%	38,590,404	38,590,404
Basic earnings per share (RMB/share)	4.17	3.93	3.93	6.11%	3.60	3.60
Diluted earnings per share (RMB/share)	4.14	3.90	3.90	6.15%	3.58	3.58
Weighted average ROE (%)	24.09%	24.95%	24.95%	-0.86%	26.43%	26.43%
	31 December 2021	31 December 2020		Change of 31 December 2021 over 31 December 2020	31 December 2019	
		Before	Restated	Restated	Before	Restated
Total assets (RMB'000)	387,946,104	360,382,603	360,382,603	7.65%	301,955,419	301,955,419
Net assets attributable to shareholders of the Company (RMB'000)	124,868,124	117,516,260	117,516,260	6.26%	101,669,163	101,669,163

Reasons for the changes to the accounting policies:

The Ministry of Finance has issued in 2021 the Circular on Adjustments to the Application Scope of the Regulations of Accounting Treatments for Rental Waivers as a Result of COVID-19 (CK [2021] No. 9), the Circular on Issuing Interpretation No. 14 of the Accounting Standards for Business Enterprises (CK [2021] No. 1), the Q&A for the Implementation of the Accounting Standards for Business Enterprises, and the Circular on Issuing Interpretation No. 15 of the Accounting Standards for Business Enterprises. The

Group has prepared the financial statements for the year ended 31 December 2021 according to the aforesaid regulatory documents. For further information about the changes to the accounting policies, please refer to Note 2(31) to the financial statements.

Total share capital of the Company on the last trading session before disclosure:

Total share capital of the Company on the last trading session before disclosure (share)	6,997,053,441
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Fully diluted earnings per share based on the latest share capital above:

Dividend paid to preference shareholders	0
Interest paid for perpetual bonds (RMB)	0
Fully diluted earnings per share based on the latest share capital above (RMB/share)	4.0837

Indicate whether the lower of the net profit before and after non-recurring gains and losses was negative for the last three accounting years, and the latest auditor's report indicated that there was uncertainty about the Company's ability to continue as a going concern.

Yes No

Indicate whether the lower of the net profit before and after non-recurring gains and losses was negative.

Yes No

7. Differences in Accounting Data under Domestic and Overseas Accounting Standards

7.1 Differences in the net profit and net assets disclosed in the financial reports prepared under China Accounting Standards (CAS) and International Financial Reporting Standards (IFRS)

Applicable N/A

No such differences for the Reporting Period.

7.2 Differences in the net profit and net assets disclosed in the financial reports prepared under CAS and foreign accounting standards

Applicable N/A

No such differences for the Reporting Period.

7.3 Reasons for the differences

Applicable N/A

8. Key Financial Results by Quarter

RMB'000

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Operating revenue	82,504,017	91,305,548	87,532,404	79,891,239
Net profit attributable to shareholders of the Company	6,468,588	8,540,458	8,446,204	5,118,400
Net profit attributable to shareholders of the Company before non-recurring gains and losses	6,649,368	7,987,143	7,928,026	3,364,549
Net cash flows from operating activities	8,553,861	11,622,549	7,720,334	7,194,960

Whether there are any material differences between the financial indicators above or their summations and those which have been disclosed in the Company's quarterly or semi-annual reports

Yes No

9. Non-recurring Gains and Losses

Applicable N/A

RMB'000

Item	2021	2020	2019	Note
Gain or loss from disposal of non-current assets	77,527	-52,424	-131,131	
Except for effectively hedging business related to normal business operations of the Company, gain or loss arising from the change in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and other non-current financial assets, as well as investment income or loss produced from the disposal of the aforesaid financial assets and liabilities	995,824	2,204,165	676,430	

Other non-operating income and expenses except above-mentioned items	2,352,849	1,378,105	1,347,788	
Less: Corporate income tax	668,578	765,871	394,095	
Minority interests (after tax)	113,058	155,659	12,162	
Total	2,644,564	2,608,316	1,486,830	--

Particulars about other items that meet the definition of non-recurring gain/loss:

Applicable N/A

No such cases for the Reporting Period.

Explain the reasons if the Company classifies an item as a recurring gain/loss item, which is enumerated as a non-recurring gain/loss in the <Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-Recurring Gains and Losses>.

Applicable N/A

No such cases for the Reporting Period.

Section III Management Discussion and Analysis

1. Industry Overview for the Reporting Period

1.1 Summary of business scope

Midea is a global technology group comprising five major business divisions: the Smart Home Business Group, the Industrial Technology Business Group, the Building Technologies Division, the Robotics & Automation Division, and the Digital Innovation Business. Midea offers diversified products and services. Specifically, the Smart Home Business Group, as the main operating entity of smart appliances, smart home and related peripheral industries and ecological chains, undertakes the construction of intelligent scenarios for end users, user operations and data value discovery, and is committed to providing the best experience of whole-house smart home appliances and service. The Industrial Technology Business Group is capable of carrying out professional R&D, production, and sales of high-precision core components such as compressors, motors, chips, variable frequency drive, servo systems, and cooling modules. It operates many brands including GMCC, Welling, MR, TOSHIBA, HICONICS, SUNYE, SERVOTRONIX, DORNA, etc., with its products widely used in home appliances, 3C products, new energy vehicles and industrial automation, among others. The Building Technologies Division is responsible for providing products and services in relation to buildings, as well as the relevant operations. With the digital building service platform as the core, it facilitates logistics, information, feeling and energy flows of buildings to provide complete building solutions that are intelligent, digital and low-carbon. The Robotics & Automation Division primarily focuses on providing solutions of industrial robotics, automatic logistics systems, and transmission systems for future factory-related fields, as well as solutions for health care, entertainment, new consumption, etc. The Digital Innovation Business primarily includes new business arising from the business model transformation of Midea Group such as intelligent supply chains and Industrial Internet, which can provide software services, unmanned retail solutions, and production services, among others, for the digital transformation of enterprises. The Digital Innovation Business also comprises Beijing Wandong Medical Technology Co., Ltd. (WDM) that is engaged in medical imaging devices and related services.

With “Bring Great Innovations to Life” as its corporate vision, “Integrate with the World, to Inspire Your Future” as its mission, “Embrace what’s next - Aspiration、Customer First、Innovation、Collaboration、Dedication” as its values, “High-quality Development and High-performance Operations” as its management and operation standard, Midea integrates global resources and promotes technological innovation to create a better life for over 400 million users, major customers and strategic partners in different areas worldwide every year with satisfying products and services. In face of higher requirements for products and services in the digital Internet era, Midea has upgraded its strategic focus to “Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact”, so as to rebuild Midea in the new era.

Midea, a global operating company, has now established a global platform with around 200 subsidiaries, 35 R&D centers, 35 major manufacturing bases, and more than 160,000 employees. Its business covers more than 200 countries and regions. Overseas, Midea has 20 R&D centers and 18 major manufacturing bases in more than ten countries, with around 30,000 employees. 22 currencies are used by Midea in settlement. In addition, Midea is the majority shareholder of KUKA, a Germany-based world- leading company in robotics and automation, with a stake of approximately 95%.

1.2 Position in home appliance industry

Midea ranks No. 183 on the 19th *Forbes Global 2000* list released in May 2021, moving up 46 places compared to last year. Meanwhile, it is listed in “*Forbes China 2021 Top 10 Chinese Companies in Industrial Digital Transformation*” and “*Forbes China 2021 Top 10 Chinese Companies in Industrial Internet*”. In addition, it ranks No. 288 on the *Fortune Global 500* list unveiled in August 2021, moving up 19 places from the year before and marking its sixth year on the list. In September 2021, Midea won the China Quality Award at the fourth such event with its “5 All 5 Digitalization” intelligent quality management model. Up to early 2022, four factories of Midea have been included in the “Global Lighthouse Network” initiated by the World Economic Forum, covering air conditioners, microwave ovens, refrigerators and laundry appliances, which represents Midea’s leading intelligent manufacturing and digital capabilities across the global manufacturing sector. Meanwhile, Midea takes the lead among domestic home appliance makers by ranking No. 36 on the *2022 Brand Finance Tech 100* list released by Brand Finance, a British brand assessment institution. Also, Midea ranks No. 33 on the *2021 BrandZ™ Top 100 Most*

Valuable Chinese Brands list, with its brand value up 58%. Midea has been given excellent credit ratings by the three major international credit rating agencies, Standard & Poor's, Fitch Ratings and Moody's. The ratings are in a leading position among home appliance manufacturers worldwide as well as among Chinese non-state-owned enterprises. Meanwhile, Standard & Poor's has raised the credit rating on Midea from "A-" to "A" in 2021, making Midea the highest-rated private manufacturer in China.

According to data provider AVC, Midea ranks first with respect to both the online and offline domestic market share for seven out of the 25 major home appliance categories, namely, residential air conditioners, clothes dryers, rice cookers, electric fans, electric pressure cookers, induction cookers and electric radiators. This is because Midea has successfully retained the "Number One Engine" of ToC business in 2021 on the domestic market.

The table below shows the offline market shares and rankings of the Company's primary home appliance products (by retail sales) in 2021:

Product category	Market share	Ranking
Residential air conditioners	36.0%	1
Laundry appliances	27.4%	2
Clothes dryers	25.0%	1
Refrigerators	14.5%	2
Rice cookers	42.1%	1
Electric pressure cookers	43.8%	1
Electric radiators	49.4%	1
Induction cookers	47.9%	1
Electric fans	38.7%	1
Electric kettles	38.0%	1
Water dispensers	43.0%	1
Blenders	30.7%	2
Water purifiers	20.1%	2

Product category	Market share	Ranking
Microwave ovens	46.6%	2
Countertop ovens	31.9%	2
Electric water heaters	17.0%	3

The table below shows the online market shares and rankings of the Company's primary home appliance products (by retail sales) in 2021:

Product category	Market share	Ranking
Residential air conditioners	34.6%	1
Laundry appliances	33.7%	2
Clothes dryers	31.7%	1
Refrigerators	18.2%	2
Microwave ovens	49.7%	1
Countertop ovens	27.0%	1
Electric pressure cookers	40.4%	1
Rice cookers	30.1%	1
Induction cookers	50.5%	1
Dishwashers	29.5%	1
Electric kettles	27.0%	1
Electric fans	22.7%	1
Garment steamers	25.1%	1
Electric radiators	21.4%	1
Water purifiers	17.6%	1
Electric water heaters	29.9%	2
Gas water heaters	17.1%	2
Range hoods	15.9%	2
Sterilizing cabinets	17.9%	2
Gas stoves	13.8%	2

Product category	Market share	Ranking
Water dispensers	15.7%	3
Blenders	14.3%	3

1.3 Industry Overview

A. Home Appliance Industry

2021 saw a strong rebound of China's economy, which became increasingly stable with an upturn. The home appliance industry overcame adverse factors such as the price upsurge of raw materials and the chip shortage in the manufacturing industry. The overall development of the industry maintained a positive and healthy trend, with continued strong growth in exports and further recovery in the domestic market. According to the 2021 Annual Report of China's Household Electrical Appliance Industry jointly published by the China Household Electric Appliance Research Institute (CHEARI) and the National Household Electrical Appliance Industry Information Center, in 2021, the domestic retail sales of home appliances was RMB754.28 billion, up 3.4% year-on-year; and the exports of home appliances reached RMB638.2 billion, up 14.1% year-on-year, as shown by data released by the Central Administration of Customs. Currently, the world is still in a grave and complex situation due to the pandemic, with unprecedented challenges for economic development. Nevertheless, in the medium and long run, upgrading of the industrial structure, stable increase of household income, diversified consumption, the national policy support for the green and smart industries, as well as upgrading of the standards for home appliances will create new opportunities and growth points. From the perspective of industry trend, first, the home appliance industry presents horizontal cross-border development with the integration of home decoration, home furnishing and home appliances. Home appliance manufacturers expand their business horizontally in cooperation with distribution channels, advancing towards a strategic direction of home appliances + home furnishing. Whole-house customization and whole-house renovation have been incorporated into their line of business. Second, home appliance manufacturers display vertical development within themselves by diversifying product categories and specifications. The elements such as capturing lifestyle trends, tapping into user needs, addressing pain points, promoting product innovation and providing quality living will shape the development of new products. Third, the product is

always the cornerstone. User experience can be enhanced from the dimensions of safety, ease of use and wellness, which contribute to product competitiveness. Although China's white goods market has entered a matured stage, consumption upgrading remains evident and high-end home appliances with high energy efficiency aimed at improved quality of life still have great potential for development.

According to the data from the National Household Appliances Industry Information Center, the domestic retail sales of air conditioners was RMB154.5 billion in 2021, up 4.8% year on year. In terms of sales channel, online channel sales accounted for nearly 45%, amounting to RMB69 billion, up 14.1% year on year. In terms of competition pattern, the concentration of offline air conditioner market share was further improved, and the market share by unit sales of the top three enterprises in the industry exceeds 83% totally. In terms of product performance, the market share of products with high energy efficiency kept rising, and the price structure was further optimized, among which, in the offline air conditioner market, the unit sales of inverter products increased to over 98%, the unit sales of Energy Efficiency Class 1 products increased to over 70%, and the unit sales of products with a unit price of over RMB2,000 increased to 87%. In terms of product function, the functions of air conditioners have been expanded from cooling and heating to self-cleaning, humidity, air cleanness and freshness, etc. As the comfort of product experience has been focused on, the fresh air function products have developed rapidly, and the market segments have further developed, such as the rapid development of air conditioners that are applicable for kitchen scenes and the elderly and portable air conditioners.

According to the data from the National Household Electrical Appliance Industry Information Center, the domestic retail sales of laundry appliances was RMB71.4 billion in 2021, up 8.7% year-on-year, with the online sales accounting for over 52% of total sales. In the upgrade of the laundry appliance market, in terms of the product types, the market share of front-loading products keeps growing stably, with the offline market share (by unit sales) climbing to 52.5% (32.5% for front-loading washer-dryers). Meanwhile, as consumers are paying more attention to health, the offline market shares (by unit sales) of laundry appliances with sterilization and mite elimination functions rose to 54.5% and 22.8% respectively in 2021. Washing capacity continued to be upgraded, with large-capacity products increasingly replacing small-capacity ones. The offline unit sales of 10kg-12kg washers occupied a 60% market share, with a year-on-year increase of over 11%. Meanwhile, mid- and high-end products saw a much bigger share in the

offline market by unit sales. To give an example, products with a unit price of over RMB5,500 took up a market share of 20%. The drying function brings the advantages of saving time, being convenient, non-ironing, and saving space. As China's clothes dryer technologies become more mature, the heat-pump clothes dryer experienced fast growth during 2021 and has dominated the domestic offline market.

According to the data from the National Household Electrical Appliance Industry Information Center, the domestic retail sales of refrigerators were RMB99.9 billion in 2021, up 7.4% year-on-year. The market share concentration of the leading brands in the domestic refrigerator market has been further enhanced. Due to the impacts of rising raw material prices and structural upgrading, structural upgrading was evident with refrigerators of different prices, with the offline market share (by unit sales) of products priced over RMB7,000 exceeding 20%. As seen from the change of multi-door refrigerator market share, those with more than four doors have become the absolute mainstream in the offline market, with a market share of 45.3% by unit sales. In 2021, the offline market share (by unit sales) of refrigerators with an over-400L capacity was close to 60%. Consumer's intensified willingness to pursue quality life has prompted the refrigerator market to pivot towards high-end multi-dimensional design, which is mainly manifested as "good looking", "capacious", "fresh", and "intelligent". In other words, better appearance design and material, larger capacity and structure, improved storage and preservation technology, and more smart applications.

According to the data from the National Household Electrical Appliance Industry Information Center, the domestic retail sales of kitchen appliances was RMB174.8 billion in 2021, up 4.3% year-on-year. As dishwashers became more popular on the domestic market, the retail sales were close to RMB10 billion, with the online and offline sales recording year-on-year increases of 11.9% and 12.4%, respectively. And product upgrading continued. Integration of more functions such as washing, sterilization, drying and storage emerged. Built-in large-capacity products saw a substantially bigger market share, with the offline market share of dishwashers with 13 place settings capacity reaching 25.6% by retail sales. And the average price of dishwashers went up 8.5% year-on-year on the offline market. In terms of the competition landscape, the top three manufacturers saw expanding market shares domestically, with their combined offline market share exceeding 50% by unit sales. Integrated stove sales reached RMB24.5 billion in the domestic market, an increase of 38.8% year-on-year. Due to the surge in demand for high-end kitchen

appliances, in particular steamers and ovens as a result of the pandemic, integrated stove products have evolved rapidly. The all-in-one models with kitchen hood, stove, steamer and oven have developed dramatically and become the category with the largest offline market share, with the offline market share of products priced over RMB13,000 reaching as high as 57.4% by unit sales. Smart products with multiple functions are the trend. For instance, intelligent voice control function will be built in to deliver a more convenient handling experience, and integration of different cooking methods such as sautéing, stir-frying, stewing, baking and steaming enables the multi-cooking scenario possible.

According to the data from the National Household Electrical Appliance Industry Information Center, the domestic sales of small domestic appliances was RMB117.4 billion in 2021, down 8.6% year-on-year, of which the online sales took up a percentage of 70.9%. With respect to the market performance of all categories, due to weak demand for traditional products, the high base in 2020 caused by the “stay-at-home” policy as a result of the COVID-19 pandemic, as well as natural factors such as the temperature and air quality, small kitchen appliances and environment appliances underperformed, while the market of emerging health-friendly small domestic appliances for personal care told a different story. The diversified and individualized consumer needs have resulted in rapid growth for these products, driving the emergence of more niche products. The sales of health-friendly vacuum cleaners were outstanding due to the pandemic. In 2021, the domestic sales of vacuum cleaners were RMB26.6 billion, up 14.5% year-on-year. By categories, robot cleaners embraced new functions such as self-cleaning, cleaning base, dust collecting base and automatic water filling. Their average market price increased considerably, with the online price up nearly 44% year-on-year. As the needs for house cleaning continue to grow, multiple new cleaning appliances such as scrubbers and steam mops have emerged. Thanks to the advancement of technology and more human-friendly design, such as roller brush that can self-clean in real time, lighter body weight, and less noise, the online and offline market shares (by retail sales) of floor scrubbers surged 244.7% and 779.6% respectively year-on-year.

According to the data from the National Household Electrical Appliance Industry Information Center, the online retail sales of home appliances in China amounted to RMB368.01 billion in 2021, up 9.3% year-on-year, accounting for a market share of 48.8%; while the offline retail sales amounted to RMB386.27 billion, down 1.7% year-on-year, accounting for 51.2%. Online sales channel of home appliances in the

past decade or so has made its way from scratch to expansion. The 2020 pandemic has once again pushed it to a new height, but now with the general resumption of offline shopping, the online channel has ushered in a period of relative stability. In terms of sales, the sales structure of each channel in the domestic market remains well optimized, with high-end, healthy and intelligent home appliances gaining a prominent presence. According to the data from the National Household Electrical Appliance Industry Information Center, in 2021, both online and offline market sales of medium- and high-end products, such as self-cleaning air conditioners, cross four-door refrigerators, front-loading washer-dryers, gas water heaters with zero cold water and robot cleaners, have further improved.

B. Robotics and Industrial Automation Industry

World Robotics 2021 Industrial Robotics released by the International Federation of Robotics (hereinafter referred to as "IFR") showed that there will be five trends in robot industry in 2022, which refer to that robots will be applied to more new industries, it will be more easy to operate robots, the skills of robots and workers will get promoted, robots will guarantee manufacturing, and robots will support digital automation technology. Global robot installations rebounded strongly in 2021, with IFR projecting a 13% increase of global robot installations, amounting to 435,000 units. In particular, Americas achieved an increase of 18% year on year, Europe achieved an increase of 7.4% year on year, and Asia achieved an increase of 15% year on year. IFR also predicted that the growth rate of the global industrial robotics industry will slow down relatively from 2022 to 2024, and the annual new installations will exceed 510,000 units in 2024.

IFR data showed that the CAGR of the sales of industrial robotics in China from 2015 to 2020 exceeded 20%, and the installation of industrial robots continued to rank first in the world. In 2021, in spite of facing multiple challenges such as the epidemic, chip shortage crisis, raw material shortage, supply chain pressure, power supply tension and rising transportation prices, with unstable overseas epidemic, China continued to take overseas manufacturing orders. Besides, COVID-19 promoted enterprises to use the strategy of "robot assembling line", and market demand was successively released with the stable epidemic in China. According to the data released by the National Bureau of Statistics, the domestic production volume of industrial robotics achieved to 366,044 units in 2021, up 44.9% year on year, which hit a new record. Simultaneously, in 2021, relevant financing in the industrial robotics field retained heated,

while Industrial Internet of Things, collaborative robotics, logistics and medical robots, and 3D vision and sensors were the most remarkable fields. In terms of industries, as the new energy automobile drove the automobile industry to return to prosperity and the demand for 3C products, lithium-ion and photovoltaic was strong, the application of robot in general industrial fields was further expanded, and new opportunities appeared for the application of robot in non-industrial fields. In terms of models, MIR data shows that SCARA robots, collaborative robotics and six-axis robotics all presented high growth momentum, among which the shipment of six-axis robotics below 20kg in 2021 rose by 48% year on year, while six-axis robotics above 20kg hit a new record, whose year-on-year growth reached 64% after three consecutive years of negative growth, and even the year-on-year growth of collaborative robotics was more than 100%.

According to the latest statistics of IFR, in terms of industrial robotic density (the average number of industrial robotics per 10,000 workers), South Korea ranks No.1 in the world with 932 robotics, while the robotic density of China has increased from 49 robotics in 2015 to 246, nearly twice the global average of 126. China ranks No. 9 in this respect, with great potential and prospects. Supported by diverse factors such as flexible demands of the manufacturing sector, declining demographic dividend, emerging markets and the development of innovative technologies, industrial robotics will be applied to more and more areas.

C. Smart Building Industry

In the smart building industry, Midea focuses on products, services and related businesses with respect to buildings. It aims to provide users with comprehensive, intelligent and sustainable building solutions based on the digital building platform and by facilitating the logistics, information, feeling and energy flows. The smart building ecosystem mainly includes HVAC, elevator, intelligent building (building automation) and integrated energy management. From the perspective of the industry competition pattern, domestic HVAC, elevator and building control have the same pattern and two major characteristics. The first is the high proportion of foreign and joint venture brands; the second is the low market concentration. According to the data from HVAC, Industry Online and Changjiang Securities Research Institute, the proportion of foreign brands of commercial air conditioner in 2020 was about 48%, and the long tail effect was obvious as only four manufacturers have a share of more than 10%. For elevator, the data from the Business

Yearbook of Elevator Industry in China and Changjiang Securities Research Institute indicates that the proportion of foreign and joint venture brands in the elevator market is as high as 70%, while the revenue scale and market share of the top domestic brands are still low. In 2021, the four major brands of Kone, Mitsubishi, Hitachi and OTIS's revenues exceeded RMB20 billion in China. The building control market is also dominated by Honeywell, Siemens, Johnson Controls, Schneider and other foreign brands. From the perspective of the market size and development prospects, according to the data from Industry Online, HVAC and Changjiang Securities Research Institute, the sales revenue (excluding tax) of domestic commercial air conditioner in 2021 was RMB123.2 billion, up 25% year on year, of which domestic sales accounted for about 90%; the compound annual growth rate of the industry in the past five years was 9%. The application field of commercial air conditioner is mainly divided into residential, commercial, industrial and public building. By business type, the sales of ToB business accounted for more than 70%, and the revenue scale was nearly RMB100 billion. In industrial development, the periodicity of the non-residential part of commercial air conditioner was smaller than that of residential part, which was more related to infrastructure investment. For example, government public construction, transportation, data center, culture, education and entertainment, medicine and other downstream segmentation still maintained a good growth trend, and a long-term high growth rate. According to the data of National Bureau of Statistics and Changjiang Securities Research Institute, in 2021 the production of domestic elevators, escalators and lifts was 1.55 million sets, up 17% year on year, which was mainly for domestic sales; the compound annual growth rate was 10% in the past five years, maintaining a steady expansion. Judging from the operating data of major manufacturers in 2020, the output value of a single elevator was about RMB200,000, considering the average factory price of a single elevator equipment and the maintenance business; the annual market size of domestic elevator equipment was RMB250-300 billion, and the scale of the elevator industry was even larger. The data from EqualOcean Intelligence and Changjiang Securities Research Institute shows that the current market size of intelligent building, which was about RMB7.1 billion in 2021, is relatively small. The equipment-based businesses such as commercial air conditioner and elevator are "organs" in building construction, whereas building control is the "nervous system" which controls various equipments for the high-efficiency and low-carbon operation of buildings, and determines the overall quality of building solutions. Overall, the domestic revenue of the smart building industry alone is nearly RMB400 billion, and the compound annual growth rate of the industry is between 5% and 10% (revenue caliber).

New opportunities are ushered into the smart building industry, which are "carbon emission peak and carbon neutrality", "digital and intelligent transformation" and "domestic replacement". With the establishment of the dual-carbon strategy, the intelligent and low-carbon process of building construction is expected to accelerate. As the Building Energy Conservation Research Center of Tsinghua University and the Changjiang Securities Research Institute showed in relevant data, the energy consumption and carbon emissions of buildings account for a high proportion in the whole society. The carbon emissions of building operation accounted for about 22% of the total domestic carbon emissions in 2019, and the proportion will further increase for the growing newly started buildings and the decreasing inventory buildings. Therefore, as one of the major sources of carbon emissions in the whole society, the low-carbon or even zero-carbon process in the construction field will undoubtedly be propelled. In 2021, a series of "double carbon" policies involving building construction were successively issued, such as the Opinions on Implementing the New Development Concept to Achieve Peak Carbon Emissions and Carbon Neutrality in a Complete, Accurate and Comprehensive Manner, the Opinions on Advancing the Green Development of Urban and Rural Development, the Action Plan for Peak Carbon Emissions by 2030, and the 14th Five-Year Plan for Comprehensive Work on Energy Conservation and Emission Reduction, all of which aim at improving the building energy consumption management system, enhancing the building energy consumption monitoring capacity, building energy saving management capacity, and building energy efficiency level, and promoting the large-scale development of ultra-low energy consumption, near-zero energy consumption, and low-carbon buildings. With stronger policy incentives and constraints, the building energy-saving upgrading, intelligent operation, and cooperative energy management are bound to become the main measures for the targets in addition to the construction of low-carbon building standards and administrative supervision. As to the market side, the electricity price reform, "power rationing" and other measures have raised the cost and the input-output ratio in building energy saving renovation, energy management, and digital operation, and thus more and more market entities begin to positively carry out "double carbon" and energy saving renovation. Taken as a whole, under the background of "double carbon", the building construction, as one of the main sources of energy consumption and carbon emissions in the whole society, accelerates the process of energy conservation and carbon reduction, and catalyzes the outbreak of demand for efficient low-carbon building solutions. The demand for digital intelligent building will also increase significantly, as the development level of buildings is a key link in "smart city" and still lagging behind under the trend of digital

economy. At the same time, with continuous progress of communication, computing power and algorithms, the system-level control such as HVAC and elevators will move to the building-level control - the first is the space expansion brought by changes from "control" to "service"; the second is the narrowing gap to foreign enterprises with first mover advantage. Additionally, the more positive and clear signal comes from the transformation and upgrading of the elevator industry driven by digital intelligence. In 2018, the General Office of the State Council issued the Opinions on Strengthening the Quality and Safety of Elevators for the purpose of promoting the elevator installation on existing residences and the maintenance of old elevators. Specifically, the maintenance should press for quality, and resources should be allocated on the basis of fully grasping the operation of elevators, hence the application of information technology such as big data and IoT is getting more important. In 2020, the State Administration for Market Regulation divided the maintenance methods of different elevators according to the standard of "whether there is a remote monitoring system based on IoT". The domestic replacement of commercial air conditioner has undergone three processes: unit machine, multi-split machine, and large-scale water units. In 2021, the share growth of chillers of domestic brands began to accelerate and made breakthroughs, leading the commercial air conditioner industry to the stage of domestic replacement in all aspects, and thus there is a large space for future increase. Compared with air conditioner, the domestic replacement process of elevator is relatively slow, but the relevant market pattern will be optimized with the gradually weakened real estate dividend, the changes in maintenance mode, and the application of IoT. In the medium and long term, there will be more competition opportunities in the smart building industry with the market structure of "high proportion of foreign investment & low market concentration". On the one hand, the policy of "double carbon" is fostering the energy-saving upgrading and smart operation under the context of high proportion of carbon emissions and energy consumption by buildings. On the other hand, with the improvement of digital intelligence, the input-output effect of smart buildings is changing qualitatively, and the optimization of competition pattern is underway.

2. Business Scope in the Reporting Period

In 2021, the COVID-19 pandemic remained a serious problem for the world, the political and economic environment became more complicated both at home and abroad, and the prices of bulk raw materials

such as copper and steel surged to a high level. Meanwhile, new changes such as energy reform, IoT, digital transformation and Metaverse were underway with innovation springing up. Uncertainties and challenges became the new normal. As such, Midea encountered a more complex external environment compared to last year. However, it delivered expected operating results in spite of the profit pressure caused by sharp fluctuations in raw material costs and the appreciation of the RMB, manifesting its resilience. Against a more uncertain backdrop, technology-driven transformation remains the main theme of the current era. Midea adhered to the strategic focus with “Technology Leadership” as the core, promoted development both in the ToB and ToC business, as well as carried out transformation in both the domestic and overseas operations. With innovation, breakthroughs and planning as the keynote, it took the five business divisions into a new stage, promoted the implementation of the strategic focus, as well as delivered innovation and breakthroughs regarding management systems, the organizational structure and mechanisms. For 2021, Midea achieved, on a consolidated basis, total revenue of RMB343.4 billion, up 20% YoY; and a net profit attributable to shareholders of the Company of RMB28.6 billion, up 5% YoY.

A. Focused on users and scene-based product planning, and continuously refined the whole value chain leveraging Midea’s multi-category advantages and digital technologies, so as to upgrade business scenes, products and services

In order to carry on with the “customer-oriented” strategic reform, the Company creates more user value in business scenes, products and services which are in direct contact with users. Based on users' yearning and pursuit for a better life, Midea deeply integrates technological innovation and household appliances to achieve the vision of "Bring Great Innovations to Life" through technological innovation. In addition, based on user needs and consumption trends with respect to living rooms, balconies, kitchens, bathrooms, among others, Midea offers its own products and ecosystem products. Household service is comprehensively deepened by using IoT technology, so as to provide intelligent comprehensive solutions for the whole house, making home life more efficient, convenient, healthy and comfortable, and building an industry-leading and smart home service platform. Midea independently builds a big data platform integrating market, user and public opinion data, constructs a big data-based innovative planning platform, and implements product innovation driven by both big and small data. Centering on the planning process,

it achieves the integration of SKU planning and smart scene planning process. It is the first to create the planning connect system in the industry, covering the whole planning process. By achieving cross-department data circulation and integrating internal and external data of the entire value chain, Midea enhances the efficiency of data circulation and shortens the cycle of new product development. Meanwhile, through intelligent analysis, intelligent early warning, intelligent prediction, intelligent decision-making and intelligent control, a unique smart decision-making support model for planning is created to empower planning decision-making. Compared to traditional market research, the intelligent market scanning efficiency of the big data-based innovative planning center has increased by over 50%, which can closely follow up thousands of categories and explore market opportunities and trends of users' demand. It has covered multiple countries and regions around the world, further strengthening Midea's global planning capability. With the big data platform's empowerment, digital marketing extends to the C2M model, while through user insight and user research, brands and products are empowered, where real-time market feedback on new products is utilized to accurately target marketing. Real-time interaction with consumers is achieved and supply and demand information is closely connected by perceiving users and activating users' information through hundreds of millions of global user touch points, and then product development changes from the chain mode to a closed-loop mode. In terms of industrial design, Midea leads the way in user experience and interaction upgrading with ongoing innovations. In 2021, Midea won a total of 141 industrial design awards, including 41 Red Dot Design Awards, 49 iF Design Awards, 40 IDEA Awards and 11 G-mark Awards.

For smart living room scenes:

In terms of residential air conditioners, Midea, as a prominent innovator who always stays at the forefront of the industry, has never stopped exploring product innovation based on user needs, scenarios and ecosystems. COLMO AirNEXT Air Evolution Main Frame adopts a pluggable air module to meet the air needs of users of different ages, while with an open ecological interface to upgrade the disrotatory breezeless technology, the wind speed and temperature are more natural and stable. It is equipped with the OTA online upgrading technology to improve the health and comfort of air and the intelligence and convenience for operation in multiple scenes, and proactively identify environmental information to provide users with intelligent air solutions based on big data such as location, weather and user habits.

Midea All-Season Second Generation Residential Central Air Conditioner, which integrates household system solutions such as central conditioner, floor heating, fresh air and humidification of the whole house, is the industry's first product that has been certified by high temperature sterilization of multi-split coil, whose sterilization rate reaches more than 99%. Relying on the Bauhaus aesthetics, COLMO Residential Central Air Conditioner integrates the five-dimensional adjustment of temperature, humidity, wind, cleanness and freshness and an intelligent expert system for the whole house, achieving "one room, one climate" and active adjustment of the whole house, and flexibly meeting requirements of all scenes such as three-bedroom units, penthouses and villas. Midea iColor Exclusive Custom Air Conditioner features "Color Panel" with innovative multi-color woven fabric. Based on the big data analysis of users' needs, it provides a variety of appearance and function modules. Users are able to order different module combinations at their options. The products are produced and distributed from the back end, tailor-made to meet the needs of differentiation and personalization. China Zun Artistic Floor-Standing Air Conditioner and Freshness Artistic Floor-Standing Air Conditioner are the masterpieces of Midea's air conditioners with combination of aesthetics, comfort, health, etc. China Zun Air Conditioner is powered by innovative technologies including S+ breezeless, new generation of dual hybrid fresh air and intelligent central voice system. Freshness Air Conditioner integrates three dimensions of technology with full domain features for breezeless, fresh air and voice system. Infused with Huawei's HarmonyOS system, the industry's first seven air conditioner models were launched by Midea in 2021, offering various experiences such as one-touch connectivity, minimal interaction and direct services. In an effort to enhance overseas market penetration of residential air conditioners, Midea has been not only committed to expanding the market of window air conditioners, dehumidifiers and portable air conditioners, but also actively leading the industry to contribute to environmental protection. Following the Outstanding Contribution Award from the United Nations Industrial Development Organization in 2020, Midea has upgraded its R290 split unit product in 2021 and won the "Der Blaue Engel" certification from Germany twice in a row. At present, the Der Blaue Engel-certified R290 split unit model has been officially launched in the EU and beyond.

The brand new Dual Flow Disrotatory Fan launched by Midea has won the 2021 "Good Design" award in South Korea, for which the aerodynamic dual-rotor turbine engine technology is brought in and the double-blade disrotatory technique is adopted for the first time in the industry, which generates disrotatory airflow through speed ratio adjustment to achieve a variety of winds and meet the needs of users in

different scenes. The product not only carries the innovative technology born in the cooperation with Chongqing University to dynamically adjust the wind speed according to the ambient temperature, but also has functions of net ionic sterilization and 3D movement. Midea Washable Tower Fan adopts the patented design that allows washing the whole body, which is original in the industry, to solve the pain point that it is difficult to disassemble and wash the air duct of Tower Fan, and to achieve the air duct system washing with one key separation, providing clean air experience. Midea Microelectrolysis Washing Air Cooling Tower Fan innovatively uses microelectrolysis for sterilization, in which tap water through electrolysis is used for sterilization, whose sterilization rate is as high as 99.9%. It is equipped with the irrigation wind wheel at the air conditioner level and the wet pad waterfall washing technique to thoroughly clean air, and provide healthy and moist clean air.

Launching the Cold Boiled Water Smart Instant Water Bottle, Midea achieves rapid cooling of boiling water to quickly prepare 55°C water and effective energy saving of 60% through the self-designed plate water-cooled heat exchanger. By studying the double pump control system and optimizing the multi-sensing temperature probe and PID algorithm, six water temperature modes are available so that warm boiled water can always be ready. The sterilization rate is over 99% through the test by the third-party authority, at the leading level in the industry. COLMO Residential TURING Countertop Sparkling Water Direct Drinking Machine carries multiple industry-pioneering technologies, redefining the high-end water drinking standard, integrating water filtration, super cooling, multi-stage temperature control and adjustable sparkling water taste technology to achieve a multi-purpose machine. Equipped with the HiDrink drinking water management system, it can achieve functions such as scientific customization of water drinking, user-defined water getting through identity recognition, intelligent reminding of water drinking and water drinking report generation, creating a scientific and healthy way of water drinking for users. It breaks the industry's traditional cooling model, whose temperature decreases by 5°C and cold water volume increases by 50% compared with the general cooling technology. Meanwhile, the use of innovative four-dimensional sterilization ensures natural and pure water.

Continuously integrating the concept of "deep cleaning for the whole house" into product design, Midea has launched Eureka Smart Sterilizing Floor Scrubber that integrates vacuuming, mopping and sterilization. The advanced "deep cleaning" technology it carries can help scrub away large particles of

dry and wet mixed garbage, stubborn stains and dirt at corners. This product has won multiple industry awards and carries 50 patent applications in total. Its core technologies include the industry's first integrated real-time electrolytic water sterilization, integrated rolling scrubbing and drying, integrated self-cleaning control, integrated automatic moving and the mute air duct structure. Midea Z7 Smart Wireless Vacuum Cleaner has successfully broken through the high-end market and won the AWE Award. It boasts an original smart maintenance and cleaning solution and leads the industry in suction power, battery life, etc. Carrying more than one hundred patents, its core technologies include the high-efficient BLDC motor, the high-efficient flow channel and the new-generation shock and noise reduction technology. Moreover, digital smart control technology, soft-package and high-energy storage battery technology, fast charging technology and AIoT software technology are also applied. The brand new Midea All-in-one Household Robot Vacuum Cleaner W11 integrating "sweeping, mopping, washing and drying" functions uses the automatic rolling brush lifting technology to create a one-stop automatic cleaning system. It adopts an industry-pioneering cleaning mode of mopping after sweeping, sweeping being separated from mopping, and the dry being separated from the wet, in addition to the functions such as automatic water refill, automatic back washing and automatic drying. Over 30 groups of sensors are carried and the self-developed NaviPolar3.0 algorithm is embedded in this product, to provide more efficient and intelligent use experience. It has won the 2021 CMF Design Award.

For smart balcony scenes:

Under the trend of diversified user consumption behaviors, new scenes become the necessary elements for defining new products. Gradually the balcony becomes the window of revealing the home aesthetic personality, as washing and drying packages become a new demand for balcony's shift from drying area to leisure area. Meanwhile, as more people like to "stay at home and be lazy", demand is rising for smart and One Touch services. Against this backdrop, scenes such as home dry cleaning and mixed clothes washing emerge at the right moment. Targeting the pain point that high-end clothing or special clothing cannot be washed at home, COLMO AI Light Dry Cleaning Technology disrupts the traditional washing mode by innovatively applying the high-energy steam technology to laundry appliances. It has been granted the "Technology Innovation Award" at the 2021 (17th) China Household Appliances Innovation Award event. It uses dry, saturated and high-energy steam with excellent heat and mass transfer

performance to penetrate through fibers, achieving results such as thorough wrinkle and dust removal without damaging the clothes. It also boasts 5-minute and Grade-A rapid odor removal, whose sterilization rate is 99.9%. "Key Technology and Industrialization of Double-Driven, Dewatering and Double-Drum Washing Machine with Large Capacity", "Key Technology and Industrial Application of Long-Acting Plasma for Deodorization and Sterilization" and "Application and Industrialization of New Special Effect Technology of Electrode Catalytic Coating for Use in Washing Machines" included in COLMO Light Dry Cleaning Technology 2.0 have also been certified as "Internationally Advanced" by the China National Light Industry Council. The Blue Oxygen Technology based on electrocatalytic coating and special electrode preparation technology is industry-pioneering, while the technologies of anti-cross color, whitening white clothing, long-term bacteriostasis of the whole machine and harmful substance degradation are made available. What's more, the cleaning effect of special stains is improved from the traditional five categories of stains to 32, and all the cleaning ratios reach Grade-A. The Light Dry Cleaning Technology and the Blue Oxygen Technology further promote the technological innovation and progress of the laundry appliance industry.

Equipped with Light Dry Cleaning Technology 2.0, COLMO Star Atlas Washer-dryer accurately controls the steam saturation, temperature and tempo speed. With the One Touch smart control, it removes dust without damaging the clothes. With the steam generator of compact design and the brand new second heating flow channel design, users' pain points are effectively resolved. Nano-level high-energy soft steam and the super smart camera system, clothing humidity, weight, water quality, weather and other big data are calculated on the cloud through Internet of Things, so as to achieve the best washing and drying effect. It has won the Red Dot Award and the IDEA Award. Little Swan True Color Series Washer-dryer, carrying the Blue Oxygen Technology, boasts the industry's thinnest platform and the largest free fetch caliber, which effectively solves a series of pain points such as cross color, special stains, occupying a large space and bending down to fetch the clothes. In addition to being certified as "Internationally Advanced" by China National Light Industry Council, this product has also won the 2021 "Red-Top Award" and the Golden Choice Award for "Blue Oxygen Sterilization Innovative Product". Meanwhile, True Color Clothes Dryer, with the new Soft Drying Platform for Wool, is the first of its kind to receive the "Wool Hand Wash Safe" label in China, solving problems of wool being not easy to dry, shrinking and wrinkling. It also innovatively uses an integrated multi-layer filter for easy cleaning, which is able to remove as much as

98.6% dust. Toshiba XP1 Series Washer-dryer innovatively adopts both the ultra fine bubble (UFB) technology and the fine bubble technology, creating the dual-bubble washing technology to deliver more cleanness. In addition, it greatly optimizes the original heat pump system and expands the air duct, which shortens the time needed to wash 7kg of clothes to 97 minutes, increasing the efficiency by 10% and leading the industry in Japan. It has won the 2021 Good Design Award and the MonoMax Award. Toshiba T11 Series Washing Machine adopts a mortise and tenon structure and a minimalist tempered glass door. This new model is available with a variety of specifications and capacities. Also, it is equipped with the WIFI function for the first time for remote control. The unique Ultra Fine Bubble mode, with the front cavity pressuring on the special microporous outlet structure at the back end, can produce hundreds of millions of ultra fine bubbles to instantly dissolve sebum and grease for thorough cleanness. The unique Greatwaves program provides the same washing effect as heating by adjusting the washing pace to create strong water flows. Additionally, the Steam Care function produces high temperature steam of 80°C for sterilization and wrinkle removal.

For smart kitchen scenes:

Being customer-oriented, Midea constantly makes product innovation, technological breakthrough and smart scene expansion around the core demands of users with respect to cooking, such as deliciousness, freshness, nutrition, health, high efficiency and convenience. COLMO Turing Series Refrigerators have pioneered the industry's automatic door opening and closing technology to deliver more convenience and intelligence. It supports offline voice door opening and closing, refrigerator control and other functions. With more interactive intelligence functions and services online, it can realize the intelligent connectivity of entire home appliances through the authorization of the MSmartLife App as the voice access. Microcrystal function is upgraded again to provide the optimal preservation solution for all types of fresh food, meanwhile, effectively inhibit the purine content in fresh seafood. Space ecosystem compartment can smartly recognize and adjust the moisture level of ingredients. The blue light function will be automatically turned on upon high humidity to enhance the anthocyanins of ingredients. TURING Nutrition Refrigerator brings users intelligently balanced nutrition management through AI-powered multi-dimensional nutrition technologies based on a deep "nutrition" perspective supported by "machine rationality" to meet the health and nutrition needs of families. Toshiba Mist Refrigerator conveys freshness

with "Mist Freshness" technology. Toshiba patented technology UNIT moisture permeable film, is a moisture permeable airtight porous polymer fiber material, which allows moisture to penetrate and keeps airtight at the same time. It prevents the cold wind from blowing directly on fruits and vegetables, delivering the delicate water vapor that reaches directly to the cells of fruits and vegetables. By creating a constant moisturizing environment suitable for fruit and vegetable storage, it realizes seven days freshness of fruits and vegetables, with three quick-freezing modes - direct placement of hot items, vegetable freezing and vegetable drying. The three modes of low-temperature chilling, fast micro-freezing and original defrosting accurately match the storage environment required by the food, and maintain the best taste and nutrients. It makes ice quickly in 60 minutes, with independent space that is clean and odorless. In addition, the iTouch function allows just a tap to open the door. Midea's first American-style refrigerator is equipped with the original metal texture soft close handle. Combined with the traditional Chinese mortise and tenon technology, it achieves the perfect integration of classical aesthetics and contemporary design. PST + technology helps achieve rapid odor purification within 19 minutes with a bacteria removal rate of up to 99.9%. The panel adopts carbon ion crystal diamond process and high-temperature sintered brushed texture, reflecting rich layers with skin-friendly touch. It also offers stain and fingerprint resistance, and the internal pasta space can also effectively avoid pasta from drying out and cracking when stored via the unique microporous spoiler technology. Midea's first HarmonyOS refrigerator was fully launched in tandem with Huawei in Huawei Mall in June 2021. This refrigerator can realize non App second network access by "tapping" the cell phone on the refrigerator, and recognize the freshness of the ingredients in the compartment, which quickly generates a large number of recipes depending on the ingredients in the refrigerator. One-click appointment of post-sales service is also available.

COLMO Star Atlas SV8 Range Hood is the first of its kind with four zones for vacuuming smoke and ultra-thin design of 360mm, whose suction can be up to 26m³/min and maximum wind pressure 1,100Pa. With unique AI support, it can automatically enter the smart smoke suction status at the moment of ignition and automatically adjust the suction power according to the smoke status. The self-developed AI Active Noise Reduction Module used in this product can reduce the noise to as low as 42dB, allowing users to concentrate on their cooking. Its innovative flat lighting system can be adjusted according to the environment, making the cooking space brighter. The innovative design of dual oil mesh and oil cup can

be cleaned in a dishwasher. Silent Series Thin Range Hood improves the user experience of "easy suction, easy washing and easy control", providing healthy, clean and smart cooking experience. It continues to adopt the double suction design, in addition to innovative thin design of "A3 waist" with a 360mm frame, two perfectly designed air ducts and a 290mm body. It caters to both stewing and flash-frying scenes. The new design of double section oil cup and quick disassembly help achieve efficient cleaning, and innovative square lights help reveal the true colors of the food. Ultra-thin Gas Stove Q81U Series uses the industry-leading air-intake-from-the-top ignition technology to save space. The innovative seamless stovetop design makes it easy to clean, and the ultra-thin body of 25mm provides great space for the dishwashing and sterilization package. The ultra-thin air-intake-from-the-top design carries a number of patented technologies, which meets the expansion application to the greatest extent. Oxygen Stove Q63-M Series carries the industry-pioneering saucer mixed oxygen cabin mixed oxygen technology, with blue fire to quickly turn raw ingredients to delicious and nutritious food, greatly improving the cooking quality.

Midea F70 Dishwasher carries the patented technology of ADS smart input, providing smart solutions for the whole process of tableware wash and care. With accurate input of detergent, oil stains are scoured with 360° high-pressure washing, making it an easy job to clean oily tableware for Chinese consumers. Meanwhile, the low noise effect of 44dB is made available by using the variable frequency technology to provide quality life experience. Besides, for a small number of tableware, the stratified washing function is provided. In order to ensure safe and clean tableware, the four-star sterilization standard is reached with the help of 100°C hot air sterilization. COLMO TURING Series Dishwashers, with zircon blue as the main color and rational geometry as the overall design, embodies the essence of minimalist, high-end and grand design. It adopts an AI-powered detergent input system. The internal structure breaks through the traditional limitation, where dishes can be placed on the upper and lower layers. It also boasts the capacity of 15 sets and Water Efficiency Grade I. It has passed the four-star sterilization certification by China Household Electric Appliances Research Institute. The Week-Long Ion Freshness technology it carries is VDE-certified, with a sterilization rate of more than 99%, providing natural and high-end wash and care. Midea 200Q11 Sterilizing Cabinet, with a height of 775mm that perfectly fits with the Chinese cabinet structure and a large capacity of 180L that redefines kitchen storage space, achieves the storage of tableware, knives and cutting board in one machine. It carries the modular bowl basket that enables

separate sterilization. The ultraviolet-wave medium-temperature two-star sterilization makes it suitable for tableware of different materials. And negative ion is used to ensure odorless storage, with an AI-powered warm disk to improve user experience.

Midea has launched a series of innovative rice cooker products in 2021. Double-Valve Low-Sugar Rice Cooker, on the basis of adhering to making good rice and low sugar, through the innovation of double valve design and control technology optimization, achieves functions of 18-minute fast rice and 30-minute fast porridge. It has won the iF Award. Centering on the whole process of users' cooking rice and porridge, Fully Automatic Rice Cooker, through innovation and reconstruction, achieves new technical breakthroughs such as fully automatic water and rice input, fully automatic rice washing, fully automatic precise control of rice water ratio and fully automatic cooking with One Touch. It has been granted the Good Design Award and the IDEA Award. MiniMore Multi-functional Rice Cooker is a multi-functional product of modular combination designed for the young consumers, as it has functions such as IH rice cooker, IH constant temperature stove and IH frying pan/boiling pot, which is applicable to different cooking scenes such as home and open air. It has won multiple international design awards. Midea has launched the "Adjustable Lifting Electric Grill", carrying the industry's first stepless rod lifting technology to meet the needs of cooking different food. It also boasts an adjustable dish diameter of 0-35mm. Centering on the "holistic health" trend, Midea has launched the "Antibacterial Series Electric Grill". By adding antibacterial agents and fungicides in the coating, bacteria and the breeding environment of bacteria can be effectively destroyed, with an antibacterial rate of over 99%. Midea Smokeless Electric Grill, which is equipped with the internal circulation water-cooled smoke absorption system, can achieve cooking smoke purification without consuming any materials, which allows consumers to enjoy barbecue even in the living room. With detachable and washable structure design, it is easy to clean.

Midea MINI20 Calorie-burning Cooking Platform benefits from the leading miniaturized magnetron technology, uses the Q12 magnetron that is the smallest in volume and the highest in power in the industry, and achieves that the plot ratio of microwave oven increases by 24%. It is suitable for small kitchens. The MIX fat burning algorithm is originally created, and three technologies including steaming, microwaving and baking are combined, so as to achieve delicious and healthy food. Equipped with Huawei's HarmonyOS system, health data is shared to create personal fat-burning solutions. Midea Roasting

Series uses graphene heating tube technology to achieve instant heating in 0.2 second and high temperature radiation of 1300°C to solve the pain point of "long preheating, slow baking" of the electric oven. Midea R5 Built-in Microwave, Steamer and Oven Combo integrates four cooking methods including microwaving, steaming, baking and frying. And its high-end TFT and humanized interactive interface enables users to enjoy cooking.

COLMO I2000 High-flux Under-sink Water Purifier applies a number of innovative technologies. The industry leading two-dimensional self-purifying system, specifically slow flow stripping and deep spin purification, extends the life of the RO filter to ten years. Featuring full time zero staleness technology, it flushes the filter fully automatically to ensure that every cup of water is fresh and good; upgraded PR front filter adopts organ type structure design, with eight times higher dirt-holding capacity; the third-generation pull-out filter replacement method realizes simpler replacement in two-steps. The product won the industry and market recognition, and was granted the "Water Purifier Value Product Award" and the "Red Star Design Award".

For smart bathroom scenes:

With continuing breakthroughs in core performance based on the core scene-based requirements of users, Midea Electric Water Heater has made breakthroughs in phase change energy storage and ultra-short double tank products, achieving the smallest volume in the industry with the same volume, and putting forward the concept of no-wash electronic anode to lead the industry in terms of internal tank anticorrosion. The industry standard of level-one constant temperature and level-one mute are initiated by Midea Gas Water Heater. Midea led the formulation of the industry's grading standard on constant temperature Technical Specification for Intelligent Constant Temperature Grading Evaluation of Household Gas Rapid Water Heater Throughout the Whole Process, and jointly issued Healthy Bath White Paper with China Household Electric Appliance Research Institute, dedicating to solving the fluctuation of the bath water temperature in the household environment. At the same time, skin-friendly technologies are developed, fine bubble and bath constant temperature curves are introduced, and millimeter wave individual recognition is introduced to expand the application scenes and provide more comfortable hot bath solutions.

Midea F6032-HW8 (HE) Electric Water Heater is the first customized bath electric water heater with intelligent temperature adjustment. Equipped with the third generation electronic constant temperature valve, it breaks through the bottleneck of the constant temperature of electric heating. The customized electric heating is plus or minus 0.5°C which can be customized according to the skin feeling. The hot water model of customized bath is provided for different users, as energy and electricity saving is achieved by automatic heating upon the learning and memorizing of the users' bath habits and patterns through the Smart Cloud Housekeeper. The long-term pain point of the industry is resolved by avoiding the impact on water quality through the wash-free electronic magnesium rod. It is fitted with magnetic net scale inhibition valve, with a scale inhibition rate of up to 90% for better water quality. Midea HL6 Constant-Temperature Gas Water Heater, the first product that has procured the level-one constant-temperature certification in the industry, applies the international leading new constant-temperature technology for the first time. It carries ADRC2.0 self-adapting constant temperature algorithm and intelligent start-stop constant temperature valve, and achieves double upgrade which includes hardware's precision control and software's actuarial, among which the start-stop constant temperature speed increases by 70%, and the outlet constant temperature increases by 37%, effectively enhancing the bath constant temperature experience by improving the start-stop, multi-point water use and water pressure fluctuation during the process. Midea has also launched a number of smart bathroom products that are original in the industry. In particular, Midea Smart Bathroom Mirror is the first smart mirror cabinet equipped with electronic chip and drying storage. It is divided into four zones including general storage zone, healthy sterilization zone, open zone and makeup dry zone. The surface possesses intelligent demisting technology with which mirror's anti-misting function is started with One Touch. The makeup dry zone uses a new generation of semiconductor dehumidification technology and 360° air duct design to keep dry. Additionally, it adopts high-intensity UV lamp and mobile storage rack with non-contact sterilization, and the sterilization rate is as high as over 99%. It is also equipped with an intelligent voice control system, enabling easy control of the household appliances. The integrated touch screen makes it easy to operate with time, weather and temperature information available any time. Skin-caring Shower is the industry's first smart shower that can control the water heater remotely, and features a dechlorination filter for skin care. Skin-caring Faucet also adopts the skin-caring filter and can display real-time water temperature. Bubble Facial Cleanser is the industry's first intelligent temperature adjustment water heater dedicated to facial cleansing. Through the high concentration of 180 million fine

bubbles per liter, oil removal rate reaches 99% to achieve deep cleansing.

B. Adhered to the strategy of “Technology Leadership”, increased R&D investments, built a global R&D platform for better R&D efficiency, established a digital R&D system for agile innovation, and implemented the strategy of “Innovation Patentability, Patent Standardization, Standard Internationalization and Midea Standard Goes Out”

Midea continued to invest in R&D. Through larger investments in this respect, it aims to achieve leadership in R&D achievements and product trends, as well as a stronger presence in the industry and a better R&D environment. The Company made innovations with respect to mechanism, and developed more leading products through both excellent user experience and differentiated technologies, reform of the whole value chain of R&D using digital technology, and deep integration of big data analysis and R&D. It kept reforming its product development model according to the strategic focus of “Leading Products”. An innovative R&D model featuring a “Three-Tier Technical Committee System” and a “Four-Tier R&D System” from the organizational dimension and “Three Generations” from the technology dimension has been put in place and constantly refined to support the fulfillment of the goal of “Being the Number One or the Only One” in respect of various product categories. Centering on customer needs and based on different organizations and technologies, the Company carries out innovative product development, research on cutting-edge platforms, research on core components, creation of differentiated selling points and improvement of the basic product performance. Through group development of products across the world and building of a global product platform, Midea is building “Technology Leadership”. As of the end of 2021, Midea boasts ten corporate technology centers/industrial design centers/post-doctoral research centers at the state level, 19 academicians with long-term cooperation and eight academician workstations/workshops, in addition to more than 60 corporate technology centers/engineering centers/industrial design centers/key labs at the ministerial or provincial levels.

Midea Group is committed to investing in the research of core technologies. In 2021, more than a hundred of technologies launched by Midea were certified as “Internationally Advanced” by authorities, including “Research and Industrialization of Key Technology for New Generation R290 Room Air Conditioners”, “Research and Application of Multi-sound Source Vibration and Noise Control Technology for Air-cooled Refrigerators”, “Key Technology for Long-acting Plasma Deodorization and Sterilization in High Humidity

Environment and Industrial Application", "Research and Application of Technology for Horizontally Opposed Magnetic Variable Frequency Centrifugal Compressors", "Research and Application of Key Technology for Roasting", "Key Technology for Power Control of High-quality IH Electric Cookwares and Industrial Application", "Research and Industrialization of Key Technology for New High-efficiency Inverter Compressors", "Research and Application of Key Kitchen Air Management Technology for Range Hood" and "Research and Application of Key Technology for Low-carbon and High-energy Efficiency Heat Exchanger for Household Appliances". On 3 November 2021, the 2020 State Science and Technology Awarding Meeting of the People's Republic of China was held at the Great Hall of the People in Beijing and Midea Air-conditioner won the National Award for Progress in Science and Technology (Second Prize) for its project of "Theory of Building Thermal Environment and Key Technology of Green Creation". Besides, Midea also won the Heilongjiang Provincial Technological Invention Award (First Prize), the China National Light Industry Council Technology Progress Award (First Prize), the China Energy Conservation Association Award for Technology Progress in Energy Conservation and Emission Reduction (First Prize), the China General Chamber of Commerce Technology Progress Award (First Prize) and other awards.

Midea has strengthened the transformation of R&D achievements while carrying out the core technology research. By the end of 2021, Midea (inclusive of TLSC) held more than 70,000 valid patents. In the year, Midea filed applications for over 10,000 patents around the globe, and was granted more than 3,000 invention patents, of which over 1,000 were granted overseas. Midea continues to improve patent quality. It won multiple awards at the 2021 22nd China Patent Awards, including a Silver Invention Award for its "Air Conditioner with a Coverable Air Outlet", Silver Design Awards for "Electric Kettle" and "Wireless Rechargeable Handheld Dust Mite Vacuum Cleaner", in addition to more than 20 Excellence Awards for technologies such as the "Air-conditioning System with Enhanced Vapor Injection".

In 2021, adhering to the strategic focus of "Technology Leadership", Midea implemented the policy of "One Midea, One System, One Standard" to further promote standardization. A two-tier standardization management system has been put in place for the Group and its business divisions, in addition to a standardization management committee at the Group level. With the double drivers of "standard innovation + production innovation", Midea shifts innovation achievements to advanced technological

standards. Additionally, it plays an active part in the formulation and revision of various standards, contributing to the standardization of industrial technologies and creating more value for users, partners and industries. As of the end of 2021, Midea took part in the formulation/revision of 1,347 technological standards, including 41 international standards, 514 national standards, 277 industry standards, and 515 local and group standards. Midea also became the leading work unit of the working group on TC212/WG7 smart control technology for wireless household appliances and the working group on TC212/WG10 sensors. The Group has been recognized as an “Enterprise Standard Leader” for four consecutive years for 38 standards covering 32 products. Midea Residential Air Conditioner and Midea Kitchen Appliances both have projects that have been approved as National Standardization Pilot Projects for Consumer Goods. Smart Cloud Multi-split Air Conditioner was selected as one of the 100 group standard application demonstration projects in 2021. The two group standards of China Household Electrical Appliances Association (CHEA), namely General Requirements and Evaluation Specifications for Inner Pot of Rice Cooker, and Electric Stir-Fryers for Household and Similar Purposes, which Midea participated in formulating, were certified as "Internationally Advanced". Midea Refrigerator won the first Anhui Standard Innovation Contribution Award.

In 2021, regarding smart home, Midea has participated in the formulation of International Standard entitled Requirements for Evaluating Intelligent Household Appliances, and National Standard entitled Technical Specification of Intelligent Power Module for Household Appliances. In respect of building technologies, Midea advocates the industry should improve the quality of multi-split models and takes the lead in formulating the first reliability improvement standard for the multi-split industry. In terms of key product performance, Midea took part in the formulation of the national standards entitled Ergonomics of Thermal Environment - Assessment of Thermal Environment in Transportation - Part 3: Human Evaluation of Thermal Environment Comfort, Ergonomics of Thermal Environment - Assessment and Management of Human Cold and Heat Stress, Test Methods for Noise of Household and Similar Appliances: Special Requirements for Fans, Measurement Methods for Electromagnetic Fields of Household Appliances and Similar Apparatus with Respect to Human Exposure, Standard Tableware for Testing the Energy and Water Efficiency of Dishwashers, Energy Efficiency Limiting Values and Grades for Electric Ovens for Household and Similar Purposes, Safety of Household and Similar Appliances Special Requirements for Commercial Microwave Ovens, Standard Samples of Bricks for Energy

Efficiency Testing of Built-in Electric Ovens for Household and Similar Purposes, Test Methods for Noise from Household and Similar Appliances: Special Requirements for Vacuum Cleaners, Surface Cleaning Apparatus Part 1: General Requirements for Test Materials and Equipment, Surface Cleaning Apparatus Part 3: Performance Test Method for Wet Carpet Cleaning Apparatus; In terms of core components, Midea participated in the formulation of the national standard entitled Special Requirements for Electric Door Locks of Electric Automatic Controllers for Household and Similar Purposes, Totally Enclosed Type Motor for Room Air Conditioner-Compressor, industry standard entitled Electric Automatic Controller Humidity Sensor, Aluminum Lining Panel Assembly for Household Refrigeration Appliances, Standard for Domestic Heat Pumps Dryers. In terms of green and healthy technologies, Midea participated in the formulation of industry or group standards including Evaluation and Technical Specifications for Green Design Products: Room Air Conditioner, Technical Specifications for Green-Design Product Assessment: Refrigerator, Technical Specifications for Green-Design Product Assessment: Electric Rice Cooker, Technical Specifications for Green-Design Product Assessment: Fan, Technical Specifications for Green-Design Product Assessment: Blender, Technical Specifications for Green-Design Product Assessment: Vacuum Cleaner, Technical Specifications for Green-Design Product Assessment: Home Microwave Oven, Technical Specifications for Green-Design Product Assessment: Multi-split Air Conditioning (Heat Pump) and Similar Units, Technical Specifications for Green-Design Product Assessment: Air-Source Heat Pump Cold and Hot Water Unit, Technical Specifications for Green-Design Product Assessment: High Temperature Heat Pump Unit, Technical Specifications for Green-Design Product Assessment: Air Conditioning for Computer and Data Processing Room, Technical Specifications for Green-Design Product Assessment: Compressor for Room Air Conditioner, Technical Specifications for Green-Design Product Assessment: Robot Vacuum, and Requirements of the Greenhouse Gas Emissions Accounting and Reporting—Household Appliance Manufacturer. With regard to “Leader” standards, Midea played a part in the formulation of Green Product Assessment—Household Electric Appliances—Part 1: Refrigerators, Air-conditioners and Washing Machines, Minimum Allowable Values of Energy Efficiency and Energy Efficiency Grades for Electric Fans, Minimum Allowable Values of the IPLV and Energy Efficiency Grades for Multi-connected Air-condition (Heat Pump) Unit, Split Type Room Air-conditioner with the Function of Breezeless Mode, Technical Code for the Certification of the Breezeless Cooling Feature of Multi-split Air Conditioner, and “Leader” Assessment Requirements for Unitary Air Conditioners. In terms of international standards, Midea participated in the revision of IEC 60436 “Electric Dishwashers

for Household Use-Methods For Measuring the Performance and IEC 60456 organized by IEC/TC59/SC59D, and the performance standard proposal of IEC/59L NP 63XXX electric rice cooker has been formally filed, while the standard proposal of IEC 60335-2-15 on electric pressure cooker has entered the formal standard manuscript inquiry (CDV) stage. The five microwave oven performance standards for IEC 60705 have also entered the Working Draft (WD) stage; the two national standards proposed by Midea, named Over-the-Air (OTA) Technical Requirements for Electric Automatic Controller for Household and Similar Purposes, and General Safety Technical Requirements for Intelligent Voice Controllers, have also been approved.

C. Deepened the channel transformation, further improved the channel efficiency and rebuilt the retail and ToB service abilities so as to achieve direct connection with customers

Midea is resolute in enhancing vertical efficiency and horizontal synergy efficiency, accelerating retail growth and retail transformation by focusing on user needs. Through the reform of direct retailing, Midea has been continuously promoting the "vertical efficiency improvement" of offline channels. More than 90% of the retailers of offline franchise system can place orders directly to Midea for procurement, achieving the shift from distributors to operators. Midea kept optimizing the inventory efficiency of all channels and reduced the inventory-to-sales ratio by 20%. The change of organizational structure has effectively supported the "horizontal synergy efficiency enhancement". Midea has strengthened its operation center to make it become the "main battlefield", driven deep coordination among all product categories, and promoted corporate operations of the operation center, so as to realize the "One Midea" for all markets and ensure the consistency of user service and experience.

In 2021, online sales as a percentage of Midea's total sales remained over 45%, and online and offline markets integrated at a faster speed. Based on different levels and characteristics of different channels, as well as changes to customers' needs and ways of spending, Midea drives the retail transformation based on user demands and experience, and keeps refining the retail operations system, so as to achieve direct connection with retail customers. This mainly involves the following aspects. Firstly, being customer experience-oriented, it provides just the shopping experience wanted by customers by putting in place an exclusive store network covering all channels. To be specific, it possesses more than 900 smart home stores for domestic users with house decoration demands. Meanwhile, it has deepened the cooperation

with top home decoration service providers. It has over 2,500 Midea flagship stores in districts and counties, as well as over 11,000 Midea multi-category stores in towns and villages. Second, in the retail link, Midea builds an immersive 3D model room for entire home appliances focused on home decoration users, providing a roaming shopping experience to achieve accurate recommendations and exclusive intelligent shopping guide. At the same time, focused on the improvement of the product suite purchase, it builds the service chain and exclusive rights and interests system for home decoration product suite purchase, driving transformation to integrated services for home decoration + home appliances, and providing home decoration users with time-saving, cost-effective and worry-free comprehensive solutions. Third, Midea actively seeks new business opportunities. On emerging channels such as Pinduoduo, Douyin, Kuaishou, and Xiaohongshu, Midea has refined its product offering and optimized the marketing and rating system. It also continued to build the operation platform for e-commerce and promote self-operated core stores on the channels as part of its efforts to drive consistency and efficiency in operations and polish the DTC capability. Fourth, special campaigns have been carried out to make product mix breakthroughs. User needs are accurately identified through data analysis, new measures are taken to drive growth in new product categories, and efforts are made to improve the smart scenario operation capability. Fifth, post-sales service and logistics experience are well optimized, including integrated delivery and installation, two deliveries in one day, home delivery and home pickup service for returned goods. Digitalization of the supply chain and optimization of supply and demand efficiency are being pursued.

Midea leverages the “Digitization & Intelligence Driven” strategy to be “Direct to Users”, and initiates a series of business moves in user experience, user operation and user service from user needs and service scenarios. Based on the underlying data capabilities for user demand insights, Midea can better serve users through user life cycle management, membership and private domain operations to enhance user loyalty. Firstly, Midea focuses on "user experience" and improves the user experience of the whole value chain under the guidance of the Net Promoter Score (NPS), with the NPS increasing by over 25% compared to 2020. In addition, Midea strengthens user operation in daily operation, promotes the establishment of membership system and private domain traffic, and deeply promotes the intelligence and IoT of products. By the end of 2021, the cumulative number of registered members exceeded 110 million. Furthermore, Midea reinforces the building of data platform and commercial data analysis.

Analysis of user consumption behavior data serves as a strong support for business decision-making.

Midea deepens and promotes the business model change and the digital and intelligent transformation of the user service system to provide one-stop whole-home smart home appliance service solutions for users. First, Midea reconstructs the service process from the user's perspective, and redesigns the service blueprint by covering 18 core scenarios and solving 214 service pain points. Second, Midea forges ahead with the construction of intelligent interaction, that is, it launched online voice robots for responding customers' requests, H5 text robots, and IoT-based active guidance function for activation and troubleshooting, which helped to handle 4 million orders throughout the year with the first-level failure notice rate of 87%; it also launched the "text + video + voice" customer interactive service prior to peers with satisfaction rate of 98%, in order to serve customers in complex scenes. Third, Midea rolls out a cloud platform for digital operations and services to connect service outlets and cover the engineers and outlets consultation services, and drove efficiency improvement throughout the entire chains by digital transformation, solving problems over 500,000 with the average response time of 120 seconds. Fourth, we deepen the change of engineer operation mode by assigning orders online based on big data intelligence to realize the direct connection of engineers. In 2021, direct allocation of over 42 million work orders across all categories was fulfilled. Fifth, we continue to introduce new technologies and tools to empower engineers' services by comprehensively building an independent learning platform for engineers. A total of 113 online new courses have been developed and more than 20,000 engineers have gained multi-category service competence. The introduction of AI intelligent image recognition technology fully safeguards the quality of installation. Fourth generation of air conditioning intelligent variable frequency detector was also developed to help engineers to improve service efficiency. Finally, Midea improves the service model to provide better user experience. It has fully realized the replacement of smart small home appliances with after-sales services, replacing nearly 410,000 products throughout the year with shortened replacement cycle of 3 days.

Transformation of the ToB business model has been further deepened. Based on the Group's five business segments, the business model has been upgraded from traditional hardware product packages to scene-based solutions targeting customers in the whole industry, so as to enhance sales and brand presence on the ToB market. Meanwhile, refinements have been carried out for the existing customer,

product and business structures, thus increasing the profitability of the business value chain. Midea has enhanced cross-division horizontal synergy, forming a regular special collaboration mechanism for information exchange, business opportunity sharing, market strategy making, resource allocation and other aspects. In addition to the traditional home appliance industry, Midea has unfolded coordinated marketing in the ToB business of the Building Technologies Division, the Robotics & Automation Division, and the Digital Innovation Business through industry-wide solution development and promotion. In the vertical sector, by taking the traditional real estate, industry, agriculture, commerce and construction business as the access point, it continues to expand the cooperative product categories and seize the incremental opportunities in the existing market, to achieve growth breakthroughs. In terms of organizational efficiency improvement, Midea is market oriented. By optimizing the organizational structure and reforming the salary and incentive mechanism, it delivers constant improvements with respect to organization, personnel, appraisal and incentive, etc., in order to activate organization and improve efficiency. In terms of business model reform, through comprehensive sorting of existing markets, industries and customers, it takes the initiative to adapt to the development and changing trends of each industry, allocates organizational resources based on market demand, improves professional marketability for different industries, strengthens the building of service provider system, deeply optimizes supply chain, and builds a LTC-based whole-process value chain. In terms of sales expansion, the expansion of new industries, new customers and new categories serves as a breakthrough to achieve business growth and Midea keeps enhancing the professional sales capabilities in regard with customers from different industries. The ToB business achieved nearly 50% year-on-year shipment growth in 2021. In addition, Midea continues to beef up operational risk control internally and externally to ensure the sustained, healthy development of the business.

Annto, a subsidiary of Midea Group, is a technological innovation-based logistics service provider. It is committed to providing customers with end-to-end digital and intelligent supply chain solutions. In terms of internal support and services, under the background of Midea Group promoting the T+3 business model deep reform, Annto further promoted the logistics reform and improved B2C logistics capacity. Through big data analysis and data modeling and based on user needs, Annto refines and integrates its warehouse network across the country and expands the unified warehousing and distribution model to retail stores. Overall planning of channel inventories and unified operation of warehousing and distribution

boost channel efficiency and provide support for comprehensive standardization and digitalization of user services. In 2021, Annto established an integrated and smart supply chain platform for the whole process of production logistics, warehousing, urban distribution, delivery and installation. It also cooperated with Sino-US Global Logistics Institute of Shanghai Jiao Tong University to establish the Joint Research Center for Smart Logistics and Supply Chain, generating achievements in route planning for delivery vehicles, scheduling and controlling of digital manufacturing logistics and other fields. In the field of production logistics, with the help of four major services and products, namely intensive transportation, smart VMI, internal logistics and integration of delivery and packaging, and the development of digitalization and intelligence, Annto promotes the reform of supply chain business of Midea and the inventory is optimized and becomes visible. Preliminarily, there are fewer needs for human labors, a higher level of digitalization and more flexibility. VMI centers have been established in many production bases, providing services to thousands of suppliers at the same time. In the field of warehousing, equipped with AGV, stackers, circular shuttles and other intelligent devices, the first high-standard automatic warehouse for heavy cargo was established and went into service in 2021. Leveraging automatic code scanning, cargo-type testing, Goods-to-Person (G2P), automatic outbound and other advanced technologies, the warehouse achieves intelligent unmanned warehouse management. Meanwhile, large logistics distribution centers and thousands of pre-warehouses were established in more than 140 cities nationwide, with a total storage area of more than 6 million square meters. In the field of urban distribution, goods can be delivered from one city to another directly via the less-than-truck-load (LTL) distribution networks. Route planning helps realize optimal efficiency. Meanwhile, Annto strengthens the cultivation and expansion of end outlets, improving user experience. In the field of delivery and installation, in 2021, Annto established an integrated delivery, installation and post-sales platform and integrated online and offline businesses, and integrated sales, logistics, after-sales and other processes as well as all links within the after-sales system. It also established a model that allowed engineers of the platform to manage and pay directly, and standardized and visualized the delivery and installation process. Currently, the delivery and installation network has more than 3,000 delivery and installation outlets and over 32,000 professional engineers, covering more than 2,700 districts and counties in China. In 2021, the number of fulfilled orders exceeded 13 million. Tens of millions of users got delivery and installation services. Annto was also the leader in the field of domestic heavy cargo delivery service.

In terms of external business expansion, adhering to the business philosophy of building and sharing with customers, Annto provides strong support for corporate customers in promoting channel efficiency and sales growth. It focuses on industrial customers and industry in depth, while continuing to strengthen the construction of core capabilities such as LTL, urban distribution and integrated delivery and installation to steadily improve customer service experience, thus increasing its market share year by year. By providing customers with systemic solutions ranging from logistics services from raw materials to finished products, a shared inventory system from online to offline channels, ToB/C integration, to integration services of warehouse distribution logistics and integration services of delivery and installation, Annto assist enterprises to transform channels and boost supply chain efficiency as well as help customers develop continuously. Based on Midea's industry-leading experience of channel transformation and sound smart supply chain systems and networks, Annto has provided services to thousands of enterprises, with clients spanning many industries across home appliances, consumer electronics, food and beverage, maternal and infant, and household necessities and chemicals. In 2021, a "shared inventory system" supply chain innovation in Midea Group launched by Annto was included in the list of "Typical Cases of Deep Integration and Innovative Development of Logistics Industry and Manufacturing Industry" compiled by the Economic and Trade Department of the National Development and Reform Commission. Via "a shared inventory system" covering the whole channel, Annto further supports corporate customers in establishing a system to monitor the whole value chain operation indicators to continuously optimize costs and expenses, strengthen risk control capabilities, and provide data support for business decisions.

D. Promoted "Global Impact", enhanced localized operations overseas and accelerated the cooperative integration of TLSC

Midea further promoted its global business layout to solidify its global competency. It formulated a global supply cooperative mechanism, strengthened the global manufacturing network and localized operations overseas, optimized the global logistics and service system, and promoted product globalization and regionalization. Its overseas business spans more than 200 countries and regions in North America, South America, Europe, Asia, Africa and Oceania. Meanwhile, guided by the market and focusing on users, Midea builds a global user research network with foresight. Midea has established an organization

for local consumer and market observation, built a digital marketing ecosystem, implemented product lifecycle management based on the changing trends of user needs and consumption habits around the world, built user touch points throughout the entire chain, and continuously optimized and matched the retail operation system for the user-growth market. It has reconstructed the overseas sales operation system, continuously deepened the user-oriented digital transformation, and established end-to-end procurement as well as execution processes, tools, operation mechanisms and information connection for sales orders to achieve online and visual overseas planning and order execution. Midea exerted great efforts to build the intelligent overseas commercial system, constantly deepened its data-based business decision-making capability, and created a digital platform to facilitate mobile operations overseas. 23 overseas branches were covered. A total of 45 key indicators were included, such as sales, finance, supply chain, products, and e-commerce. Furthermore, real-time online business, data transparency and sharing, and early risk warning have become available for better operating efficiency in the key part of the overseas business.

In 2021, Midea made headway towards the Global Impact strategy that has focused on the United States, Brazil, Germany, Japan and ASEAN, and initiated a special campaign for overseas branding. It not only clarified specific plans for user segmentation, product maps, brand matrices and localization infrastructure construction in strategic markets, but also invested more resources in user insight, branding, product innovation and organizational consolidation to ensure the implementation of the relevant strategies. It kept improving the distribution of overseas channels, being customer-oriented and promoting the transformation of overseas channels into retail terminals. Midea added more than 43,000 overseas own brand sales outlets, with a cumulative total of over 150,000, and constantly promoted channel flattening to improve channel data transparency. By building an overseas data platform and introducing digital decision models and algorithms, it has improved cargo turnover efficiency. Midea achieved online scene-based, video-based, and livestreaming operation, as well as improved channel operation efficiency and capability, by experimenting with full direct operation, a shared inventory system, and shared warehouses, in addition to piloting the DTC model. Multiple product suites and key single products were released for the overseas online markets, which effectively enhanced customer royalty in the post-pandemic era. Midea has steadily increased its investment in the overseas e-commerce business. It established overseas e-commerce companies and formed special teams for the overseas e-

commerce IT system, improved the e-commerce organizational structure by introducing professional talents, and developed a digital system in line with business needs. In 2021, it achieved 65% year-on-year growth in overseas e-commerce sales, with an ever-increasing proportion of e-commerce sales. More than 40 Best Seller products were available on the e-commerce platforms in the United States, the United Kingdom, Germany, Italy and Brazil, with eight sub-categories ranking as the top three sales on Amazon in the United States. Furthermore, it has also gradually improved the Asia-Pacific regional e-commerce organization and achieved year-on-year growth of 145% during the annual e-commerce promotion in Southeast Asia. With accelerated expansions of e-commerce channels, Midea has plugged into local e-commerce platforms in more than ten European and American countries in 2021. Own branding was strengthened overseas. It expedited the pace of global breakthrough of its own brand by launching a special project for branding in North America. It strengthened its own brand penetration in key markets in multiple dimensions, including offline terminal retail experience, guide team development, social media campaign and whole-house product suite marketing. Midea reaches millions of overseas target users through sponsorship of well-known football clubs and sporting events in Europe, North America, South America and Southeast Asia; it continuously improves brand exposure and invests in digital marketing to escalate promotion in local market and further enhance Midea's global presence through marketing campaigns on live broadcasting platforms, social media, independent websites and search engines. Overseas platform building was improved to promote overseas user growth projects. A digital ecosystem of user growth was constructed with six major touch points: user co-creation, user services, brand official website, social media, overseas e-commerce and the MSmartLife App. With the best modes of overseas user data storage, content iteration and operation explored, an overseas customer data platform was created to promote overseas private domain traffic; the overseas manufacturing layout was further improved. To accelerate the model of "China-Based Supply for the World + Local Supply", Midea's new production base for refrigerators, washing machines and water heaters in Egypt has put into operation and will cover markets in the Middle East and Africa; the new production base for air conditioners in Thailand has completed test run and will further improve the manufacturing layout in Southeast Asia. A new manufacturing base was launched in Brazil to cover several key categories. In addition, the domestic refined manufacturing system was introduced and promoted in the overseas manufacturing bases, and overseas talent development was enhanced with respect to lean management, with an over-20% increase in manufacturing efficiency and an improvement

in global production and delivery capacity. The constantly refined EHS management system provides firm assurance for the safe and stable operation of the overseas manufacturing bases. Global logistics and service system was enhanced. On the one hand, it deepened cooperation with global strategic partners, and created a new mode of international logistics cooperation to effectively ensure the supply of logistics resources during drastic market changes. On the other hand, it improved the global service capability. Midea optimizes service networks of overseas iSERVICE system and cloud call center platform, and master data management of global outlets and service projects, and continues to construct fast-response and proactive global service system. Midea has successfully expanded the global service system to Indonesia, Malaysia, Thailand, Singapore and other key markets. The cloud call center platform was rolled out in many countries successively, and Midea Spare Parts Center has been put in place to build a global spart parts supply chain management network and drive digital and intelligent transformation, with an aim to ensure the timeliness and coverage of spart parts supply for the overseas business. The unified barcode of the whole value chain of production, logistics, sales and post-sales service has greatly improved service efficiency and user experience. Digital intelligence supported the development of overseas business, by pushing forward the online and automation of the whole business process, covering the front-end optimization of business and financial processes, and the new product launch process, as well as the back-end consolidation of the online management of inventory and post-sales, in order to better visualize the whole process. Based on the diversified channel structure and business characteristics of overseas markets, it developed an overseas channel collaborative platform to realize online business processing for customers of different channels and improve overseas channel manageability.

In 2021, the COVID-19 pandemic has remained a serious impediment to the Japanese market. The operation was further affected by rising raw material costs and exchange rate fluctuations. TLSC continued to deepen the synergy with the Group's product divisions in the value chain to ensure the supply of products despite the pandemic and tight sea freight resources, while safeguarding the safety of employees. Measures such as price adjustments through the launch of new products and enhanced sales activities, improved product mix, increased retail market share and tightly controlled non-operating expenses, so as to address the impact of rising product costs and other factors and ensure the accomplishment of the operating objectives and profit growth. The retail sales of the Japanese home

appliance market declined 3% compared to 2020, while that of TLSC bucked the trend and grew by 9%. Its market share of six major product categories combined has increased to 12.5%, with the respective market share of air conditioners, refrigerators, laundry appliances, microwave ovens and rice cookers continuously growing. Organizational structure and business model are transformed to adapt to market changes. Online sales team is further strengthened with the proportion of online sales consistently increasing. Domestic sales, post-sale organization system and network distribution are integrated and optimized to enhance organizational efficiency and vitality. TLSC continued to boost synergies with the Group and the relevant divisions on branding, R&D and innovation, supply chain integration, quality improvement, etc., so as to build a strong product portfolio for the global market together. By the end of 2021, the business of TLSC has covered more than 70 countries and regions.

E. Stepped up the comprehensive digitalization to materialize data- and platform-based operations in the whole value chain, and thus to become more competitive in the digital era

Focusing on “Digitization & Intelligence Driven”, Midea achieves changes in the format of products, drives hardware sales through software sales and intensifies contents and services; and achieves changes in business methodology, promotes reforms in research, production and sales, and fosters disruptive changes in existing business models through an Internet mindset and Internet tools. Midea has promoted business digitization and established a data business system. After years of digital practice, focusing on the development trend of industrial digitalization and the characteristics of industrial digitalization, Midea has established its SMART data business system. With process changes throughout the whole chain of data business, data governance to ensure data specification and availability, high-value data assets constructed relying on the public layer, data products and data applications have been created with data technology.

In the process of R&D, Midea has constantly focused on the strategy of “Technology Leadership”. In the digital and intelligent planning, aimed at data such as short-term market hotspots, mid- and long-term market trends and user research and feedback, a digital planning platform was established to achieve the integrated analysis of big data and small data in order to tap into user needs. Through digitalization, Midea quickly transformed its technology capability into popular products of high user perception. Dozens of new products have been created on the platform up to now. In the digital intelligent development, the

first year of digital simulation of Midea was launched. The unified digital simulation platform and the simulation talent system of Midea were established, and intelligent laboratories were built to realize the automation of testing. The digital R&D platform was built, and industrial software platforms in R&D such as GPM and MPLM were released and gone live in all R&D units to drive the transformation of efficient collaborative R&D mode. In the process of manufacturing, Midea has stepped up the development of 5G+ Industrial Internet of Things and launched the construction of several factories with 5G fully connected. It has completed the full coverage of the 5G network in eight parks of five product divisions, boosted the large-scale application of digital technologies such as 5G + AI and 5G + AR in quality management and won the fourth China Quality Award, with an evident improvement in product quality. In green manufacturing, based on the Industrial Internet of Things Platform, Midea has promoted the networked and intelligent upgrade of the energy management system. In the production plan, it achieved multi-constraint, multi-objective and multi-version scheduling schemes by a self-developed intelligent mixed-flow scheduling algorithm, which steadily improved production efficiency, with the planning and scheduling efficiency improved by 75% and the factory resource allocation efficiency improved by 8%. In the process of warehousing and distribution, the solution scene for the overall supply chain has been supported by T+3 plan connection, direct delivery, unified warehousing and distribution as well as shared inventory, to materialize the core competitiveness of supply chain and logistics services such as national integration services of warehouse distribution logistics, online and offline BC integration, delivery and installation integration. In addition, iterative upgrading was achieved via IoT, ultra-wide bandwidth (UWB), 5G, blockchain, big data, intelligent hardware, and other technical applications to shorten delivery time, improve efficiency and provide a robust guarantee for the implementation of Midea's strategy of "Direct to Users". In the process of marketing, Midea has driven the "Direct to Users" strategy with the "Digitization & Intelligence Driven" strategy, adhered to the customer-oriented principle and focused on building a digital, intelligent, personalized and open Midea Cloud Sales platform, which has supported the retail reform, C2M model, unified warehousing and distribution, direct-management and direct-payment services for engineers, and intelligent analysis of big data to further enhance the digital intelligent operation capability and platform operational level of all channels and the whole value chain. Meanwhile, the membership system jointly established with retail stores has attracted more users, encouraged them to take part in member activities, improved buying experience, and boosted user royalty. Specifically, offline members have covered more than 1,300 stores and the sales volume of members translated from

Enterprise WeChat reached around RMB10 million. In the process of after-sales service, the after-sales service reform has been steadily implemented to intensify users' service experience. Midea has taken the lead in the industry in user reputation on third-party e-commerce platforms, with service satisfaction close to 99% and service professionalism hitting 99.2%. Besides, it has also focused on digital intelligent services, with more than 2.7 million annual work orders handled by voice robots and over 20,000 customers served by video customer services in 2021. The convenient service, package purchasing and installing, was comprehensively pushed forward to forge engineers providing multi-category service. For set work orders, the completion rate of the same engineer reached 99.3%, and sales by engineers contributed more than RMB2.3 billion, with a year-on-year increase of 130%. Midea has strengthened the transformation of direct-management and direct-payment of after-sales outlets and engineers to constantly enhance the service efficiency, with the work order direct allocation rate of more than 70%, the percentage of direct payment amount accounting for approximately 90%. During the operation and management process, in-depth exploration is made in the best digital practice of talent development, and the establishment of talent analysis models, talent label systems and the talent portrait system is accelerated to lay a solid foundation for the intelligent application of human resources. Besides, aimed at standardizing the management procedure and improving operating efficiency and service quality, we have made continuous efforts to improve the employee management system. Midea has realized digital decision support, providing efficient and rich digital services and digital self-service analysis tools by data bank to improve data support for the whole value chain. By upgrading the mobile infrastructure, mobile applications are promoted in marketing, supply chain, etc. More digital scenes are created, and decision-making efficiency and the capability of comprehensive digitalization is enhanced. With respect to overseas operations, with the "International 632 Project" as the core, Midea continues with the digital transformation of its overseas business. The global order processing mechanism was launched to connect overseas marketing and manufacturing in an effective and automatic manner. To support the implementation of the strategy of "Global Impact", multiple key programs have been launched, including overseas e-commerce platforms, empowerment of overseas channels and retail stores, the T+3 system for overseas operations, the global capital platform, integrated global services, etc. Further, automation was promoted in overseas marketing to as a way to increase efficiency in the whole overseas value chain, and boost global competitiveness under the new circumstances.

Additionally, in response to China's goals with respect to "carbon emission peak" and "carbon neutrality", Midea has beefed up energy saving and emission reduction by relying on its strategy of "Digitization & Intelligence Driven". On one hand, M.IoT has connected each key node of energy use in manufacturing and production planning systems to enable transparent, visual and controllable energy efficiency management. Also, digital technologies have been adopted to upgrade energy management in the manufacturing process. So far, the digital transformation of energy efficiency management has been applied to nearly 20 factories, reducing energy consumption for the production of a single product by 15% as well as supporting upstream and downstream companies and external customers in carbon emission reduction. On the other hand, scene-based innovation and application extension in smart home featuring low energy consumption can help save energy and reduce emissions in the process of product use.

Midea has built a new data platform with manufacturing characteristics. By integrating large-scale offline computing, streaming computing, graph computing, data mining, machine learning, neural networks and other advanced big data technologies, it has connected the Group's research, production and sales data and integrated the Group's smart home, intelligent manufacturing, smart buildings, robots and other multi-industry, multi-terminal and multi-category data. With the integration of online and offline data in addition to product and service data, it has built core data assets with the core as B-end and C-end customers, to improve the "User One_ID" system and achieve asset-based, real-time and service-based data. In terms of asset-based data, Midea has improved the methodology of data construction and comprehensively built core data assets such as user domain, marketing domain, IoT domain and supply chain domain, and significantly improved data access and data construction. In the aspect of real-time data, through large-scale stream computing, data delay has been reduced to a millisecond level, covering more than ten business areas. Data timeliness has been improved to materialize cost reduction and efficiency improvement, with above 20% and above 50% respectively in some areas. As for service-based data, more stable, efficient and flexible data service has been built, and the stability of data service has been increased to above 99%.

Midea has comprehensively pushed forward the implementation of IoT technology platform, integrated the advantageous IT and R&D resources, and continuously deepened the PaaS technology platform to support departments and entities such as IT, IoT, Building Technologies, Midea Cloud, and Annto,

completing the deployment of domestic and overseas public and private clouds, and materialize the landscape of global multi-data centers operation and maintenance. As at the beginning of 2022, PaaS Technology Center has empowered 180 systems, with the number of service accesses increased 3 times. The total amount of API requests of PaaS components has increased tens of times, up to 6.75 billion times. The efficiency of internal system technology platform construction has increased by 10% and the server cost has reduced by 20%. Moreover, Midea has built a self-developed platform of container cloud and developed an industry-leading containerized business form, and the total number of IT systems connected to containers reached 138, with over 85% of the Group's microservice systems containerized. In the future, it will build elastic and stable container cloud architecture in order to empower the Midea Cloud Sales platform, reduce the cost and time spent on the self-developed platform, and improve system stability and reliability.

Midea has steadily enhanced its artificial intelligence (AI) technologies and further promoted the application of intelligent technologies. In 2021, Midea AI Innovation Center, with an R&D team of over 200 people, established AI technology R&D networks covering China and the United States to achieve continuous innovation in AI core technologies and implemented the applications in four major fields respectively, including home service robots, smart home AI empowerment, AI home brain, and edge intelligence, driving the application of products of AI technology in smart home. Among them, the voice full-chain technology has gradually been materialized in the voice front-end, speech recognition, natural language comprehension, speech synthesis and other fields. Besides, industry-leading innovative technology combinations such as the mix of dialects, intelligent wake-up, people discrimination by the voice, and proactive recommendations were also built. The independently-developed technologies related to voice/language have been applied to five formats of products, 11 product categories and 34 SKUs, and accumulatively serviced 1.1 billion user requests. Midea has achieved technological breakthroughs in computer vision. In virtual human technology, the full online real-time synthesis from two-dimensional images to three-dimensional images of the person has been materialized and the industry-leading 2D camera-based technology which is driven by live action and automatically generates emoticons has been developed. In the scene of smart home, a centimeter-level semantic map has been achieved and the low-cost standardized visual recognition hardware module has been successfully developed. Furthermore, the Midea team won second place in Track 2 at ICCV 2021 DeeperAction

Challenge in the world.

F. Promoted the strategy of “Digitization & Intelligence Driven” and accelerated the implementation of “Comprehensive Intellectualization” to “Customize a Smarter Midea Life for You”

In 2021, Midea upgraded the users' smart life, established a C2M digital platform for whole-house intelligent solutions, completed the platforms of Midea Cloud Sales, Midea Home Delivery and Midea Cloud Shelves as well as developed personalized whole-house solutions, which were available for users to place orders with one click and select SKU or product mix for different scenes at will. The whole-house intelligent terminal of Midea covered nearly 700 stores in China, and meanwhile, 100 stores rolled out the project of experience pavilion for whole-house smart home remodel to provide one-stop whole-house intelligent solutions for users. The sales of the solution for the whole-house space scene reached 180,000 orders in 2021, achieving a trading volume of more than RMB14 billion. As at the end of 2021, the MSmartLife App has cumulatively launched over 300 smart scenes, of which the execution exceeded 280 million times during the year. The number of connected Midea smart devices has increased by over 96% year on year, with 20% of families connected to multiple devices. In addition, the international version of the MSmartLife App now supports Thai and Vietnamese languages to back up the intelligence-based development of key overseas countries.

M.IoT has built a business value chain of Midea Smart Home, which is based on the life cycle of user experience and is customer-oriented, to provide users with whole-scene experience services and more quality ecosystem value-added services to create a pan-MSmartLife App ecosystem that focuses on “Customize a Smarter Midea Life for You”. It continues to turn a new page to meet the needs of customers. Midea has furthered in-depth cooperation with Huawei. With more than 230 types or 25 categories of HarmonyOS-based household appliances, it has made a leap from SKU cooperation to whole-house intelligence. In addition, it has reached strategic cooperation with Tencent Xiaowei in Smart Home. It can make the AI voice control to mainstream intelligent household appliances of Midea a reality through Tencent Xiaowei assistant. Moreover, Midea also has carried out strategic cooperation with China Electric Power Research Institute (“CEPRI”) and rolled out household appliances equipped with the energy-saving program of CEPRI to achieve the online regulation of load resources and two-way interaction with

the power grid, which promoted the efficiency improvement in addition to the safe and stable operation of the power grid, and proactively fuel the national strategy of “carbon emission peak” and “carbon neutrality”. Additionally, it has further deepened cooperation with overseas companies such as Google, Amazon and Apple, and continued to optimize the voice reciprocal experience of products to achieve multi-equipment, cross-brand, cross-platform and diversified service linkage. M.IoT open platform launched “Scene Configuration Platform” to further improve the development and access efficiency of scene linkage capabilities of scenes of all categories, with 78% of smart devices supporting scene linkage capabilities as at the end of 2021. Based on the health research results and big data analysis capability accumulated by Midea for many years, Midea has been able to provide users with personalized and comprehensive solutions for healthy sleep, diet and other scenes with Midea products as the core.

Based on users, environment and equipment data, Midea has created the “Air Cloud Housekeeper” intelligent algorithm function covering multiple products, which can achieve “cloud management” of devices for users through intelligent algorithms, meeting the needs of users in different scenes. Also, Smart Refrigerator AI Fresh-keeping Cloud Housekeeper has been launched to further iterate the algorithm of keeping food storage fresh, and to make adjustments in view of the users' preferences and ambient temperature, thus realizing precise temperature and humidity control. Smart Cloud Housekeeper points to the four frequent theme scenes of "air", "water", "diet" and "cleaning", steadily optimizes user experience and achieves the energy-saving goal. It adds the reminder function for appliance failure and service status updates, as well as generates reports with appliance operation based on data analysis to facilitate energy-saving control. In 2021, the monthly active users of Midea Smart Cloud Housekeeper grew more than 450% year on year. The APP has provided more than 6 million Midea users with more energy-saving, more comfortable, more convenient, safer and healthier digital family lives. Dozens of patent applications for innovative technologies have been submitted. Meanwhile, the “Electric Heating Cloud Housekeeper” has also been accredited with the first VDE energy-saving certification in the industry, saving up to 40% of electricity for users.

With the protection of user privacy and data security at the core, Midea has continuously built and improved the Midea smart home security system that is in line with the standards of the domestic and overseas industry, which has been CNAS and ISO 17025 certified. In early 2021, M.IoT cloud platform

and the MSmartLife App passed the assessment for classified protection of information system security. In October 2021, China Cybersecurity Review Technology and Certification Center issued the industry's first "IT Product Information Security Certification (EAL4+)" certificate for the Smart Home Communication Module of Midea. In the same period, Midea successfully passed the system certification of the Cross Border Privacy Rules ("CBPR") of Asia-Pacific Economic Cooperation ("APEC") and was accredited with the certificate issued by the Infocomm Media Development Authority ("IMDA") of Singapore. Besides, Midea was also accredited with the security certificate of Cloud Security Alliance ("CSA") issued by the British Standards Institute ("BSI") and the international standard certificate for Compliance Management in Relation to Antitrust and Data Protection ISO37301:2021. As such, M-Smart is considered industry-leading in terms of data security.

Midea redefines the intelligent standard of the industry and boosts the improvement of user connection experience through technological innovation. In May 2021, M.IoT issued the White Paper on Distribution Network Technology of "One Touch Smart Link" Appliance which redefines the standard of "link". Midea's household appliances are equipped with the "Automatic Discovery" and "One Touch Smart Link" functions, which realizes user insensitive distribution network and improves user experience. At the same time, Midea's products can be interconnected with OPPO cell phones to achieve the underlying communication protocols, increasing the success rate of network connection by 35%. The MSmartLife App has launched the network connection function "household appliances find friends", which refers that household appliances connected with a network can materialize a one-key network connection for household appliances yet to be connected, to avoid repeated operations and improve the experience of network connection. Furthermore, the international version of the MSmartLife App also supports one-key authorization in Alexa and users can control smart devices through the Alexa account with one key connection. Midea has released the industry's first whole-scene home IoT operating system developed based on OpenHarmony 2.0, which can provide new solutions for cross-brand and cross-category products in terms of interconnection, autonomous collaborations between devices, cloud-terminal integration, AI interaction empowerment and other issues, reduce the connection cost of ecosystem products, optimize collaborative innovation between industry chains, and provide developers and partners with a more convenient development environment and a more powerful application ecosystem. Midea has participated in the formulation of the international standard—Standard for General

Requirements of Evaluating Intelligent Performance of Household and Similar Electrical Appliances—by the Institute of Electrical and Electronics Engineers (“IEEE”), and proposed a more instructive grading standard for intelligent household appliances L0-L4, which provides a grading of the level of household appliance intelligence with user-side and product-side and fuels the standardized development of the household appliance intelligence industry. In October 2021, Midea also innovatively proposed the concept of “meta-home” which combined physical space, Internet space and virtual space. Based on basic technologies such as perception, communication, AI, big data and virtual reality, it could achieve the digital home twins, provide a new IoT application as well as interaction experience and allow users to enjoy more in-depth intelligent services.

G. In view of consumer stratification, launched multiple brands and diversified product portfolios, and enhanced the promotion of the core values of these brands to empower retail sales and user operation

COLMO serves high-end users with high-end smart products. Its overall sales reached over RMB4 billion in 2021, up 300% year on year. In terms of products, after three years of development, COLMO's high-end smart products have covered air conditioners, refrigerators, laundry appliances, kitchen appliances, water heaters, microwave-steamer-oven combos and other categories, and formed the four product suites of BLANC, TURING, EVOLUTION and AVANT, preliminarily establishing a leading high-end smart life solution in the global home appliance market. In 2021, COLMO launched the TURING Whole-house suite, the EVO Interstellar suite, the AVANT My Treasure suite and the Star Atlas suite to satisfy the pursuit of high-end smart scenes and pioneering designs by high-end users, further enriching and improving scene solutions. With a vision of "providing global high-end users with an all-inclusive high-end smart life solution", COLMO started the evolution and upgrade from high-end smart products to high-end whole-house smart systems in 2021, took the lead in proposing high-end intelligent control services centered on "Villa Intelligence Expert", and initially sketched a higher-end "intelligent control of the whole house" era. The COLMO products have won 14 international awards including the iF Award, the Red Dot Award, the IDEA Award and the PIN UP Award, covering air conditioners, refrigerators, washing machines, kitchen appliances and other products. In terms of the brand, as the promoter and leader of the COLMO Lifestyle, COLMO continues to cooperate with IPs in the fields of culture, film and art to inspire high-end

lifestyles with brand culture, and to present insights and thought on minimalist aesthetics and the COLMO Lifestyle in a multidimensional manner. The brand has cooperated with Ma Qingyun and his father Ma Boqian to film the micro documentary Less is More, launched the second season of Life Evolution, and worked together with director Jia Zhangke to create Behind China: Meeting the 1%, constantly leading the high-end lifestyle with "rational aesthetics". In terms of the market, COLMO has served more than 330,000 high-net-worth customers around the world, of which more than 16,000 have purchased 5 or more items. According to the data from AVC, the proportion of COLMO products in the high-end market has increased significantly in 2021, with floor-standing air-conditioners constituting about 36% of the market, wall-mounted air conditioners and water purification products above 20%, and front-loading washing machines close to 15%. In terms of sales channels, COLMO has been providing better whole-house smart experiences for high-end users. In 2021, COLMO further expanded the whole-house channel by setting up more than 300 experience halls and 40 experience pavilions. At present, nearly 7,000 stores and outlets have been arranged in the domestic market.

In 2021, WAHIN continued breaking the boundaries of traditional home appliance models. The brand insists on innovation, embracing the Generation Z with "Trendy Designs, Practical Functions and Fun Interactions". It continued focusing on exploring the potential of young users. Centered on product innovation, WAHIN deepened the brand marketing towards the young generation and spread the brand in different cultural circles with the virtual character "WAHIN Girl" being the spokesperson and a slogan of "It's your turn, young man!" Through innovative designs with a more youthful vibe, combined with a more intelligent user experience, the brand has made full efforts to promote various categories such as air conditioners, washing machines, refrigerators, kitchen appliances and small household appliances. WAHIN reported revenue of more than RMB5.5 billion, an increase of over 200% year on year. During the "618" promotion, WAHIN ranked among the top ten in the Tmall home appliance industry, and ranked fifth in sales on JD.com. WAHIN upgraded the digital remote controller and turned a new page of digital remote control in the air conditioning industry. During the "618" promotion, "WAHIN Girl" same series of air conditioners was launched, the brand exposure exceeded 120 million UV, and nearly 200,000 sets of this series were sold. Sales of WAHIN HA Series Wall-Mounted Air Conditioner exceeded 50,000 units in both the "618" promotion and the "Double 11" sale. Sales of the WAHIN 35HE1 product exceeded RMB100 million in the "618" promotion. During the "Double11" sale, sales of the WAHIN air conditioning

products ranked among the top five on Taobao and its related platforms. WAHIN launched an ultra-thin washing machine during the "618" promotion, which became a hot-selling item. Thanks to marketing models such as exposure through livestreaming among youngsters, the product sold 3,000 units in the whole network on the same day and RMB10 million for the whole month. During the "Double 11" sale, the sales of WAHIN washing machines reached over RMB50 million. The brand also launched the Dazzling Blue refrigerator collection, which enabled it to unify the visual design language, achieve rapid growth and improve the overall sales structure. During the "Double 11" sale, the sales of the products reached over 4,700 units, thanks to new marketing methods such as cross-field interactive livestreaming and scene-based content recommendation. During the "618" promotion, the short video of WAHIN refrigerator flagship store entered the Top-5 list of T-mall brand short videos. WAHIN Kitchen Appliance launched the WAHIN-dimension smart appliance suite, covering kitchen and bathroom appliances such as electric water heater, gas water heater, range hood stove, dishwasher and water purifier. With the fashionable color matching of orange and blue as well as the new experience of smart interaction, WAHIN kitchen appliance led the trend of household appliances by catering to customer needs for diversified scene experience. Sales of various categories were outstanding during the "618" promotion. In addition, WAHIN Vie6 8-set Dishwasher ranked first in the network sales of SKU. WAHIN's built-in products have also given a striking performance in 2021, with sales increasing by 100% year on year. In 2021, WAHIN continued exploring sales channels for its small domestic appliances on platforms such as JD.com, Tmall and Douyin, and promoted the development of products such as the foldable Little Sun which enables artistic space usage, and the circulation fans for both table and floor use.

H. Seized market opportunities amid domestic and international circulations, responded to China's goals regarding "carbon emission peak" and "carbon neutrality", made technological breakthroughs and innovations, and kept improving the ToB business landscape

In 2021, the Electromechanical Business Group has been transformed into the Industrial Technology Business Group. With the vision of "Technology Drives the Whole World" and the power of technological innovation to support the global industrial development in the new era, the Industrial Technology Business Group is dedicated to becoming the world's leading solution provider in intelligent transportation, industrial automation, green energy and consumer appliances. The Industrial Technology Business Group will

sprint for the revenue target of RMB100 billion within five years. It has established the Industrial Technology Research Institute and a strategic development organization in 2021. It focuses on both independent development and acquisitions, and improves the technology, product and market structures in four major areas. A complete industrial chain has taken shape, covering information, control, drive, and execution. Meanwhile, it continues to increase investments in the development of key and cutting-edge technologies. During 2021, it invested over RMB1 billion in R&D and introduced 400 more R&D personnel, in addition to greater effort made in the introduction of senior experts in the industry. The Industrial Technology Business Group made constant efforts for consumer appliances and consolidated its leading position in the industry. According to data provider ChinaIOL, in 2021, the unit sales of residential air conditioner compressors surpassed 100 million units, up 20% year-on-year and accounted for 42% of the global sales, representing the largest market share across the world. The unit sales of refrigerator compressor increased by 13% and represented 13% of the global sales, thus ranking at the forefront of the industry. The unit sales of motor for residential air conditioner and washing machine accounted for 40% and 20% of the global figures respectively. The domestic market share of in-car air conditioner compressor has doubled to 25%. Midea continues with digital and intelligent transformation to deal with workforce challenges in the future and keeps expanding and improving its capacities. The Foshan Xingtan Base was newly established to make a forward-looking layout in intelligent manufacturing of mechanical and electrical products. Midea has comprehensively automated, digitalized and intellectualized the production layout, process design and production management, seeking to build an Industry 4.0 intelligent manufacturing demonstration base in China and a world-class “Lighthouse Network” factory. Hitachi Compressor (Thailand) Ltd. (HCTL) was acquired and the integration work was steadily improved. It has significantly increased the production capacity of refrigerator compressor and improved the global supply of core components. In terms of product technology innovation, the three R&D projects of “Research and Industrialization of Key Technology for New High-efficiency Inverter Compressors”, “Research and Application of Pressure Difference Start Technology for Rotary Compressors” and “Research and Industrialization of Key Technology for New Generation Variable Frequency Motor System for Household Appliances” of the Industrial Technology Business Group passed science and technology appraisal held by China National Light Industry Council and was recognized as “Internationally Advanced”. The Industrial Technology Business Group puts more resources to core components of new energy vehicles, and develops core components of two-wheeled electric vehicles. In May 2021, the three major

product lines of drive system, thermal management system and auxiliary/automatic driving system were put into operation, and the five auto parts, i.e. drive motor, electric water pump, electric oil pump, electric compressor and EPS motor, were officially released. It has also developed the groundbreaking rotor electric compressor innovatively adopting natural refrigerant CO₂ which has the features of high efficiency, low noise, and light weight, and achieved the high-efficiency refrigeration and low-temperature heating, increasing the service life of heat pumps by 20% compared with traditional ones. These products have raised extensive attention and are recognized by the market. The Business Group has defined the development path of "industry marketing & technology sales & regions" in the field of industrial automation, proactively promoted the transformation of its marketing model, and released a series of new products and applications. Among them, the linear drive CDLB compact linear module has achieved a localization rate of more than 50% of the parts, and led the race between peers in performance with the positioning accuracy from 10 μ m to 2 μ m and the steady acceleration from 0.3g to 1g. The BDHDE rotating servo system has realized the pre-entry function of electronic nameplate parameter and EC function which simplify the operation and management of the product for customers. The R-series servo motor has advantages of 8000rpm rotate speed and short motor length, which has a wide range of technical applications. The Business Group has also introduced the Codesys Controller Programming Platform, which is the world's leading IDE platform applying open programming language in PLCopen standard and can seamlessly switch between controllers of notable brands. In addition, SERVOTRONIX has been awarded the title of "CDDIA Annual Influential Linear Driver Brand" by China Direct Drive Industrial Alliance (CDDIA) for three consecutive years. In the field of new energy, the Industrial Technology Business Group provides customers with low-carbon, digital, customized one-stop energy solutions based on its industry-leading high-voltage variable frequency drive products in intelligent micro-grid, energy storage, and SVG, which can be applied to centralized scenarios such as power plants, as well as distributed scenarios such as factories, schools and hospitals. Meanwhile, inspired by the concept of green and sustainable development, it actively implements the national dual-carbon strategy, and lays out products and businesses related to new energy storage in the field of power generation, grid, load and storage by virtue of nearly 20 years of power and electronics technology as well as the continuous talent introduction. Additionally, in the field of consumer appliances, the Business Group puts more resources in product lines of MCU, IoT, power supply and power chip. In 2021, it produced more than 10 million chips, and gradually expanded its chips business into the industrial control and automobile industry.

As a leading manufacturer of core components, the Industrial Technology Business Group has won many industry awards. For example, the relevant patented product technologies won six Excellence Awards at the 22nd China Patent Awards. The project of "New Sliding Vane High Efficiency Compressor Technology Research, Performance Evaluation and Application" won the "2020 China National Light Industry Council Technology Progress Award (First Prize)". "Ultra-efficient Variable Frequency Rotary Compressors" and "New Generation of BLDC Motor and its Smart Controller for Front-loading Washing Machines" were both awarded the 2021 AWE Core Chip Award. "New Generation of BLDC Motor for Ultra-efficient Air Conditioners" and "Rotary Compressors with Pressure Difference Start Technology" won the Gold Spike Award of China Household Electrical Appliance Industry Chain Conference. "Rotary Compressors with Pressure Difference Start Technology", "40 High-efficient and Wide-range Variable Frequency Scroll Compressor" and "BLDC Motor for Ultra-efficient Commercial Air Conditioners" respectively won the Innovative Product Awards of 2021 China Refrigeration Expo. And "R410A Jet Inverter Heat Pump Compressors" was awarded the Innovative Product Award of 2021 China Heat Pump Exhibition. In addition, "8HP Variable Frequency Enhanced Vapor Injection (EVI) Rotary Compressors" won HAPE 2021 Innovation Award. Besides, the project "Research and Industrialization of Key Technologies of New-structure Compressor for Low-temperature Super-heating" won the first prize of Science and Technology Progress Award of Guangdong Light Industry Council; the five products in series of air conditioner compressors, refrigerator compressors and air conditioner motors obtained the "Low-carbon Energy" certificate at the 2021 Development Conference of Eco-friendly Low Carbon Technology; the home appliance parts brand GMCC was granted the title of "Leader Brand of 2021-2022 Air Conditioner Compressor Industry" at the China Air Conditioner Industry Symposium; GMCC and Welling also won the "Golden Wisdom Award" and the "Top Ten Supply Chain Product" at the 2021 Development Summit of China HVAC Industry for the first time.

In 2021, Midea HVAC & Building Technologies has been reformed into Midea Building Technologies. After the upgrade, Midea Building Technologies has been dedicated to the construction of a digital platform, and supporting plentiful, changeable scene groups as well as flexible, personalized digital experience by "building facilities + digital technology + industrial ecosystem", by which it will facilitate the logistics, information, feeling and energy flows to provide an overall building solution of SMART IN ONE. In terms of market performance, Midea Commercial Air Conditioner has continued to rank first with respect to

domestic market share according to the data monitored by Industry Online and the Electromechanical Information of Commercial Air Conditioner Market in 2021. In terms of marketing, Midea Building Technologies provides industry-specific integrated solutions to customers in various fields. For example, at the first China Architectural Science Conference and Green Smart Building Expo, it presented comprehensive solutions for buildings in typical scenes such as smart rail transit, smart hospital, business complex, data center and smart plant; at the 22nd National Hospital Construction Congress and China International Hospital Construction, Equipment and Management Exhibition, it presented the "Solution of Midea Smart Hospital LIFE Flow". At the 61st National Pharmaceutical Machinery Expo (Fall 2021) and China International Pharmaceutical Machinery Expo (Fall 2021), it released the comprehensive solutions for the pharmaceutical industry. In terms of product breakthroughs, MeiKong, which is under Midea Building Technologies, has released the new brand "KONG", Building a Brand-new LIFE: China Building Automation White Paper, the strategy of KONG C3 SI, and other core products in Shanghai during 2021, which injected burgeoning power into China's building automation industry. In the same year, Midea Building Technologies produced thousands of centrifuges with a total cooling capacity of more than 1.2 million tons, marking the core technological capabilities of Midea and that domestic centrifuges have broken through the foreign technical barriers. "Air C+ Duct Type Air Conditioner Indoor Units", "Sinan Series Magnetic Variable Frequency Centrifugal Chillers" and "Three Pipe Heat Recovery Multi-split System" won the Innovative Product Award at 2021 China Refrigeration Expo. In the year, Midea Building Technologies also released the digital elevator strategy- starting the digital and intelligent era of elevators in all aspects by digital operation, independent electronic control platform, electronic security and intelligent technology. Meanwhile, it has launched the new elevator brand LINVOL with the positioning of the "expert in full life cycle management of elevators". In reliance upon the advanced industrial system of Midea Group, Winone independently designed and built the 32-meter heavy-duty escalators test tower for public transport. The project now has been put into use. The escalator in this project has a maximum height of 25m and an inclination angle of 30 degrees. It has a proven, safe and reliable technology and fully complies with Chinese rail transportation standards, with numerous technical parameters higher than European standard. As a heavy-duty escalator, it can perfectly handle extremely dense passenger traffic. In terms of technological innovation, Midea Building Technologies set up Midea Building Technologies Research Institute in 2021 to achieve the fully combination of human and architecture with digital technology and to build thoughtful smart buildings. Also, it has jointly established the Research Center of

Building Carbon Neutrality Technology with Shanghai Jiao Tong University. Many awards were won for the relevant technological achievements. For example, Midea's project of "Research and Industrialized Application of High-efficient and Energy-saving Key Technology for Wide-temperature-range Heat Recovery Multi-split Systems" (jointly applied with SJTU) won the second prize of Science and Technology Award of the 10th China Refrigeration Society, the first prize of Science and Technology Award of Guangdong Mechanical Engineering Society, and the first prize of Science and Technology Award Guangdong Machinery Industry Association. The project "Technology and Industrialization of Ultra-low-temperature High-efficient Energy-saving Air Source Heat Pump" (jointly developed with SJTU) won the Industry-University-Research Cooperation Innovation Achievement Award of China Industry-University-Research Collaboration Association. The independently developed project "Heat Recovery Multiple-unit and Intelligent Control System" won the Silver Award at the 72nd Nuremberg International Invention Exhibition in Germany. At the 2021 China HVAC Industry Development Summit, Midea Building Technologies won the "Golden Wisdom Award for Cooling & Heating Intelligent Manufacturing" in the fifth consecutive year, and the self-developed "Sinan-series Maglev Centrifuge" won the "Top Ten Product Award". Additionally, the relevant patented product technologies won six Excellence Awards at the 22nd China Patent Awards. GD Midea Heating & Ventilating Equipment Co., Ltd. and WINONE Elevator Company Limited were recognized as Guangdong Industrial Design Center. These honors and awards attest to Midea's technological R&D strength in building technologies. In terms of product services, Midea Building Technologies has also been committed to improving the standards toward the offerings of products and services. The first VRF, MDVS, multi-split reliability improvement standard proposed by Midea was fully affirmed by experts. Midea is committed to providing customers with overall solutions. For instance, in the "miracle of human engineering" Sichuan-Tibet Railway project, Midea built an overall solution covering HVAC, elevator and automatic control system for Lalin section which provides efficient, reliable and intelligent technology and equipment guarantee for the construction of important national transportation hubs. Midea Building Technologies provided an overall solution of "old machine replacement & load partition & multi-type equipment matching" for the national stadium "Bird's Nest" as the main venue of the opening and closing ceremony in Beijing Winter Olympics and Winter Paralympics to create an intelligent and low-carbon stadium. At the Dubai World Expo, it provided indoor air integrated solutions for high-quality temperature and air experience to Italy, Poland, Germany, Pakistan and Czech pavilions. In the 14th National Games, it made overall solutions to create an eco-friendly and intelligent

environment for 11 venues and supporting buildings, covering advanced equipment such as centrifuges, screw machines, and multi-split air-conditioners, which fully presented the technological capacity as an industry leader. In the project of Suzhou Metro Line 6, it provided a perfect solution of "efficient computer room & intelligent terminal & intelligent control system" for 31 stations of the line, helping Suzhou Metro achieve energy conservation and efficiency improvement.

With its leading product technology and perfect solutions, Midea Building Technologies is highly recognized by partners in various fields. For example, 16 of its projects have won the 2020-2021 China Construction Engineering Luban Prize (National Prime-quality Project). It has also won the "2021 Innovative Solution Award of China IDC Industry" at the China IDC Industry Annual Ceremony, and the title of "Top Ten Construction Equipment Suppliers of China Hospital Construction" at the 9th China Hospital Construction Award Ceremony. In addition, MeiKong has won the "2021 Top Ten Building Automation Brand Award" at the 2021 Intelligent Building Brand Awards Ceremony. In addition, Midea Building Technologies won the Long-term Cooperation Award for 10 Years of Vanke Group, the Innovative Product Award and the Industry Influential Brand Award at 2021 China Heat Pump Cogeneration Summit.

I. Promoted innovation in robotic product development, accelerated integration and expansion of the robotics business for the China market

KUKA, a subsidiary of Midea, is the first robotic manufacturer in the world to introduce sensitive lightweight robots into the production plant, as well as the first manufacturer with a product range covering collaborative robots, mobile robots and industrial heavy-duty robots. In 2021, KUKA launched a series of new products. In terms of digitalization, KUKA presented its new operating system iiQKA.OS at Hannover Fair. With this system, robot use will be greatly simplified and be as easy as cellphone use. The iiQKA.OS system is intended to serve as the basis for an entire ecosystem which provides access to robot accessories, programs and apps, etc. At the end of 2021, taking advantages of Industrial Internet of Things (IIoT), the new KUKA iiQoT platform can collect and provide the data of working condition of different robots in real time, covering aspects such as hardware, software and controller. Since it was regarded as Cloud Solutions, the remote monitoring of robot system has become more effective, and the condition data can be visited by users anytime anywhere. For the food and medical industry, KUKA released the "KR DELTA robot" -- the first delta robotics-- with a parallel kinematics. The new robot obtains

excellent performance at a much lower cost. Its arms can reach up to 1,200mm and the robot has a payload capacity of 6kg. As the latest product in KUKA lightweight robot portfolio, this robot is made entirely of stainless steel and can perform pick-and-place applications towards food and medicine. In respect of digital simulation, KUKA made public a new version of smart simulation software KUKA.Sim 4.0. The software is featured by a new level of simplicity, planning reliability and cost efficiency. It not only streamlines the workflow and saves time for customers, but also demonstrates its functions in multiple scenes. With regard to medical care, a Munich therapy center uses a medical product with an integrated KUKA robot, that is, The CyberKnife system of Accuray, as a high-precision instrument in tumor treatment. This product is an alternative to conventional radiotherapy and a breakthrough of KUKA robot in the medical field. In general industry area, the speed of KUKA KMP 600-S diffDrive can reach two meters per second. It not only possesses capacities of laser scanning and 3D object recognition but possesses a load capacity of up to 600kg, which also opens up new ways and increases flexibility for internal production's goods flow while providing support for production. In spite of welding large workpieces, the brand new KUKA Friction Stir Welding Cell known as cell4_FSW can procure higher weld strength. As it does not cause welding deformation easily, it is very flexible at the same time, historically solving the pain point of the industry. Quality Test Equipment developed by Germany Berghof, consisting of a KUKA KR CYBERTECH robot and a 3D scanner, won the "2021 Germany Innovation Award", which is used for checking the components and parts at the end of the assembly lines. Compared to the congeneric quality and safety test equipment for the components and parts of automobiles, the equipment has edges in cost and flexibility. In construction area, KUKA KR QUANTEC Machine will assist Belgium BESIX Group in reforming the traditional construction methods, printing concrete columns, sculptures and facade elements by 3D with the help of KUKA robot to have a quick and environmental effect. "KUKA NOX" Construction Robot, winning 2021 Red Dot Design Concept Award, is similar to a mobile 2D printer, which can enhance the efficiency of construction by printing identification information based on the digital modeling of architectural design, and achieve that customers and architects can check the construction site anytime anywhere in a virtual scene by applying the digital twinning technology in construction site. As for new businesses, KUKA's Swisslog creates automation systems that bring scalability, flexibility and lower costs to vertical farming, allowing them to be installed and maintained in a wide range of pre-existing and purpose-built spaces. These systems help broaden the applicability of growing crops and bring food production closer to urban consumers.

During 2021, in the automotive field, KUKA entered into a new cooperation framework agreement with the Daimler Group to extend the long-term partnership. The orders cover robots, production lines, KUKA robot controllers and other products, such as KR FORTEC heavy-duty robots and the new KR QUANTEC generation. KUKA also received orders from another global automobile manufacturer, with a total of tens of millions of euros. In the future, KUKA will join the body components of a premium SUV using a patented process of pierce riveting technology. By early 2022, KUKA has supplied BMW's Dingolfing factory with KR C5 Intelligent Robot Controllers of approximately 250 units for applying to manufacturing car doors and valves, and the power consumption can be reduced by up to 15% compared with the previous generation controller. In September 2021, KUKA received an order from MAGNA who is the supplier of G-class Mercedes cars and will build a fully automatic ladder production line for electric car models in Austria, where the heavy-load six-axis robot KR 1000 Titan will be used on the production line system, and will integrate KUKA's innovative welding technology that can meet the needs of electric vehicle production. KUKA also procured assembly lines of body base for Audi's midsize and luxury cars, and the order amounts to several million euros, where approximately 200 KUKA robots will be used on the line, covering manufacturing stages such as spot welding and bonding. At the beginning of 2022, KUKA even procured a project order from Ford Otosan who is the biggest commercial vehicle suppliers of Ford Motor in Europe, for which over 700 robots will be provided to produce Ford next-generation electric automobiles. In the general industrial field, the new order KUKA received from BACA System involved 100 KR 210 QUANTEC robots. For seven consecutive years, KUKA has been supporting BACA System with innovative robot solutions in the stone cutting industry and a total number of over 450 KUKA robots. In terms of logistics automation, in May 2021, Swisslog announced that the ZKW Group, the specialist for innovative, premium lighting systems and electronics, will use Swisslog automation to help increase manufacturing. With centerpiece of the installation being Tornado miniload cranes, Swisslog is expected to provide automation systems which cover QuickMove conveyor systems and SynQ management software. Throughout the pandemic, Swisslog has continued to support businesses with project realization for critical supply chains. It won 21 AutoStore orders with a total value of over EUR60 million in the first half of the year. These orders came from customers in different industries including Norwegian logistics provider Bring, Italian importer Andreas STIHL SpA, and German toy retailer ROFU. In December 2021, Swisslog procured a project order of millions of euros from European seafood e-commerce Rohlik who develops rapidly, and will provide automatic logistics solutions in Prague and

Vienna in Europe that will involve multiple solutions and software systems such as CycloneCarrier Shuttle solution, QuickMove conveyor system, and SynQ Software. Modern high-rack storage technology and warehouse management software system will be provided to Swiss Federal Railway (SFR) by Swisslog. In catering area, Ratio, a catering company located in Singapore orders 20 robots from KUKA again for mixing wines and making coffee, in order to expand the business. Besides, in June 2021, KUKA won the 2020 Stellantis First Supplier Awards for its timely, efficient and high-quality products and services provided. Stellantis was formed in January by the merger of Fiat Chrysler Automobiles (FCA) and Peugeot Citroen Group (PSA).

KUKA further accelerated integration and expansion of the robotics business in China, promoted transformation of the domestic marketing, and centered on applications and key customers. In 2021, KUKA China has launched 24 new products and applications, further enriching the domestic product offering. It provides customers with value-added services through digital applications, including six products such as KMP 600-S diffDrive Mobile Robot, KR 6 R600 Z200 CS Robot, Rail Logistics Transport System of ETV TransGuard System and Arc welding six-axis robot of KR6 R1440-2 Arc HW E, and 12 digital applications such as Smart Gateway External Beta of KUKA.Smart Gateway MV, KUKA Connect EasyPro 1.0, KUKA Center Spare Parts Service System and KUKA Digital Dashboard. KUKA China regarded Mobile Robot as an independent business to operate, established professional technical teams on noumenon, navigation and motion control of Mobile Robot, and issued the new product -- KMP 600I Automatic Mobile Robot that successfully participated in the 2021 Asia International Logistics Technology and Transportation System Exhibition (CeMAT ASIA). In order to improve customer service efficiency, expand service content and enhance customer stickiness, KUKA Center system was upgraded and developed by KUKA China, who comprehensively utilized all innovative technologies of mobile internet and information to establish a one-stop service platform for customers that crosses different terminals such as mobile phone, PC and phone and pulls through all business flows within industrial services. In order to ensure and accelerate the implementation of research and development projects, KUKA China established the first digital laboratory of Midea Group, which is also the largest laboratory in China's robot industry, covering an area of more than 10,000 square meters, while it can achieve experiments such as drive system validation, motor validation, reducer validation, controller development, development and validation of the operating system platform, MADA, robot system, development and validation of the

logistics vehicle, application software development and development and validation of the digital cloud platform, fully covering all validation demands including core components and parts, noumenon of robot and system application layer. What's more, KUKA China was recognized as "Guangdong ToB Technology Research Center" and "Guangdong Intellectual Property Demonstration Enterprise".

The customer structure of KUKA China kept improving in 2021, and sales in other industries accounted for a higher proportion of its total sales than sales in the traditional auto industry. In particular, the sales in industries such as electric vehicles, engineering machinery, new energy and consumer electronics increased significantly as a percentage of the total sales, and the sales to new customers accounted for more than 10%. In automobile area, domestic automobile customers increased by more than 100% year on year. KUKA China procured the first business in the truck industry, with an order of more than RMB100 million in total, involving KUKA's many products including automatic transportation system and modular manufacturing unit. In electric vehicle area, due to the rapid increase in sales of new energy automobiles, which drove the expansion of the components and parts of the upstream automobiles, KUKA strove to expand customers of this area such as Gestamp, Magna, Changchun Engley, Kunshan Xinjie and Wuxi Wanhua, and succeeded; it also won the order of Arc Welding Robot from the manufacturer of new energy transportation vehicles -- Jiangsu Jinpeng Group, successfully breaking through the competition pattern of the area. In new energy area, the lithium-ion business surged by over 350% year on year, and the lithium-ion and photovoltaic industries achieved the sales performance with over 1,000 units in a single industry, becoming the leader of these two industries. In consumer electronic area, a growth of 300% year on year was achieved and an important breakthrough was made in Apple's major contract manufacturers, which was highly recognized by customers. In general industrial area, the sales of Palletizing Robot broke through a thousand units, which was nearly a three-time increase year on year, and broke through among the head customers of the industries including the dairy industry, furniture and chemical industry; additionally, it procured orders from customers in glass industry and will supply hundreds of robots. In ToB machinery area, thanks to the "One Belt, One Road" development strategy, KUKA has successively obtained multiple orders of centralized procurement projects from Zoomlion, Shandong Shantui and Sany. In logistics area, Swisslog successfully won FILA's all-channel central warehouse project, with orders of tens of millions euros in total. As a benchmark of automatic three-dimensional warehouses in China's shoe and clothing industry, the project has a total floor area of

171,000 square meters, where the automatic logistics equipment such as light-load stackers, multi-storey shuttles and robots will be applied, and the leading technology - radio frequency identification (RFID) will be integrated to achieve the integration of multiple operating methods such as B2B and B2C. It can not only meet customers' various online and offline business processes and cover all direct stores in China, but also increase the efficiency by 200% upon completion. In addition, KUKA has been playing an active part in raising Midea Group's intelligent manufacturing level. By early 2022, the robot density of Midea is over 370 units per 10,000 persons. And this number is expected to reach 700 by in the next two years with greater investments in this respect.

J. Deepened the long-term incentive and protected the interests of shareholders

In 2021, Midea continued to encourage the core management to take responsibility for the Company's long-term development and growth by further enhancing its long-term incentive schemes. Midea has launched eight stock option incentive schemes, five restricted share incentive schemes, seven global partner stock ownership schemes and four business partner stock ownership schemes, which have helped, in a more effective manner, to align the long-term interests of senior management and core business backbones with that of all shareholders.

Midea Group protects its shareholders' interests by ensuring a consistent dividend policy. It shares its growth with shareholders by putting forward cash dividend plans (including that of 2021) with a total amount of more than RMB69 billion since Group listing in 2013. In addition to the consistent dividend payouts, the Company has carried out a string of share repurchase plans. Subsequent to a share repurchase of RMB4 billion in 2018, to further stabilize the market capitalization and protect the shareholders' interests, the Company has launched share repurchase plans for four consecutive years since 2019. And the repurchased shares would be used for equity incentive schemes and employee stock ownership schemes. For the year ended 31 December 2021, Midea has used approximately RMB13.6 billion for share repurchases.

3. Core Competitiveness Analysis

A. As one of the leaders among the global household appliance makers and a dominator in the major appliance sectors, Midea Group provides high-quality, one-stop home solutions through its

wide product range.

As a white goods and HVAC enterprise with a whole industrial chain and full product line, Midea Group has developed a complete industrial chain combining R&D, manufacturing and sales of core components and finished products, supported by an industry-leading R&D center and manufacturing technologies of core components (such as compressors, electrical controls, magnetrons and controllers), and ultimately based on its powerful capabilities in logistics and services. Midea owns top brands of household appliance and HVAC in China. Its dominance in the major appliance and HVAC markets means that it can provide a wide range of competitive product sets. It also means internal synergies in brand awareness, price negotiation as a whole, customer needs research and R&D investments. Compatibility, coordination and interaction among household appliances have become increasingly important since smart home is gaining popularity. With a full product line, Midea has had a head start in providing a combined and compatible smart home platform with integrated home solutions for customers.

B. Global R&D resource integration capabilities, adherence to the strategy of “Technology Leadership”, a global innovation ecosystem and a scientist system, as well as continuing lead in R&D and technical innovation

The Group is focused on building a competitive, multi-layered global R&D system. It has established a three-tier technical committee system and a four-tier R&D system responsible for the formulation and implementation of technology strategies, with an aim to build world-leading R&D capabilities. The interconnected technology strategies and mid- and long-term product planning serve as two drivers of growth. Midea currently focuses on 11 technologies in a bid to make breakthroughs with key technologies and achieve technology leadership. It has invested over RMB45 billion in R&D over the past five years, with the investment of RMB12 billion in 2021. In order to deepen its global technology ecosystem, the Group has set up a total of 35 research centers in 12 countries to gradually build up a “2+4+N” global R&D network and gain the advantage of scale in this respect. Domestically, Midea Global Innovation Center in Shunde District, Foshan City and Midea Global Innovation Center in Shanghai are the cores of Midea’s R&D arm. Overseas, with Midea America Research Center, Midea Germany Research Center, Midea Japan Research Center and Midea Italy Research Center as the cores, Midea makes use of the regional technological advantages, integrates global R&D resources, and builds these facilities into

complementary regional R&D centers. Following the strategy of “Technology Leadership”, it attracts more professional talent and builds an organic global R&D network. It has over 18,000 R&D personnel and over 500 foreign senior experts. While establishing its own research centers around the world, Midea also works on constructing an open platform of innovative ecosystems through integration of superior resources. On one hand, a global innovation ecosystem has been put in place to integrate resources of large companies, SMEs, universities, research institutes and consulting agencies. This R&D ecosystem has access to enormous resources. On the other hand, a scientist system has been established with eight academician workstations/workshops and 19 academicians with strategic cooperation on more than 100 R&D projects. The Group cooperates with domestic and foreign scientific research institutions, such as Massachusetts Institute of Technology, University of California, Berkeley, University of Illinois at Urbana-Champaign, Stanford University, Purdue University, University of Maryland, The University of Sheffield, Polytechnic University of Milan, Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, the Chinese Academy of Sciences, Harbin Institute of Technology, Xi’an Jiaotong University, Huazhong University of Science and Technology and South China University of Technology, in order to establish joint labs for deepening technological cooperation. The Group also carries out strategic cooperation with tech giants such as BASF and Honeywell to build a global innovation ecosystem. The Group’s long-term focus on building technology, marketing, design, product and open innovation systems, building a cutting-edge research system and building reserves in technology for mid/long term, has provided a solid foundation for the Group to maintain long-term technical superiority across the globe.

C. Stronger Global Impact fueled by Midea’s continual global resource allocation and investments, globally-advanced manufacturing capabilities and advantage of scale

The success of a series of global acquisitions and new business expansion moves has further solidified Midea’s global operations and leading advantages in robotics and automation. With the world’s leading production capacity and experience, and a wide variety of products as well as its production bases all over the world, the Group has been able to expand rapidly into the emerging overseas markets and is becoming a stronger competitor in those mature overseas markets. The Group is one of the biggest manufacturers in the world for many product categories, which gives it competitive edges in efficiency improving and cost reducing that its overseas competitors are unable to replicate. Overseas sales of the

Group accounts for more than 40% of the total sales revenue. Its products have been exported to over 200 countries and regions, and it owns 18 overseas manufacturing bases and 24 overseas operating agencies. Midea's global operations system has been further improved through the reform of international business organizations towards diverse business models. It also increases investments in overseas business operations, focuses on the needs of local customers and enhances product competitiveness in a bid to promote significant growth in its Own Branding & Manufacturing (OBM) business. In addition, with a deep knowledge and understanding on product characteristics and product demands in overseas market, Midea is promoting worldwide branding and expansion through global collaboration and cooperation. In this way, the global competitiveness of Midea is increasing steadily.

D. A complete and broad channel network and a well-established smart supply chain system ensuring the steady growth of Midea's domestic sales

With its continuous efforts, Midea has formed a multi-channel network which has a complete business layout and covers a wide range of areas, thus meeting the purchase needs of online and offline consumers for household appliances. Offline retail outlets have reached more than 100,000. Midea has created a network layout of comprehensive household appliance stores, co-branded stores of home decoration business, specialty stores of self-owned products, traditional retailers and e-commerce franchise stores. It provides easy access to Midea's products and services, covering the entire market from first-tier cities to townships. Particularly, Midea boasts a unique exclusive shop system in the industry with more than 15,000 outlets, where various needs of users from new decoration to updates can be met in home decoration stores, flagship stores, multi-category stores and community stores. In 2021, Midea set up business entities for pre-decoration operations, which have been faithfully driving the implementation of the intelligent transformation strategy and retail reform. It also focuses on "smart home" and "whole-house decoration solutions", as well as promotes deep cooperation with decoration, furnishing, building materials, design and other channels. Midea has built more than 880 smart home experience centers. Centering on three major capabilities of "whole-house home appliances & whole-house intelligence/ecology & hardware/software", Midea has realized one-stop service for users and created a diversified smart lifestyle by the construction of smart home experience centers for decoration. In the same year, Midea completed the construction of Midea Cloud Sales and related operating platform,

providing offline stores with professional digital platform supports such as capacity enhancement, purchasing guarantee, and user operation; it introduced ecological products of house decoration and household service to extend business categories for offline stores, and improved actuarial rate, order review timeliness and logistics efficiency to ensure store supply experience; additionally, it also forged online channels for offline stores by the Midea Home Delivery app, stimulated offline retail by trade-in service, group purchase and other new models, and optimized customer operation with member rights and Member's Day promotion. In 2021, Midea remained the best-selling household appliance manufacturer on major e-commerce channels such as JD and T-mall for nine consecutive years. Besides, in Pinduoduo, Douyin, Kuaishou and other emerging channels, Midea grows at a faster pace, driving sales and user growth through membership operation, as well as the offering of product suites and smart products.

Making full use of the digital technology, Annto Logistics Technology Co., Ltd. (Annto), a subsidiary of Midea, refines its nationwide logistics network through the big data technology to build a smart and digital distribution platform. Annto concentrates its resources on urban distribution and is able to provide fully visualized direct distribution services covering every town and village of the country. Relying on more than 140 urban distribution centers nationwide, it covers more than 99% of towns and villages across the country. It can finish the delivery to 30,739 (or 77% of) towns and villages within 24 hours and to 36,955 (or 93% of) towns and villages within 48 hours in the country. Additionally, Annto focuses on a shared inventory system for online and offline channels and the competitive edge of integrated delivery for the ToB/C business, refines its network of integrated delivery and installation services, drives connectivity through the whole process from manufacturing to sale, provides quality service solutions for various orders from customers, as well as comprehensively better the end user experience.

E. A user experience-oriented reform of “Comprehensive Digitalization and Comprehensive Intellectualization” that focuses on “Digitization & Intelligence Driven” to make Midea a leader in the IoT era

Midea has put in place and will prioritize the development of the Midea Cloud Sales commercial platform supported by unified data and technology platforms, the IoT ecosystem platform, and the Industrial Internet platform of “M.IoT”, with an aim to become a world-leading technology group driven by digitization

& intelligence. On one hand, it promotes deep integration of the digital technology and business in the whole value chain, with the view to becoming an icon in digitalization. On the other hand, with foresight, it plans for whole new products, services and business models centering on smart technologies, products and scenes, so as to outcompete Internet companies. With continual investment and research in artificial intelligence (AI), silicon chip, sensor, big data, cloud computing and other new technologies, Midea has built the biggest AI team in the household appliance industry, which is committed to enabling products, machines, production processes and systems to sense, perceive, understand and judge, driven by the combination of big data and AI, in order to reduce obstacles for man-machine interaction to the minimum and create smart appliances without any assistance in interaction. Focusing on “people and their family”, Midea builds a whole value chain of IoT. Breakthroughs have been made in user data protection, content operation for smart scenes, smart connection technology, the smart home ecosystem, cloud platforms, the smart voice function, the big data-based cloud housekeeper services, etc. By doing so, Midea is able to offer complete smart home solutions for users, as well as to empower its business partners.

Upon years of digital transformation characterized by “One Midea, One System, One Standard”, Midea has successfully materialized operations driven by software and data through its value chain, connecting end to end and covering planning and R&D, Product Ordering, intelligent scheduling, flexible manufacturing, coordinative supply, product quality tracking, logistics, installation & post-sale services, etc. The Group’s digital platform has made come true C2M flexible manufacturing, platform-based and modularized R&D, digitalized production techniques and simulation, intelligent logistics, digital marketing, digital customer service, etc. By way of integrating the IoT capabilities of its AI Innovation Center, Software Engineering Institute, IT Department, IoT Division, Smart Home Business Group, Robotics & Automation Division, Building Technologies Division, Digital Innovation Business and other organs, Midea has established a unified IoT technology platform. Its Industrial Internet platform has been upgraded to “M.IoT 2.0”, and four of its factories have been included in the “Global Lighthouse Network” initiated by the World Economic Forum, representing Midea’s powerful technology attribute and strong intelligent manufacturing capability. These practices are swiftly applied to other Midea manufacturing bases across the world. Based on these “Lighthouse” factories and the “Lighthouse Network”, Midea brings the relevant experience and services outside the Group to empower ecosystem partners and facilitate the transformation of China’s manufacturing sector. It has provided the relevant products and services for

around 300 customers in more than 40 market segments. Therefore, it is safe to say that Midea has built a solid foundation regarding Industrial Internet systems. While driving online systems and digitalization, Midea also adopts a systematic data-based approach to governance. A whole new data platform has been put in place to accumulate data assets and achieve integration of online and offline business data, as well as product and service data. Further, the “User One_ID” system has been refined to provide adequate data support for all business lines.

F. Sound corporate governance mechanism and effective incentive scheme to provide a solid foundation for Midea’s sustained and steady development

Paying close attention to the construction of a governance framework, regarding its corporate control, centralization and decentralization systems, the Group formed a mature management system for professional managers. The divisional system has been in operation for many years, and its performance-oriented evaluation and incentive mechanism featuring full decentralization has become a training and growth platform for the Group's professional managers. The Group's primary senior management team consists of professional managers who have been trained and forged in the operational practices of Midea Group. They have been working for Midea on average for more than 15 years, all with rich professional and industrial experience, deep understanding and insights of the relevant industries with respect to ToC and ToB, and accurate understanding of the industry environment and corporate operations management. The Company's advantages in such systems and mechanisms have laid a solid foundation for the efficient and effective business operations, as well as the promising, stable and sustainable future development of the Company. At present, the Company has launched eight Stock Option Incentive Schemes, five Restricted Share Incentive Schemes, seven Global Partner Stock Ownership Schemes and five Business Partner Stock Ownership Schemes for key managerial and technical personnel, in addition to the exploration and practices with respect to diversified stock ownership schemes of key innovative subordinates. As such, a governance structure has been put in place that aligns the interests of senior management and core business backbones with that of all shareholders, as well as comprises long and short-term incentives and restrains.

4. Analysis of Main Business

4.1 Overview

See contents under the heading “2. Business Scope in the Reporting Period”.

4.2 Revenues and Costs

4.2.1 Breakdown of operating revenue

Unit: RMB'000

	2021		2020		YoY Change (%)
	Amount	As a percentage of total operating revenue (%)	Amount	As a percentage of total operating revenue (%)	
Total	341,233,208	100%	284,221,249	100%	20.06%
By business segment					
Manufacturing	301,026,573	88.22%	256,694,589	90.32%	17.27%
By product category					
HVAC	141,879,146	41.58%	121,215,043	42.65%	17.05%
Consumer appliances	131,866,099	38.64%	113,890,764	40.07%	15.78%
Robotics & automation systems	27,281,328	7.99%	21,588,782	7.60%	26.37%
By geographical segment					
PRC	203,579,380	59.66%	163,139,841	57.40%	24.79%
Outside PRC	137,653,828	40.34%	121,081,408	42.60%	13.69%
By sales model					
Online	62,103,887	18.20%	58,244,327	20.49%	6.63%
Offline	279,129,321	81.80%	225,976,922	79.51%	23.52%

Note: Consumer appliances in the table above primarily include refrigerators, laundry appliances, kitchen appliances and small domestic appliances.

The Company's five business segments, namely the Smart Home Business Group, the Industrial Technology Business Group, the Building Technologies Division, the Robotics & Automation Division, and the Digital Innovation Business recorded revenue of RMB234.9 billion (up 13% year-on-year), RMB20.1 billion (up 44% year-on-year), RMB19.7 billion (up 55% year-on-year), RMB25.3 billion (up 23% year-on-year), and RMB8.3 billion (up 51% year-on-year) respectively during the Reporting Period.

4.2.2 Business segments, products, geographical segments or sales models contributing over 10% of the operating revenue or profit

Applicable N/A

Unit: RMB'000

	Operating Revenue	Cost of sales	Gross profit margin	YoY change of operating revenue (%)	YoY change of cost of sales (%)	YoY change of gross profit margin (%)
By business segment						
Manufacturing	301,026,573	228,641,881	24.05%	17.27%	18.90%	-1.04%
By product category						
HVAC	141,879,146	112,012,603	21.05%	17.05%	19.85%	-1.85%
Consumer appliances	131,866,099	95,279,340	27.75%	15.78%	16.85%	-0.66%
Robotics & automation systems	27,281,328	21,349,939	21.74%	26.37%	23.43%	1.87%
By geographical segment						
PRC	203,579,380	156,825,853	22.97%	24.79%	24.73%	0.04%
Outside PRC	137,653,828	107,700,146	21.76%	13.69%	18.27%	-3.03%
By sales model						
Online	62,103,887	44,995,271	27.55%	6.63%	5.65%	0.67%
Offline	279,129,321	219,530,728	21.35%	23.52%	26.01%	-1.56%

Under the circumstances that the statistical standards for the Company's main business data adjusted in the Reporting Period, the Company's main business data in the recent year is calculated based on adjusted statistical standards at the end of the Reporting Period

Applicable N/A

4.2.3 Whether revenue from physical sales is higher than service revenue

Yes No

Business segment	Item	Unit	2021	2020	YoY Change (%)
Home appliances	Sales	In thousand units/sets	562,677.2	507,591.4	10.85%
	Output	Ditto	585,074.7	510,986.9	14.50%
	Inventory	Ditto	87,636.3	62,511.8	40.19%

Reason for any over 30% YoY movements in the data above

Applicable N/A

The inventory of home appliances went up 40.19%, primarily driven by the increased sales and the pre-stocking.

4.2.4 Execution of significant sales and purchase contracts in the Reporting Period

Applicable N/A

4.2.5 Breakdown of cost of sales

Unit: RMB'000

Business segment	Item	2021		2020		YoY Change (%)
		Amount	As a percentage of total cost of sales (%)	Amount	As a percentage of total cost of sales (%)	
Home appliances	Raw materials	175,102,256	84.47%	144,479,295	82.56%	21.20%
	Labor costs	12,186,025	5.88%	11,066,122	6.32%	10.12%
	Depreciation	3,203,362	1.55%	3,009,985	1.72%	6.42%
	Energy	2,846,166	1.37%	2,567,340	1.47%	10.86%

4.2.6 Changes in the scope of the consolidated financial statements for the Reporting Period

Yes No

The detailed information of major subsidiaries included in the consolidation scope in the current period is set out in Notes 5 and 6. Entities newly included in the consolidation scope in the current period through acquisition mainly include Beijing Wandong Medical Technology Co., Ltd. and its subsidiaries and Hitachi Compressor (Thailand) Ltd. (please refer to Note 5(1)(a)), while details of those through incorporation can be found in Note 5(2)(a). The detailed information of subsidiaries no longer included in the consolidation scope in the current period is set out in Note 5(2)(b).

4.2.7 Major changes in the business, products or services in the Reporting Period

Applicable N/A

4.2.8 Main customers and suppliers

Major customers of the Company

Total sales to top five customers (RMB'000)	36,258,505
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Total sales to top five customers as a percentage of the total sales for the year (%)	10.63%
Total sales to related parties among top five customers as a percentage of the total sales for the year (%)	0

Information about top five customers

No.	Customer	Sales revenue (RMB'000)	As a percentage of the total sales revenue (%)
1	Customer A	22,103,723	6.48%
2	Customer B	5,424,006	1.59%
3	Customer C	3,802,787	1.11%
4	Customer D	2,607,532	0.76%
5	Customer E	2,320,457	0.68%
Total	--	36,258,505	10.63%

Other information about top five customers

Applicable N/A

Major suppliers of the Company

Total purchases from top five suppliers (RMB'000)	16,286,134
Total purchases from top five suppliers as a percentage of the total purchases for the year (%)	6.26%
Total purchases from related parties among top five suppliers as a percentage of the total purchases for the year (%)	0

Information about top five suppliers of the Company

No.	Supplier	Purchase (RMB'000)	As a percentage of the total purchases (%)
1	Supplier A	5,515,903	2.12%
2	Supplier B	3,588,607	1.38%
3	Supplier C	2,495,177	0.96%
4	Supplier D	2,356,026	0.91%
5	Supplier E	2,330,421	0.90%
Total	--	16,286,134	6.26%

Other information about top five suppliers

Applicable N/A

4.3 Expense

Unit: RMB'000

	2021	2020	YoY Change (%)	Reason for any significant change
Selling and distribution expenses	28,647,344	23,563,455	21.58%	
General and administrative expenses	10,266,283	9,264,148	10.82%	
Finance costs	4,386,111	2,638,032	66.26%	Increased interest income and exchange gains
Research and development expenses	12,014,907	10,118,667	18.74%	

4.4 R&D investment

√Applicable □N/A

Information about R&D personnel

	2021	2020	YoY Change (%)
Number of R&D personnel	18,105	15,265	18.60%
R&D personnel as a percentage of total employees	10.92%	10.23%	0.69%
Educational background of R&D personnel	—	—	—
Bachelor's degree	10,881	9,259	17.51%
Master's degree	3,934	3,182	23.66%
Doctoral degree	427	309	38.07%
Other	2,863	2,515	13.84%
Age structure of R&D personnel	—	—	—
Below 30	5,956	5,317	12.02%
30~40	9,532	7,831	21.72%
Over 40	2,617	2,117	23.60%

Information about R&D investment

	2021	2020	YoY Change (%)
R&D investment (RMB'000)	12,014,907	10,118,667	18.74%

R&D investment as a percentage of operating revenue	3.52%	3.56%	-0.04%
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Reasons for any significant change in the composition of R&D personnel and the impact

Applicable N/A

Reasons for any significant YoY change in the percentage of R&D investment in operating revenue

Applicable N/A

Reasons for any significant change in the percentage of capitalized R&D investment and rationale

Applicable N/A

4.5 Cash flow

Unit: RMB'000

Item	2021	2020	YoY Change (%)
Subtotal of cash inflows from operating activities	330,415,497	252,985,046	30.61%
Subtotal of cash outflows due to operating activities	295,323,793	223,427,929	32.18%
Net cash flows from operating activities	35,091,704	29,557,117	18.73%
Subtotal of cash inflows from investing activities	127,801,101	147,012,656	-13.07%
Subtotal of cash outflows due to investing activities	114,201,515	182,323,319	-37.36%
Net cash flows from investing activities	13,599,586	-35,310,663	138.51%
Subtotal of cash inflows from financing activities	21,145,221	54,749,413	-61.38%
Subtotal of cash outflows due to financing activities	52,349,760	55,505,708	-5.69%
Net cash flows from financing activities	-31,204,539	-756,295	-4025.97%
Net increase in cash and cash equivalents	17,001,531	-6,893,252	346.64%

Explanation of why the data above varied significantly

Applicable N/A

a. Primarily driven by a decrease in cash paid to acquire investments, net cash flows from investing activities increased 138.51% from last year.

b. Primarily driven by an increase in cash payments relating to other financing activities, net cash flows from financing activities decreased 4025.97% from last year.

c. Primarily driven by an increase in net cash flows from investing activities, net increase in cash and cash equivalents increased 346.64% from last year.

Explanation of main reasons leading to the material difference between net cash flows from operating activities during the Reporting Period and net profit for the year

Applicable N/A

5. Analysis of Non-Core Business

Applicable N/A

6. Assets and Liabilities

6.1 Material changes of asset items

Unit: RMB'000

	31 December 2021		1 January 2021		Change in percentage (%)	Explanation about any material change
	Amount	As a percentage of total assets (%)	Amount	As a percentage of total assets (%)		
Cash at bank and on hand	71,875,556	18.53%	81,210,482	22.40%	-3.87%	
Accounts receivable	24,636,440	6.35%	22,978,363	6.34%	0.01%	
Contract assets	3,823,476	0.99%	3,236,848	0.89%	0.10%	
Inventories	45,924,439	11.84%	31,076,529	8.57%	3.27%	
Investment properties	859,195	0.22%	405,559	0.11%	0.11%	
Long-term equity investments	3,796,705	0.98%	2,901,337	0.80%	0.18%	
Fixed assets	22,852,848	5.89%	22,239,214	6.13%	-0.24%	
Construction in progress	2,690,930	0.69%	1,477,302	0.41%	0.28%	
Right-of-use assets	2,297,354	0.59%	2,155,516	0.59%	0.00%	

Short-term borrowings	5,381,623	1.39%	9,943,929	2.74%	-1.35%	
Long-term borrowings	19,734,020	5.09%	42,827,287	11.81%	-6.72%	
Contract liabilities	23,916,595	6.16%	18,400,922	5.08%	1.08%	
Lease liabilities	1,533,552	0.40%	1,513,426	0.42%	-0.02%	

Indicate whether overseas assets account for a larger proportion in total assets.

Applicable N/A

6.2 Assets and liabilities measured at fair value

Applicable N/A

Unit: RMB'000

Item	Opening balance	Profit or loss from change in fair value during the period	Cumulative fair value change charged to equity	Amount provided for impairment in the period	Purchased in the period	Sold in the period	Other changes	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	28,239,601	-1,228,358	-		9,328,293	30,422,512	-37,822	5,879,202
2. Derivative financial assets	1,188,428	127,345	22,579		6,072	44,681	-928	1,298,815
3. Receivables financing	13,901,856					3,628,304		10,273,552
4. Other debt investments and other	21,456,155				5,832,000	14,156	210,323	27,484,322
5. Investments in other equity instruments	46,651		2,238			2,907	-235	45,747
6. Other non-current financial assets	3,360,849	932,704			2,008,271	342,329	-46,622	5,912,873
Sub-total of financial assets	68,193,540	-168,309	24,817		17,174,636	34,454,889	124,716	50,894,511
Investment properties								
Productive living assets								
Others								

Sub-total of the above	68,193,540	-168,309	24,817		17,174,636	34,454,889	124,716	50,894,511
Financial liabilities	180,736	-22,350	11,025				-2,762	166,649

Contents of other changes

Whether there were any material changes on the measurement attributes of major assets of the Company during the Reporting Period

Yes No

6.3 Restricted asset rights as of the end of this Reporting Period

As of the end of this Reporting Period, there were no such circumstances where any main assets of the Company were sealed, distrained, frozen, impawned, pledged or limited in any other way.

7. Investment made

7.1 Total investment amount

Applicable N/A

Total investment amount of the Reporting Period (RMB'000)	Total investment amount of last year (RMB'000)	YoY Change (%)
114,201,515	182,323,319	-37.36%

7.2 Significant equity investment made in the Reporting Period

Applicable N/A

7.3 Significant non-equity investments ongoing in the Reporting Period

Applicable N/A

7.4 Financial investments

7.4.1 Securities investments

Applicable N/A

Unit: RMB'000

Type of securities	Code of securities	Abbreviation of securities	Initial investment cost	Measurement	Opening carrying amount	Profit or loss from change in fair value	Cumulative fair value change	Purchased in the period	Sold in the period	Profit or loss in the period	Closing carrying amount	Accounting title	Funding source
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				met hod		value during the period	charged to equity								
Over seas listed stock	1810	XIAOM I-W	769,972	Fair valu e met hod	1,676,54 7	-711,567	-37,822			-	-711,567	927,158	Financial assets held for trading	Own fund s	
Over seas listed stock	DNK	Danke	172,190	Fair valu e met hod	35,126	-34,709	-417			-	-34,709	-	Financial assets held for trading	Own fund s	
Dom estica lly listed stock	688018	Espre sif System s	13,998	Fair valu e met hod	128,032	-114,034	-			-	163,348	35,316	Financial assets held for trading	Own fund s	
Dom estica lly listed stock	688165	EFORT	178,534	Fair valu e met hod	475,260	-82,948	-			-	-82,948	392,312	Financial assets held for trading	Own fund s	
Total			1,134,694	--	2,314,96 5	-943,258	-38,239			-	163,348	-793,908	1,319,47 0	-	--

7.4.2 Derivatives investments

√Applicable □N/A

Unit: RMB'000

Opera ting party	Rela tioni ship with the Com pany	Rela ted tran sac tion	Type of deri vati ve	Initial invest ment amount	Start ing date	End ing date	Open ing invest ment amount	Purch ased in Repo rting Period	Sold in Repo rting Period	Amou nt provid ed for impair ment (if any)	Closing invest ment amount	Closing invest ment amount as a percent age of the Compan y's closing net	Actual gain/loss in Report ing Period
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												assets		
Futures company	No	No	Futures contracts	105	01/01/2021	31/12/2021	105					71,790	0.0575%	241,206
Bank	No	No	FX derivatives	1,007,587	01/01/2021	31/12/2021	1,007,587	6,072	44,681			902,875	0.7231%	2,138,811
Total				1,007,692	--	--	1,007,692	6,072	44,681			974,665	0.7806%	2,380,017
Source of derivatives investment funds	All from the Company's own funds													
Litigation involved (if applicable)	N/A													
Disclosure date of the announcement about the board's consent for the derivative investment (if any)	30/04/2021													
Disclosure date of the announcement about the general meeting's consent for the derivative investment (if any)	22/05/2021													
Risk analysis of positions held in derivatives during the Reporting Period and explanation of control measures (Including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	<p>For the sake of eliminating the cost risk of the Company's bulk purchases of raw materials as a result of significant fluctuations in raw material prices, the Company not only carried out futures business for some of the materials, but also made use of bank financial instruments and promoted forex funds business, with the purpose of avoiding the risks of exchange and interest rate fluctuation, realizing the preservation and appreciation of forex assets, reducing forex liabilities, as well as achieving locked-in costs. The Company has performed sufficient evaluation and control against derivatives investment and position risks, details of which are described as follows:</p> <p>1. Legal risk: The Company's futures business and forex funds businesses shall be conducted in compliance with laws and regulations, with clearly covenanted responsibility and obligation relationship between the Company and the agencies.</p> <p>Control measures: The Company has designated relevant responsible departments to enhance learning of laws and regulations and market rules, conducted strict examination and verification of contracts, defined responsibility and obligation well, and strengthened compliance check, so as to ensure that the Company's derivatives investment and position operations meet the</p>													

	<p>requirements of the laws and regulations and internal management system of the Company.</p> <p>2. Operational risk: Imperfect internal process, staff, systems and external issues may cause the Company to suffer from loss during the course of its futures business and forex funds business.</p> <p>Control measures: The Company has not only developed relevant management systems that clearly defined the assignment of responsibility and approval process for the futures business and forex funds business, but also established a comparatively well-developed monitoring mechanism, aiming to effectively reduce operational risk by strengthening risk control over the business, decision-making and trading processes.</p> <p>3. Market risk: Uncertainties caused by changes in the prices of bulk commodity and exchange rate fluctuations in foreign exchange market could lead to greater market risk in the futures business and forex funds business. Meanwhile, inability to timely raise sufficient funds to establish and maintain hedging positions in futures operations, or the forex funds required for performance in forex funds operations being unable to be credited into account could also result in loss and default risks.</p> <p>Control measures: The futures business and forex funds business of the Company shall always be conducted by adhering to prudent operation principles. For futures business, the futures transaction volume and application have been determined strictly according to the requirements of production & operations, and the stop-loss mechanism has been implemented. Besides, to determine the prepared margin amount which may be required to be supplemented, the futures risk measuring system has been established to measure and calculate the margin amount occupied, floating gains and losses, margin amount available and margin amount required for intended positions. As for forex funds business, a hierarchical management mechanism has been implemented, whereby the operating unit which has submitted application for funds business should conduct risk analysis on the conditions and environment affecting operating profit and loss, evaluate the possible greatest revenue and loss, and report the greatest acceptable margin ratio or total margin amount, so that the Company can update operating status of the funds business on a timely basis to ensure proper funds arrangement before the expiry dates.</p>
<p>Changes in market prices or fair value of derivative products during the Reporting Period, specific methods used and relevant assumption and parameter settings shall be disclosed for analysis of fair value of derivatives</p>	<ol style="list-style-type: none"> 1. Gain from futures contracts during the Reporting Period was RMB241.206 million. 2. Gain from FX derivatives during the Reporting Period was RMB2,138.811 million. 3. Public quotations in futures market or forward forex quotations announced by the Bank of China are used in the analysis of derivatives fair value.
<p>Explanation of significant changes in accounting policies and</p>	<p>No change</p>

specific financial accounting principles in respect of the Company's derivatives for the Reporting Period as compared to the previous Reporting Period	
Special opinions expressed by independent directors concerning the Company's derivatives investment and risk control	The Company's independent directors are of the view that the futures hedging business is an effective instrument for the Company to eliminate price volatility and implement risk prevention measures through enhanced internal control, thereby improving the operation and management of the Company; the Company's foreign exchange risk management capability can be further improved through the forex funds business, so as to maintain and increase the value of foreign exchange assets and the abovementioned investment in derivatives can help the Company to fully bring out its competitive advantages. Therefore, it is practicable for the Company to carry out derivatives investment business, and the risks are controllable.

7.5 Use of funds raised

Applicable N/A

No such cases in the Reporting Period.

8. Sale of Major Assets and Equity Interests

8.1 Sale of major assets

Applicable N/A

No such cases in the Reporting Period.

8.2 Sale of major equity interests

Applicable N/A

9. Analysis of Major Subsidiaries

Applicable N/A

Main subsidiaries and joint stock companies with an over 10% influence on the Company's net profit

Company name	Company type	Business scope	Registered capital	Total assets (in RMB)	Net assets (in RMB million)	Operating revenue (in RMB)	Operating profit (in RMB)	Net profit (in RMB million)

				million)		million)	million)	
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	Subsidiary	Manufacturing of home appliances	USD158.58 million	20,073.58	8,079.99	16,603.86	2,175.90	1,937.06
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	Subsidiary	Manufacturing of home appliances	USD42 million	17,599.61	8,783.49	10,310.02	1,362.43	1,170.70
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	Subsidiary	Manufacturing of water heaters	RMB60 million	16,905.10	1,762.28	13,640.60	1,723.49	1,490.93
Wuxi Little Swan Electric Co., Ltd.	Subsidiary	Manufacturing of laundry appliances	RMB732,487,764	18,524.64	5,883.50	23,104.22	2,169.17	2,013.01

Acquisition and disposal of subsidiaries during the Reporting Period

Applicable N/A

The detailed information of major subsidiaries included in the consolidation scope in the current period is set out in Notes 5 and 6. Entities newly included in the consolidation scope in the current period through acquisition mainly include Beijing Wandong Medical Technology Co., Ltd. and its subsidiaries (hereinafter, "WDM") and Hitachi Compressor (Thailand) Ltd. (please refer to Note 5(1)(a)), while details of those through incorporation can be found in Note 5(2)(a). The detailed information of subsidiaries no longer included in the consolidation scope in the current period is set out in Note 5(2)(b).

10. Structured Bodies Controlled by the Company

Applicable N/A

11. Outlook for the Future Development of the Company

Development strategies of the Company

Midea adheres to the strategic focus of "Technology Leadership, Direct to Users, Digitization & Intelligence Driven, and Global Impact", focuses on "Comprehensive Digitalization and Comprehensive Intellectualization", and drives sustained growth in the five business segments under the guidance of the

strategic focus. Midea are built to grow on the back of advanced governance mechanism, future-proof values, and managerial mindset growth. Midea will continuously improve the governance mechanism by empowering responsibilities, rights and obligations, encouraging entrepreneurship and boosting organizational vitality, and establish a flat organization and optimization process. It will also adhere to the values of long-termism and altruism, truly put employees, users, customers and partners at the center of all things, and improve the EHS governance and ESG rating. Additionally, the Management needs to reflect on and challenge themselves, endeavoring to achieve all-round growth both spiritually and intellectually. Meanwhile, Midea will continue to improve the talent structure and build diverse teams that are inclusive and collaborative. Midea integrates global resources, follows the customer-oriented principle, and builds key technology barriers by way of technological innovation and quality improvement, so as to achieve global leadership with respect to principal product categories and new business breakthroughs, as well as to maintain technology leadership. It aims to establish direct connection with customers in terms of mindsets, products, buying, services, etc. through digitalization and intellectualization in its operations. Supported by data- and platform-based operations in the whole value chain, Midea strives to boost its business competitiveness and become more competitive in the digital era by implementing the strategy of “Digitization & Intelligence Driven”. It will also promote global operations and try to lay a solid foundation in this regard and enhance global impact through promoting its own branded products. It will promote efficiency driven growth by improving management, manufacturing and asset efficiency to create more cost efficiency. Additionally, it will strengthen its ToB business to build new business platform and growth points. It aims to create a better life for over 400 million users, major customers and strategic partners in different areas worldwide every year with satisfying products and services.

Key operation points in 2022:

In 2022, based on the core strategic focus with “Technology Leadership” as the core, Midea will promote development both in the ToB and ToC business, as well as carry out transformation in both the domestic and overseas operations. Midea will upgrade its existing operations and drive high-quality development through increasing added value of products, optimizing product structure, improving market layout, and adjusting the proportion of channels. It must be fully prepared to respond, decide and act swiftly to deal with possible problems and challenges in the future. Midea innovates and changes for greater growth. It

will adhere to the core strategy of "Technology Leadership" and the business philosophy of "Implement New Strategies to Boost New Growth Areas". It will continually upgrade existing operations and achieve further growth by enhancing perspective and breaking down established mindsets, and promote business growth by making full use of new technologies, new products, new structures, new markets, new channels, new pathways, new methods and new business models. With the dual-circulation and dual-carbon strategies at home and abroad, while upgrading the "Number One Engine" of the existing ToC business, Midea will seize the opportunities of domestic replacement and industrial upgrading to embrace ToB transformation to create new businesses and ignite the "Number Two Engine". Midea should focus on developing not only the core ToB businesses such as robotics and automation, building technologies, energy management, and smart travel, but also the transformation and upgrading of digital innovation businesses such as Annto, Midea Cloud, WDM and Midea Intelligent Lighting & Controls. Specific priority tasks are set out below:

a. Based on the core strategy of "Technology Leadership", Midea will establish a comprehensive research organization, increase investment in digitalization and R&D, improve talent structure, and carry out the task of scientific innovation, product innovation, technological innovation, business model innovation, and process innovation. Midea will resolutely increase R&D investment, build up R&D scale advantage, and continuously lay out key technologies, cutting-edge technologies, basic technologies, digitalization and intellectualization. By virtue of the two drivers of technology strategy and product strategy, as well as the three-tier technical committee and the four-tier R&D system, Midea will lead technological innovation according to product demand, and create the brand advantage for Midea in energy saving, health and intelligence; it will actively support the dual-carbon strategy and the "Green Strategy" of the Group, apply eco-friendly and low-carbon technology to products by technology innovation, help to save energy and reduce emissions in the life cycle of products, and lead the formulation of environment conservation standards to obtain the national green product certification of all categories of products; to promote the rapid application of scientific innovation by standard, it will implement the "3+1" strategy for standardization, and strengthen the formulation and revision of international standards. For the purpose of making breakthroughs and building key technology barriers in all the product categories, and promoting innovation of global products, product structure improvement and high-end strategy, it will continue to implement the "Three Generations" project, accelerate the application of research results, and retain the

"Number One Engine" of ToC business. In ToB business, it will cooperate with strategic partners by digital technology to increase the research on differentiated innovation technologies in new industries and foster the industrialization of innovation technologies. Also, in order to build up an R&D-centric innovation-driven model and maintain technology leadership in a comprehensive manner, it will continuously optimize the R&D network and scientist system, improve the "2+4+N" R&D framework based on regional technology advantages, adapt the R&D structure, introduce high-end talents, build R&D centers of new industries, expand the open-end innovative ecology, and explore the incubation mechanism.

b. Midea will keep a high-quality development direction and stick to internal, sustained and effective organic growth. In the process of implementing new strategies to boost new growth areas, the key for Midea's survival in competition lies in improving operational efficiency. Therefore, Midea will optimize the delivery cycle, enhance the inventory turnover, improve the cash cycle, and implement the shared inventory system. Being customer-oriented, Midea will strive to be "Direct to Users" through user research, user insight, product plan transforming and user operation. Midea will promote the T+3 business model reform and high-performance operations in the whole value chain in every link from product planning to after-sales service, so as to increase efficiency in the whole value chain and the data-driven efficiency. Channel reform will be firmly pushed forward for the front-end market in pursuit of better profitability. In order to win in competition, it is important to develop high-end products to refine the product mix. Breakthroughs must be made in a faster manner regarding small and major appliances, in addition to the promotion of products catering to new consumption trends. Newly established business entities will explore corporation-based development, actively carry out innovation and embrace new models and approaches, as well as strengthen breakthroughs with respect to new models, business, product categories and application areas. Midea will plan for, establish and refine business middle platforms, especially data and technology middle platforms. In the meantime, it will maintain overall consistency by sticking to "One Midea, One System, One Standard". In face of common problems such as fluctuations in exchange rates and prices of bulk raw materials, as well as sourcing management, Midea will firmly promote its internal coordination and sharing mechanism and keep perfecting the relevant solutions. It will also maintain effective investments, control non-operating expenses, increase labor productivity, improve human resource allocation efficiency, promote lean management and provide fresh impetus for continual growth through relentless innovation.

c. In the domestic market, based on the “Direct to Users” strategy, Midea will continue to deepen the reform of its organizational structure, improve retail capacity, and develop user insights and back-end capacity. Midea will also commit itself to intelligent experience terminals and user experience as part of efforts to connect with users' preferences. For channel transformation, Midea will take the operation center as the “main battlefield”, continuously empower and fully authorize the operation center. At the same time, Midea will optimize the platform of Midea Cloud Sales to improve the use experience of retailers in all aspects, and to ensure the enhancement of the operation center's capabilities. It will improve the efficiency of transformation from "Midea Home Delivery" to Midea offline microstore through the digital transformation of store responsibility system, data visualization, and online business moves. Meanwhile, it will establish the cloud warehouse network, enable terminal stores to focus on retail trade, and strengthen the scene display function for products in stores, to realize the whole-scene sales and goods delivery by cloud warehouse. Also, it will improve sales capability of product suites and scene-based display through the intelligent scene-based display in terminal stores, the 3D display in app of Midea Cloud Sales and "Midea Home Delivery", and the introduction of C2M professional customized tools for terminal shopping guidance to provide users with professional one-stop solutions. For the product marketing, Midea will accelerate the layout of product structure and the breakthrough of product suites, improve the product layout of new brands by enhancing the matching efficiency of potential customers and driving sales growth with new marketing and playing methods, and build emerging categories in advance by user insight; moreover, it will accelerate the online marketing transformation, promote business consistency, build integrated marketing capabilities online, and press ahead with mid-office capability building of users, content, live broadcasting, and data to continuously improve business efficiency. With regard to user operation, Midea will continue to uphold the principle of "Create Value for Users" and optimize product iteration, purchase experience and service experience based on user experience. Moreover, it will attract more members and provide more member privilege services as well as accelerate the operation of private domain traffic. In addition, Midea will invest more in intelligent devices to optimize user experience and improve user loyalty, and strengthen the support of data platforms and business intelligence. For the user service, in combination with the transformation of front-end business model, Midea will proactively promote the whole-house scene-based services and the construction of ecological chain in pre-installation scene, and create an integrated solution for whole-house package purchasing and installing services. Meanwhile, it will deepen the building of engineers'

service capacity, upgrade the system of service engineer operation, tie the service quality, engineer income to operation rules and promote the digital management on engineers, the intelligent dispatching by big data, and digital transformation of service providers to realize the leapfrogging breakthrough of service efficiency and quality.

d. On the overseas market, Midea will continuously optimize the product structure, build experience centers for overseas users with intelligent-based scene, and comprehensively promote the whole-house intelligent scene system and the upgrade of intelligent terminals to build a product competition system with high added value. It will improve channel efficiency and flattening, enhance product turnover efficiency, explore direct retail and the shared inventory system, and attempt to implement the DTC business model. In response to building the capabilities of terminal retail operation and direct access to users, it will continue to improve the breadth and depth of the network layout of offline channels, expand the coverage of overseas sales outlets, and drive retail transformation and the “Direct to Users” capability. Also, to enhance the competitiveness of online channels, it will accelerate the key capacity building of overseas e-commerce, and improve cross-border logistics, user research and digital marketing. It will propel the digital transformation and reform of overseas business, improve logistics and storage capacity in the project of global digitization, optimize the network of after sales service and spare parts, and promote the overseas iService3.0 digital after-sales service system. It will strengthen local manufacturing coordination to greatly shorten the delivery cycle and increase product competitiveness. Furthermore, it will propel the end-to-end process sorting and reconstruction in business scenes of export, and improve accuracy, consistency and visualization of data flow to make progress in operation efficiency of value chain.

In 2022, TLSC will continue to be customer-oriented, respond faster to market changes, and achieve reasonable revenue growth under the premise of continuous improvement of operating quality. Due to the impact of COVID-19, risks such as rising shipping costs, shortage of transportation capacity, rising raw material costs, and exchange fluctuation will persist. TLSC will proactively make response in these situation by strengthening communication with key customers and collaboration in all parts of value chain, and accelerate self-reform. It will proactively experiment with new methods and models to improve management effectiveness, optimize organizational system and invigorate teams, enhance retail

capability to increase market share, and continuously make progress in product structure to increase product added value and ensure profitability.

e. In 2022, in light of different needs from different consumer groups, Midea will carry out long-term planning, improve its multi-brand matrix, and refine its high-end brand portfolio. The cultivation of COLMO, the brand targeting high-end consumers, is an important strategy of the Group. It will continue to explore new approaches in R&D and marketing, refine its product mix, and keep innovating. It is to enhance whole-house smart products, expand its channel network, and upgrade the scene-based and smart experience at the retail end to boost sales. WAHIN will cater to the new trends of young people, and constantly innovate in product and marketing side to cultivate young users and deepen the brand image. Therefore, WAHIN will launch flagship product suites in all categories to provide young users with the experience in personalized whole-house intelligent scene. Furthermore, WAHIN will carry out promotional activities around different circles of young people at major marketing nodes such as Spring Festival, "618" and "Double 11", in which various trending cultures and innovative forms like college music festival, entertainment and sports, and anime will be included.

f. Midea will boost its competitiveness in the digital era by implementing the strategy of "Digitization & Intelligence Driven". It will strengthen the building of Midea as a digitalized enterprise, improve the digital operational methods and systems, support the integration of every link of Midea's value chain by digital means, and create value by optimizing key operating indicators such as cost, efficiency and revenue through digitalization. Effort will also be made to refine the Midea Cloud Sales platform and promote digital reform in marketing to support the "Technology Leadership" and "Direct to Users" strategies. Midea will further build and optimize digitalized Industrial Internet factories and promote green, intelligent manufacturing. And it will strengthen digital support for the "Global Impact" strategy. Measures to be taken include enhancing the data platform and data governance to promote data-driven improvement in operations.

Being customer-oriented, Midea will build the capability for making whole-house intelligent solution in whole process and the capability for whole-house intelligent business in a closed loop, improve sales ability in whole-house intelligent scene by convenient business links, continuously iterate and release whole-house intelligent solutions to support different terminal business forms, establish Midea whole-

house intelligent open-end platform, and fully support the ecological cross-industry cooperation with home decoration and household products to provide customers and partners with efficient digital tools. Through promoting high-performance operations in the whole value chain with data, Midea will provide plentiful intelligent life experience to customers with cooperative partners. Based on Midea's years of research results on health mechanism, and functions of big data and AI, Midea will provide users with more personalized and all-round solutions for healthy life. Combined with users' habits and big data, the intelligent scenes will be recommended for users to promote the creation and enjoyment of intelligent scenes. By introducing ecology-based entry, Midea will create cases for the MSmartLife App under the self-built ecological benchmark and explore new experience and new mode of smart home appliances. In addition, Midea will optimize the MSmartLife App to realize intelligent devices' closed-loop capability of network connection and device control, and, in order to further enhance user experience, Midea will provide users with functions to link online or offline. Centering on key technology breakthroughs, Midea will promote the development of smart home appliances in the direction of active service and robotization. It will develop a home-service robot with the functions of whole-house linkage, safety protection and life assistant in 2022.

Midea will build a model platform in the IoT industry and a business platform of meta-home to realize the concept of digital twin, and invent a multi-modal perception algorithm to support intelligent original applications. In the next stage, it will upgrade the M.IoT operating system, support the M-Smart 4.0 protocol, provide execution capabilities for device localization, and realize the decoupling of device system from applications to support the new software developing mode of "Home Appliance Plus Computer". Also, Midea will deepen the cooperation between schools and enterprises to explore the next generation of IoT architecture in smart home appliances, and lay out multiple data centers worldwide to build an integrated global IoT cloud platform. Furthermore, Midea will realize the productization of open interface on platform and data open capabilities to empower industry solutions and improve the efficiency of intelligent scenes development. On data management, Midea will consolidate data technology and promote business digitalization to establish a stable, efficient and user-friendly group data common layer through advanced big data technologies including large-scale offline computing, streaming computing, graphics computing, machine learning, and hyper-scale graphics neural network. It will also upgrade core data assets, construct the "User One_ID" 2.0, and provide all-round data support service for each

business system on the grounds of asset-based data, real-time data, and service-based data. Additionally, it will promote digital and intelligent transformation in each business, strive to create the benchmark of "manufacturing data platform", focus on digital product planning and digital product operation, improve channel efficiency by digital automatic stocking and replenishment, and upgrade internal data monitoring and decision support platform.

g. Midea will dedicate itself to driving new growth in the core ToB business, constantly expand the business boundaries and accelerate business growth, and rapidly layout, enter into and occupy the market of new business. In 2022, focusing on the field of new energy automobile parts, Midea will realize the comprehensive improvement in customers, products and manufacturing capabilities, that is, it will shift to mass production from project acquisition to cover more mainstream customers, improve competitiveness in three major product lines (i.e. thermal management, main driver, auxiliary/intelligent driving) and other technical fields to gradually implement the development plan of "Parts - Components - Systems", and carry out mass production at the new base in Anqing, Anhui to help the product of central motor in E-bike rapidly enter into the European and American markets. In the field of industrial automation, Midea will further improve the motion control solutions in robot, semiconductor and consumer electronics. In the field of green energy, Midea will drive a full offering of energy storage products and solutions. With respect to consumer appliances, Midea will promote the mass production of valve products and chips, and make breakthroughs in sales.

h. Midea will beef up KUKA's localized operations in China, increase investment in the development and application of robotics, as well as foster R&D innovation of core components and software systems. In terms of marketing, Midea will maintain leadership in the auto sector and take active steps to explore new areas including new energy, general industrial manufacturing, electronics, medical care and logistics, services, etc. Concerning operation, it will concentrate on R&D, supply chain management, high-performance operations and digitalization, among others, so as to build the core competitiveness of the robotics and industrial automation business in a faster manner.

Risks Faced by the Company and Countermeasures:

A. Risk associated with the COVID-19 pandemic

The fluctuations and repeated outbreaks of the COVID-19 pandemic may impact the demand, production and sales of the Company's products and services. Pandemic control measures, such as lockdown, social distancing, and travel restrictions, reduce customer mobility. Other consequences include limited production and operations in some regions, the shutdown of retail outlets, suspended customer operations, and increased logistics costs. All these factors bring about uncertainties and challenges to the normal functioning of the Company and the market environment.

B. Risk of macro economy fluctuation

The market demand for the Company's consumer appliances, HVAC equipment, industrial robotics, among other products, can be easily affected by the economic situation and macro control. If the global economy encounters a heavy hit and consumer demand slows down in growth, the growth of the industries in which the Company operates, may slow down accordingly, and as a result, this may affect the product sales of Midea Group.

C. Risks in the fluctuation of production factors

The raw materials required by Midea Group to manufacture its consumer appliances and core components primarily include different grades of copper, steel, plastics and aluminum. At present, the household appliance manufacturing sector belongs to a labor intensive industry. If the price of raw materials fluctuate largely, or there is a large fluctuation in the cost of production factors (labor, water, electricity, and land) caused by a change to the macroeconomic environment and policy change, or the cost reduction resulted from lean production and improved efficiency, as well as the sale prices of end products cannot offset the total effects of cost fluctuations, the Company's business will be influenced to some degree.

D. Risk in global asset allocation and overseas market expansion

Internationalization and global operations is a long-term strategic goal of the Company. The Company has built joint-venture manufacturing bases in many countries around the world. Progress has been made day by day regarding the Company's overseas operations and new business expansion. However, its efforts in global resource integration may not be able to produce expected synergies; and in overseas

market expansion, there are still unpredictable risks such as local political and economic situations, significant changes in law and regulation systems, and sharp increases in production costs.

E. Risk in foreign exchange losses caused by exchange rate fluctuation

As Midea carries on with its overseas expansion plan, its overseas sales have accounted for more than 40% of the total revenues. Any sharp exchange rate fluctuation might not only bring negative effects on the overseas operations of the Company, but could also lead to exchange losses and increase its finance costs.

F. Market risks brought by trade frictions and tariff barriers

Due to the rise of anti-globalization and trade protectionism, China will see more uncertainties in export in 2022. The trade barriers and frictions of some major markets will affect the export business in the short run, as well as marketing planning and investment in the medium and long run. Political and compliance risks are rising in international trade. These can mainly be seen on compulsory safety certificates, international standards and requirements, and product quality and management systems certification, energy-saving requirements, the call for increasingly strict environmental protection requirements, as well as with rigorous requirements for recycling household appliances waste. Trade frictions caused by anti-dumping measures implemented by some countries and regions aggravate the burden in costs and expenses for household appliance enterprises, and have brought about new challenges to market planning and business expansion for enterprises.

In face of the complicated and changeable environment and risks at home and abroad, Midea will strictly follow the Company Law, the Securities Law, the CSRC regulations and other applicable rules, keep improving its governance structure for better compliance, and reinforce its internal control system so as to effectively prevent and control various risks and ensure its sustained, steady and healthy development.

12. Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. in the Reporting Period

Applicable N/A

Date	Place	Way of visit	Type of visitor	Visitor	Discussions	Index to main inquiry information
18 March 2021	Midea Group HQ	By phone	Institution	BOCIM, New China Fund, Taiping Asset Management, Ping An Annuity Insurance, SWS MU Fund Management, Kaiyuan Securities, Fullgoal Fund, and CICC Securities	1. Midea's new business structure and strategic focus? 2. Midea's planning and strategy for overseas sales in the near future? 3. KUKA's latest condition and future development? 4. What are the positions for WINONE Elevator and WDM, which were acquired in the past year, in Midea's business landscape in the future?	Log Sheet of Investor Relations Activities for 18 March 2021 disclosed on www.cninfo.com.cn
17 May 2021	Midea Group HQ	By phone	Institution	The Company's investors	1. What major risks will the Company be exposed to in its future development? 2. Since intelligent home appliance products are the market trend, what are the Company's plans for its development in this section? 3. What are the Company's current arrangements for its overseas capacity? What products will Midea make with its new overseas capacity in the future? 4. Against the backdrop of a hike in the price of raw materials, how is the increase in the prices of overseas orders of Midea going? Will the price increase affect the profit margin? 5. What about the current overall performance and progress of the internal channel reform of Midea? 6. What are the Company's priorities when it continuously expands its diversified ToB business? What are the expectations for miscellaneous ToB business? 7. Is the overall KUKA business exposed to the risk of goodwill impairment? 8. Given that the development of small domestic appliance products in the Company's overseas OBM business is weak, will the Company expand its global small domestic appliance business via	Log Sheet of Midea Group Investor Relations Activities 20210517 disclosed on www.cninfo.com.cn

					cross-border e-commerce?	
11 June 2021	Midea Group HQ	By phone	Institution	Shanghai Kuandu Asset Management Co., Ltd., China Securities Co., Ltd., China Life Asset Management Co., Ltd., Boc International (China) Co., Ltd., Bank of China Investment Management Co., Ltd., Bank of Communications Schroder Fund Management Co., Ltd.	1. What about the synergy of WINONE Elevator in the aspect of intelligent buildings? 2. What about the current status and future outlooks of the Electromechanical Business Group? 3. What about the business plans of KUKA China? 4. Though the pandemic in the last year has contributed to a leap forward in the small domestic appliance sector in China, the development of Midea's small domestic appliances is still weak. Is there any solution?	Log Sheet of Investor Relations Activities for 11 June 2021 disclosed on www.cninfo.com.cn
29 June 2021	Midea Group HQ	By phone	Institution	AIA Life Insurance Co., Ltd., Huatai Securities Co., Ltd., Maxwealth Fund Management Co., Ltd., Boc Samsung Life Insurance Co. Ltd., Ping An Annuity Insurance Company of China, Ltd., and Zhong Ou Asset Management Co., Ltd.	1. Given that the pandemic in the last year has offered many small domestic appliance companies development opportunities, how will Midea develop its small domestic appliance business? 2. Given that more and more companies have announced their plans in the sector of alternative fuel vehicles recently, what are Midea's plans for this sector? 3. Is Midea affected by the current global microchip shortage? What are the solutions? 4. What do you think of the competitive landscape and market performance of residential air conditioners? 5. What about the Company's performance at the 6.18 Shopping Festival?	Log Sheet of Investor Relations Activities for 29 June 2021 disclosed on www.cninfo.com.cn
20 July 2021	Midea Group HQ	By phone	Institution	ABC-CA Fund Management, New China Asset Management, Gfund Management, Dacheng Fund, Horizon Asset, Ningquan Investment	1. What were the Company's expectations for COLMO in 2021? 2. Given multitudinous players in the small domestic appliance market, how will Midea catch up in products with weak competitiveness? 3. As the global pandemic is gradually under control, how will Midea overcome the	Log Sheet of Investor Relations Activities for 20 July 2021 disclosed on www.cninfo.com.cn

				t, Xingyin Fund Management, Pengyang AMC, CICC Asset Management, Invesco Great Wall Fund Management, Anxin Asset Management, and Huatai Securities·Self-operated	influence exerted by the operational resumption of rivals? 4. What about the current status and strategies for the future development of KUKA? 5. How is the export of Industrial Internet of Things (IIOT) and digital solutions going?	
30 July 2021	Midea Group HQ	By phone	Institution	E Fund, GF Securities, China Asset Management, China Universal, China Southern Asset Management, Yinhua Fund, Bosera Funds, Harvest Fund, ICBC Credit Suisse Asset Management, Invesco Great Wall Fund Management, and CITIC Securities	1. What about the market performance of the Electromechanical Business Group? 2. Why does Midea begin to incorporate medical services into its diversified business? 3. What measures has Midea taken to increase the percentage of the OBM business? 4. What about the current business picture and profitability of TLSC? 5. What about the business development of the HVAC & Building Technologies Division?	Midea Group: Log Sheet of Investor Relations Activities for 30 July 2021 disclosed on www.cninfo.com.cn
26 September 2021	Midea Group HQ	By phone	Institution	CITIC Securities, CICC Securities, BOCOM Schrodgers, Penghua Fund, China Galaxy Securities, CITIC Asset Management, China Asset Management, UBS SDIC, First State Cinda Fund, HuaAn Fund, Caitong Securities, and Qianhai Alliance Asset Management	1. What about the channel reform of Midea? 2. What about Midea's progress in the ToB sector? 3. What about the performance of TLSC in the first half of the year? 4. Why does Midea change the HVAC & Building Technologies Division into the Building Technologies Division? 5. Concerning the "carbon emission peak" and "carbon neutrality" goals released by the state in September last year, what are the arrangements of Midea for the home appliances sector?	000333 Midea Group Research Communication Information 20210926 disclosed on www.cninfo.com.cn
16 November	Midea Group	By phone	Institution	3w Fund Management Llc,	1. What are the arrangements of Midea for the medical sector? 2.	Log Sheet of Investor Relations

2021	HQ			ApaH Capital Management Limited, Apg Investments Asia Limited, Baring Asset Management (Asia) Limited, etc.	Could you please introduce the new criteria for intelligent home appliance grading released by Midea? 3. What about the progress that Midea has achieved in the Internet of Things ("IoT")? 4. What is the "meta-Home" concept put forward by Midea?	Activities for 16 November 2021 disclosed on www.cninfo.com.cn
29 November 2021	Midea Group HQ	By phone	Institution	Hao Advisors Management Limited, LMR Master Fund Limited, Millennium Capital Management (Hong Kong) Limited, etc.	1. Could you please introduce Midea's understanding of the whole-house appliance scenario? 2. What about the cooperation between M.IoT and its ecological partners? 3. Could you please introduce the Green Strategy released by Midea in the technology month of this year?	Log Sheet of Investor Relations Activities for 29 November 2021 disclosed on www.cninfo.com.cn
16 December 2021	Midea Group HQ	By phone	Institution	Huashang Fund, Mirae Asset Huachen Fund Management, China Southern Asset Management, Guosen Securities, Guotai Junan International, Essence Securities, Ping An Fund Management, Fullgoal Fund, and Yinhua Fund	1. What about the progress in the application of Midea's building technologies to different application scenarios? 2. What about the development of Annto at present? 3. As the global shipping status is still not positive due to the impacts of the COVID-19, what measures has the Company taken to ensure that the export business is carried out as usual? 4. Concerning the new brand of building control introduced by the Building Technologies Division of the Company, what is its positioning?	Log Sheet of Investor Relations Activities for 16 December 2021 disclosed on www.cninfo.com.cn

Section IV Corporate Governance

1. Basic Situation of Corporate Governance

The Company is constantly improving its corporate governance in strict accordance with the Company Law, the Securities Law and the relevant regulations of the China Securities Regulatory Commission. There are four special committees under the Board, namely the Strategy Committee, the Auditing Committee, the Nomination Committee as well as the Remuneration and Appraisal Committee. They were designed to provide consultation and advice to the Board and validate the professionalization and efficiency of discussions and decision-making. The Company has established clear rules of procedure for its shareholders' meeting, board of directors, Supervisory Committee and special committees under the board, as well as the *Work Rules for Company Secretary*. It has also established a set of standard documents including *Information Disclosure Management System, Funds Raising Management System, Connected Transaction Management System, Wealth Management Entrustment Management System, Insider Registration System, External Guaranty Decision-making System, Foreign Investment Management System, and Management System for Finance Flow with Connected Parties, Internal Auditing System*. The shareholders' meeting, the Board of Directors, the Supervisory Committee and operations management departments have clear authority and responsibility. Each performs its own functions and maintains its stability effectively. Their scientific decision-making and coordinated operations have laid a firm foundation for the sustained, healthy and steady development of the Company.

The Company has also launched core management team shareholding plans and equity incentive plans for core research, quality control, technical, production and management staff, which helps to develop a sound shareholding structure for the future growth of the Company.

In 2021, the Company won the following honors:

No. 288 of "Fortune Global 500"; No. 183 of "The World's 2000 Largest Public Companies" released by the Forbes; No. 33 of the "BrandZ™ 2021 Top 100 Most Valuable Chinese Brands" jointly released by WPP and Kantar Millward Brown; No. 186 of the "2022 Brand Finance Global 500"; and

the Round Table Award at the Seventeenth “Gold Prize of Round Table” of Chinese Boards of Listed Company organized by the *Directors & Boards* magazine.

Any incompliance with the applicable laws, administrative regulations, and regulations issued by the CSRC governing the governance of listed companies

Yes No

No such cases in the Reporting Period.

2. Independence of assets, personnel, finance, organizations and businesses which are separate from the controlling shareholder and the actual controller

The Company is totally autonomous with respect to business, personnel, assets, organizations, and finance from Midea Holding Co., Ltd., the controlling shareholder of the Company, therefore maintaining integrity and independency in both business and operations.

2.1 Business independence:

The Company has a complete industrial chain for its manufacturing business, a completely distinct purchase and sales system, and an independent and comprehensive business operation capability.

2.2 Personnel independence:

The Company is completely autonomous from the controlling shareholder regarding its personnel. The labor, personnel and remuneration management of the company are totally unrelated. All senior management members received remuneration from the Company except those that hold only a director’s position in the controlling shareholder.

2.3 Asset integrity:

The Company has its own independent production system as well as ancillary production systems and facilities. Intangible assets such as industrial rights, trademark ownership and non-patent technology are held by the Company.

2.4 Organization independence:

The Company has set up an independent organizational structure which maintains its independent operation. The Company has the right to appoint or remove any personnel so there is no overlapping with the controlling shareholder.

2.5 Financial independence:

The Company's financial management is independent from the controlling shareholder. The Company has its own accounting department, accounting system, financial management system, and bank accounts and independently makes financial decisions and pays its own taxes according to relevant laws.

3. Horizontal Competition

Applicable N/A

4. Annual Meeting of Shareholders and Special Meetings of Shareholders Convened during the Reporting Period**4.1 Meetings of shareholders convened during the Reporting Period**

Meeting	Type	Investor participation ratio	Convened date	Disclosure date	Disclosure index
2021 First Special Meeting of Shareholders	Special meeting of shareholders	55.5957%	25 January 2021	26 January 2021	Announcement No. 2021-007, disclosed on www.cninfo.com.cn
2020 Annual Meeting of Shareholders	Annual meeting of shareholders	53.4445%	21 May 2021	22 May 2021	Announcement No. 2021-045, disclosed on www.cninfo.com.cn
2021 Second Special Meeting of Shareholders	Special meeting of shareholders	57.7457%	25 June 2021	26 June 2021	Announcement No. 2021-076, disclosed on www.cninfo.com.cn
2021 Third Special Meeting of Shareholders	Special meeting of shareholders	60.3476%	17 September 2021	18 September 2021	Announcement No. 2021-104, disclosed on www.cninfo.com.cn

4.2 Special meetings of shareholders convened at the request of preference shareholders with resumed voting rights

Applicable N/A

5. Directors, Supervisors and Senior Management

5.1 General information

Name	Office title	Incumbent/ Former	Gender	Age	Starting date of tenure	Ending date of tenure	Shares held at the year- begin (share)	Shares increased at the Reporting Period (share)	Shares decreased at the Reporting Period (share)	Other increase/decrease (share)	Shares held at the period-end (share)	Reason for share changes
Fang Hongbo	Chairman of the Board and CEO	Incumbent	Male	54	2012-8-25	2024-9- 16	116,990,492			0	116,990,492	
He Jianfeng	Director	Incumbent	Male	54	2012-8-25	2024-9- 16	0			0	0	
Yin Bitong	Director and Vice President	Incumbent	Male	53	2016-12- 16	2024-9- 16	2,109,655			0	2,109,655	
Gu Yanmin	Director and Vice President	Incumbent	Male	58	2014-4-21	2024-9- 16	0			0	0	
Wang Jianguo	Director and Vice President	Incumbent	Male	45	2021-9-17	2024-9- 16	0			0	0	
Yu Gang	Director	Incumbent	Male	62	2018-9-26	2024-9- 16	0			0	0	
Xue	Independent	Incumbent	Male	57	2018-9-26	2024-9-	179,914			0	179,914	

The 2021 Annual Report of Midea Group Co., Ltd.

Yunkui	Director					16						
Guan Qingyou	Independent Director	Incumbent	Male	44	2018-9-26	2024-9-16	0			0	0	
Han Jian	Independent Director	Incumbent	Female	49	2018-9-26	2024-9-16	0			0	0	
Dong Wentao	Chairman of the Supervisory Committee	Incumbent	Male	36	2020-10-16	2024-9-16	0			0	0	
Zhao Jun	Supervisor	Incumbent	Male	46	2014-4-21	2024-9-16	0			0	0	
Liang Huiming	Employee Supervisor	Incumbent	Female	38	2017-3-30	2024-9-16	0			0	0	
Zhang Xiaoyi	Vice President	Incumbent	Male	48	2018-4-23	2024-9-16	516,575			0	516,575	
Hu Ziqiang	Vice President	Incumbent	Male	64	2014-8-18	2024-9-16	400,000			0	400,000	
Wang Jinliang	Vice President	Incumbent	Male	54	2014-8-18	2024-9-16	240,000			100,000	340,000	100,000 restricted shares were granted
Li Guolin	Vice President	Incumbent	Male	45	2020-7-3	2024-9-16	265,000	35,700		100,000	400,700	100,000 restricted shares were granted and 35,700 shares were purchased by way of centralized bidding
Fu Yongjun	Vice President	Incumbent	Male	53	2021-9-17	2024-9-16	200,000			0	200,000	
Guan	Vice	Incumbent	Male	42	2021-9-17	2024-9-	535,000			0	535,000	

The 2021 Annual Report of Midea Group Co., Ltd.

Jinwei	President					16						
Zhong Zheng	CFO and Director of Finance	Incumbent	Female	40	2022-2-22 2019-3-22	2024-9-16	211,152			65,000	276,152	65,000 shares of equity incentives were exercised
Jiang Peng	Board Secretary	Incumbent	Male	48	2013-10-30	2024-9-16	358,600			80,000	438,600	80,000 restricted shares were granted
Cai Weiding	CFO	Former	Male	40	2021-4-19	2022-1-29	0			0	0	
Xiao Mingguang	Vice President	Former	Male	51	2019-3-22	2021-4-30	460,000			185,000	645,000	80,000 restricted shares were granted and 105,000 share options were exercised
Liu Min	Vice President	Former	Female	44	2020-10-16	2021-6-1	0			0	0	
Helmut Zodl	CFO	Former	Male	49	2019-10-22	2021-1-25	0			0	0	

Indicate whether any director, supervisor or senior management resigned before the expiry of their tenures during the Reporting Period.

Yes No

Changes in directors, supervisors and senior management

Applicable N/A

Name	Office title	Type of change	Date	Reason
Helmut Zodl	CFO	Former	2021-1-25	Personal reason
Cai Weiding	CFO	Appointed	2021-4-19	Personal reason
Xiao Mingguang	Vice President	Former	2021-4-30	Personal reason
Liu Min	Vice President	Former	2021-6-1	Personal reason
Wang Jianguo	Director	Elected	2021-9-17	-
Fu Yongjun	Vice President	Appointed	2021-9-17	-
Guan Jinwei	Vice President	Appointed	2021-9-17	-

5.2 Brief biographies

Professional backgrounds, main work experience and current responsibilities in the Company of the incumbent directors, supervisors and senior management

Mr. Fang Hongbo, male, holder of a Master's degree, is the Chairman and CEO of Midea Group. He joined Midea in 1992 and previously served as the General Manager of Midea Air-Conditioning Business Unit, CEO of Midea Refrigeration Electric Appliances Group, Chairman and CEO of GD Midea Holding Co., Ltd.

Mr. He Jianfeng, male, holder of a Bachelor's degree, is a Director of Midea Group. He is also the Chairman of the Board and President of Infore Group Co., Ltd.

Mr. Yin Bitong, male, a Master's graduate, joined Midea in 1999 and served as GM Assistant and Marketing Director of the Residential Air Conditioning Division as well as GM and Director of Wuxi Little Swan Co. Ltd. He is now a Director and Vice President of Midea Group, a Co-President of the Smart Home Business Group, and the President of Midea China.

Mr. Gu Yanmin, male, holder of a Doctoral degree, joined Midea in 2000 and has functioned as the Head

of Planning & Investment, Head of Overseas Strategy & Development, Vice President and Head of Overseas Business Development of Midea Air-Conditioning & Refrigeration Group, Head of Overseas Strategy of Midea Group. Currently he is a Director and Vice President of Midea Group, the President of the Robotics & Automation Division, as well as the Chairman of the Supervisory Committee of KUKA.

Mr. Wang Jianguo, male, a Master's degree holder, joined Midea in 1999. He was once the Director of the Supply Chain Management Department of Midea Group's Residential Air Conditioner Division, the Director of the Administration and Human Resources Department of Midea Group, and the General Manager of Midea Group's Refrigeration Division. Currently, he is a Director and Vice President of Midea Group, a Co-President of the Smart Home Business Group, and the President of Midea International Business, in addition to being in charge of the TLSC Division, the international logistics platform and legal affairs.

Mr. Yu Gang, male, holder of a Doctoral degree given by the Wharton School of the University of Pennsylvania, is the Honorary Chairman and a co-founder of YHD.COM. He once served as the Global Supply Chain Vice President of Amazon and the Global Procurement Vice President of Dell. He is now the Executive Chairman of the Board of Directors and a co-founder of 111, Inc., as well as a Director of Midea Group.

Mr. Xue Yunkui, male, is a holder of a Doctoral degree given by the Southwest University and a holder of a Post-Doctoral degree given by the Shanghai University of Finance and Economics. He used to be the associate dean and a doctoral supervisor at the School of Accountancy of Shanghai University of Finance and Economics, a Founding Vice President of Shanghai National Accounting Institute and Cheung Kong Graduate School of Business, the Secretary-General of China Association of Accounting Professors, a Vice Chairman of the Steering Committee of the National Accounting Institute under the Ministry of Finance, etc. He is now an accounting professor of Cheung Kong Graduate School of Business, and an Independent Director of Midea Group.

Mr. Guan Qingyou, male, obtained a PhD degree in economics from Chinese Academy of Social Sciences ("CASS") and Post-doctoral degree from Tsinghua University. He previously worked as Program Director at the Institute for Contemporary China Studies, Tsinghua University, Division Chief of the main

office of China National Offshore Oil Corporation, Vice President of Minsheng Securities Co., Ltd., and Head of Minsheng Securities Research Institute. Other positions currently held by him include Dean of Reality Institute of Advanced Finance, professor at School of Economics, Hainan University, Chairman of China Institute of Private Sector, Director of China Society of Economic Reform, member of APEC China Business Council Digital Economy Committee, Chief Economic Advisor of China Fortune Securities, independent director of Midea Group Co. Ltd., Nanhua Futures Co., Ltd., Beijing Yingpu Technology Co., Ltd., Hangzhou Hikvision DIGITAL Technology Co., Ltd., Shandong High-speed Road & Bridge Group Co., Ltd., and Shaanxi International Trust Co., Ltd., and member of the Fiscal Reform and Development Think Tank under the Ministry of Finance, Academic Committee of China Center for Urban Development under the National Development and Reform Commission, and Expert Advisory Committee on Industrial Economic Operation under the Ministry of Industry and Information Technology ("MIIT").

Ms. Han Jian, female, holder of a Doctoral degree given by the Cornell University, is a professor of management in China Europe International Business School, a specialist of the World Economic Forum, as well as an Independent Director of Midea Group.

Mr. Dong Wentao, male, a Master's degree graduate, joined Midea in 2016. He used to work in CIMC and ZTE. And he once served in the Legal Affairs Department, the Investor Relations Department, etc. of Midea Group, with over 10 years of experience in legal affairs, risk control, market value management, capital operation, etc.

Mr. Zhao Jun, male, a Master's degree graduate, joined Midea in 2000 and has functioned as the Director and the CFO of GD Midea Holding Co., Ltd. He is now a Supervisor of Midea Group, the Executive President in Midea Holding Co., Ltd., as well as a Non-Executive Director of Midea Real Estate Holding Limited.

Ms. Liang Huiming, female, is a holder of a Bachelor's degree. Joining Midea in 2007, she used to serve as the Chief Business Administration Commissioner in Midea Group's Administration and Human Resources Department. She is now the Employee Supervisor of Midea Group.

Mr. Zhang Xiaoyi, male, is a holder of a Master's degree. Joining Midea Group in 2010, he used to serve

as the head of the overseas process IT system, the head of the supply chain system, and the IT Director of Midea Group, etc. He is now a Vice President and the Chief Information Officer of Midea Group.

Mr. Hu Ziqiang, male, holder of a Doctoral degree, joined Midea in 2012, and has formerly worked for GE and Samsung and as a Vice GM in Wuxi Little Swan Co., Ltd. At present he is a Vice President and the CTO of Midea Group, in addition to being the Chairman of the Board of Beijing Wandong Medical Technology Co., Ltd., a listed company subordinate to Midea Group.

Mr. Wang Jinliang, male, holder of a Master's degree, joined Midea in 1995 and previously worked as the Vice President of China Marketing in Midea Group, and was GD Midea Holding's Vice President and Marketing Head. He is now a Vice President of Midea Group.

Mr. Li Guolin, male, holder of a Master's degree, joined Midea in 1998 and previously worked as a Vice President of the Residential Air Conditioner Division, and the President of the Small Domestic Appliance Division of Midea Group. He is now a Vice President and the Director of Quality and Intelligent Manufacturing of Midea Group.

Mr. Fu Yongjun, male, holder of a Master's degree, joined Midea in 1999 and previously worked as the General Manager of Midea Environment Appliances Division, the General Manager of Midea Component Division, and the President of Midea Electromechanical Division. He is now a Vice President, and the President of the Industrial Technology Business Group, of Midea Group.

Mr. Guan Jinwei, male, holder of a Master's degree, joined Midea in 2002 and previously worked as the Deputy General Manager of the Commercial Air Conditioner Division and the General Manager of an overseas marketing company of Midea Group, as well as an Assistant to the President of Midea International and the General Manager for the ASEAN region, among others. He is now a Vice President, and the President of the Building Technologies Division, of Midea Group.

Ms. Zhong Zheng, female, a holder of a Master's degree, joined Midea in 2002. She once was the Director of Finance of the Financial Center and the Component Division, as well as the Audit Director of Midea Group, etc. She is now the CFO and Director of Finance of Midea Group.

Mr. Jiang Peng, male, holder of a Master's degree, joined Midea in 2007 and used to be the Representative for Securities Affairs and Board Secretary for GD Midea Holding Co., Ltd. He is now the Board Secretary and Director of Investor Relations of Midea Group.

Posts held in shareholding entities

Applicable N/A

Name	Shareholding entity	Position	Beginning date of office term	Ending date of office term	Allowance from the shareholding entity
He Jianfeng	Midea Holding Co., Ltd.	President	2016-01	-	No
Zhao Jun	Midea Holding Co., Ltd.	Executive President	2020-03	-	Yes
Note	N/A				

Posts held in other entities

Applicable N/A

Name	Other entity	Position	Beginning date of office term	Ending date of office term	Allowance from the entity
He Jianfeng	Infore Group Co., Ltd.	Chairman of the Board and President	1995-06	-	Yes
Gu Yanmin	KUKA	Chairman of the Supervisory Committee	2017-01	2024-06	Yes
Yu Gang	111, Inc.	Executive Chairman of the Board	2011-04	-	Yes
Xue Yunkui	Ouyeel Co., Ltd.	Independent Director	2019-08	2022-08	Yes
	Zhuhai Wanda Commercial Management Group Co., Ltd.	Independent Director	2021-03	2024-03	Yes
	Bank of Shanghai Co., Ltd.	Independent Director	2021-01	2024-01	Yes
	Hinova Pharmaceuticals Inc.	Independent Director	2020-09	2023-09	Yes
Guan Qingyou	Beijing Rushi Research Information Consulting Service Co., Ltd.	Chairman of the Board	2017-12	-	Yes
	Shaanxi International Trust Co., Ltd.	Independent Director	2019-07	2022-07	Yes

	Nanhua Futures Co., Ltd.	Independent Director	2019-02	2025-02	Yes
	Shandong Hi-Speed Road&Bridge Co., Ltd.	Independent Director	2020-06	2023-06	Yes
	Hangzhou Hikvision Digital Technology Co., Ltd.	Independent Director	2021-03	2024-03	Yes
Note	N/A				

Punishments imposed in the recent three years by the securities regulators on the incumbent directors, supervisors and senior management as well as those who left in the Reporting Period

Applicable N/A

5.3 Remuneration of directors, supervisors and senior management

The following describes the decision-making procedures, grounds on which decisions are made and actual remuneration payment of directors, supervisors and senior management.

The decision-making remuneration procedure for directors, supervisors and senior management: The remuneration is proposed by the Board Remuneration Committee and approved by the Board. Decisions are made finally after the deliberation of shareholders' meeting.

The remuneration of directors, supervisors and senior management consist of basic annual payments and performance-related annual payments according to the Salary Management System for the Directors, Supervisors and Senior Management which has been approved by the Company. Basic payment is determined based on the responsibility, risk and pressure of directors, supervisors and senior management. The basic annual payment remains stable. Performance-related annual payment is related to the completion rate of corporate profit, the assessment result of target responsibility system and the performance evaluation structure of their own department. The remuneration system for directors, supervisors and senior management serves the Company's strategy, and shall be adjusted with the Company's operating conditions in order to meet the Company's development requirements. The basis for adjusting the remuneration of directors, supervisors and senior management are as follows:

a. Wage growth in the industry

b. Inflation

c. Corporate earnings

d. Organizational structure adjustment

e. Individual adjustment due to a change in position

Remuneration of directors, supervisors and senior management during the Reporting Period

Unit: RMB'000

Name	Position	Gender	Age	Incumbent/ Former	Total before-tax remuneration from the Company	Remuneration from related parties of the Company
Fang Hongbo	Chairman of the Board and CEO	Male	54	Incumbent	11,060	
He Jianfeng	Director	Male	54	Incumbent		Yes
Yin Bitong	Director and Vice President	Male	53	Incumbent	7,280	
Gu Yanmin	Director and Vice President	Male	58	Incumbent	5,640	
Wang Jianguo	Director and Vice President	Male	45	Incumbent	4,640	
Yu Gang	Director	Male	62	Incumbent	450	
Xue Yunkui	Independent Director	Male	57	Incumbent	450	
Guan Qingyou	Independent Director	Male	44	Incumbent	450	
Han Jian	Independent Director	Female	49	Incumbent	450	
Dong Wentao	Chairman of the Supervisory Committee	Male	36	Incumbent	800	
Zhao Jun	Supervisor	Male	46	Incumbent		Yes
Liang Huiming	Employee Supervisor	Female	38	Incumbent	260	
Zhang Xiaoyi	Vice President	Male	48	Incumbent	5,810	
Hu Ziqiang	Vice President	Male	64	Incumbent	3,710	
Wang Jinliang	Vice President	Male	54	Incumbent	3,810	
Li Guolin	Vice President	Male	45	Incumbent	3,940	
Fu Yongjun	Vice President	Male	53	Incumbent	6,780	

Guan Jinwei	Vice President	Male	42	Incumbent	6,260	
Zhong Zheng	CFO and Director of Finance	Female	40	Incumbent	3,610	
Jiang Peng	Board Secretary	Male	48	Incumbent	2,380	
Cai Weiding	CFO	Male	40	Former	7,550	
Xiao Mingguang	Vice President	Male	51	Former	3,900	
Liu Min	Vice President	Female	44	Former	3,760	
Helmut Zodl	CFO	Male	49	Former	540	
Total	--	--	--	--	83,530	--

6. Activities of Directors during the Reporting Period

6.1 Board meetings convened during the Reporting Period

Meeting	Convened date	Disclosure date	Resolutions
The 28 th Meeting of the Third Board of Directors	5 January 2021	6 January 2021	See the Announcement on Resolutions of the 28 th Meeting of the Third Board of Directors (Announcement No. 2021-001), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 6 January 2021
The 29 th Meeting of the Third Board of Directors	23 February 2021	24 February 2021	See the Announcement on Resolutions of the 29 th Meeting of the Third Board of Directors (Announcement No. 2021-010), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 24 February 2021
The 30 th Meeting of the Third Board of Directors	29 March 2021	30 March 2021	See the Announcement on Resolutions of the 30 th Meeting of the Third Board of Directors (Announcement No. 2021-017), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 30 March 2021
The 31 st Meeting of the Third Board of Directors	19 April 2021	20 April 2021	See the Announcement on Resolutions of the 31 st Meeting of the Third Board of Directors (Announcement No. 2021-021), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 20 April 2021
The 32 nd Meeting of	23 April 2021	30 April 2021	See the Announcement on Resolutions of the 32 nd

the Third Board of Directors			Meeting of the Third Board of Directors (Announcement No. 2021-033), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 30 April 2021
The 33 rd Meeting of the Third Board of Directors	9 May 2021	10 May 2021	See the Announcement on Resolutions of the 33 rd Meeting of the Third Board of Directors (Announcement No. 2021-039), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 10 May 2021
The 34 th Meeting of the Third Board of Directors	4 June 2021	5 June 2021	See the Announcement on Resolutions of the 34 th Meeting of the Third Board of Directors (Announcement No. 2021-056), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 5 June 2021
The 35 th Meeting of the Third Board of Directors	30 August 2021	31 August 2021	See the Announcement on Resolutions of the 35 th Meeting of the Third Board of Directors (Announcement No. 2021-096), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 31 August 2021
The First Meeting of the Fourth Board of Directors	17 September 2021	18 September 2021	See the Announcement on Resolutions of the First Meeting of the Fourth Board of Directors (Announcement No. 2021-105), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 18 September 2021
The Second Meeting of the Fourth Board of Directors	29 October 2021	-	The Interim Report for the Third Quarter 2021 was approved with eight affirmative votes, 0 negative notes and 0 abstentions.
The Third Meeting of the Fourth Board of Directors	24 December 2021	27 December 2021	See the Announcement on Resolutions of the Third Meeting of the Fourth Board of Directors (Announcement No. 2021-113), which has been disclosed on http://www.cninfo.com.cn , China Securities Journal, Securities Times, and Shanghai Securities News dated 27 December 2021
The Fourth Meeting of the Fourth Board of Directors	29 December 2021	30 December 2021	See the Announcement on Resolutions of the Fourth Meeting of the Fourth Board of Directors (Announcement No. 2021-118), which has been disclosed on http://www.cninfo.com.cn , China

			Securities Journal, Securities Times, and Shanghai Securities News dated 30 December 2021
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6.2 Attendance of directors in Board meetings and meetings of shareholders

Attendance of directors in Board meetings and meetings of shareholders							
Director	Presence due at Board meetings in the Reporting Period (times)	Presence at Board meetings on site (times)	Presence at Board meetings by telecommunication (times)	Presence at Board meetings through a proxy (times)	Absence from Board meetings (times)	Absence from Board meetings for two consecutive times	Presence at meetings of shareholders (times)
Fang Hongbo	12	1	11	0	0	No	3
He Jianfeng	12	1	11	0	0	No	0
Yin Bitong	12	0	12	0	0	No	0
Gu Yanmin	12	1	11	0	0	No	1
Wang Jianguo	4	0	4	0	0	No	0
Yu Gang	12	1	11	0	0	No	0
Xue Yunkui	12	1	11	0	0	No	0
Guan Qingyou	12	1	11	0	0	No	0
Han Jian	12	1	11	0	0	No	0

6.3 Objections from directors on related issues of the Company

Were there any objections on related issues of the Company from directors

Yes No

6.4 Other information about the activities of directors

Were there any suggestions from directors adopted by the Company

Yes No

During the Reporting Period, in line with the *Company Law*, the *Securities Law*, the *Rules for Stock Listing of Shenzhen Stock Exchange*, and other relevant laws and regulations, as well as the *Articles of Association*, and the *Rules of Procedure of the Board of Directors*, directors of the Company actively paid attention to the Company's production, operation, financial position, and the effects resulting from the changes in the economic status on the Company, vetted miscellaneous information reports provided by

the Company in a timely manner, and voiced opinions and exercised their power at the Board of Directors. In addition, they supervised and checked the information disclosure of the Company and fulfilled the duties of directors faithfully and conscientiously. Based on the Company's reality, they put forward relevant opinions and suggestions about corporate governance and operating decisions, as well as supervised and promoted the execution and implementation of the resolutions of the Board of Directors to ensure scientific, timely, and efficient decision-making and safeguard the legitimate rights and interests of the Company and all shareholders.

7. Activities of Special Committees under the Board of Directors during the Reporting Period

Committee	Members	Number of meetings convened	Convened date	Topics	Substantial opinion and recommendations	Other information
Audit Committee	Xue Yunkui, Guan Qingyou, Han Jian, and Yu Gang	3	2021-4-27	The following proposals were approved: <i>The 2020 Final Account Report, The Summary Report of the Audit Committee on the 2020 Annual Audit, The 2020 Annual Report and Its Summary, The Interim Report for the First Quarter 2021, The Proposal on Re-appointment of Independent Auditor for Internal Control for 2020, and The Proposal on Re-appointment of CPA Firm.</i>	-	-
			2021-8-30	<i>The Semi-Annual Report 2021 and Its Summary</i> was approved.	-	-
			2021-10-29	<i>The Interim Report for the Third Quarter 2021</i> was approved.	-	-
Nomination Committee	Guan Qingyou, Yu Gang, Xue Yunkui, and Han Jian	3	2021-4-18	<i>The Proposal on Appointment of CFO</i> was approved.	-	-
			2021-8-30	The following proposals were approved: <i>The Proposal on Re-election of the Board of Directors and Nomination of Non-independent Director Candidates, and The Proposal on Re-election of the</i>	-	-

				Board of Directors and Nomination of Independent Director Candidates.		
			2021-9-17	The following proposals were approved: <i>The Proposal on Election of Chairman for the Fourth Board of Directors, The Proposal on Election of Members for Special Committees under the Fourth Board of Directors, The Proposal on Appointment of President, The Proposal on Appointment of Vice President, The Proposal on Appointment of CFO, The Proposal on Appointment of Director of Finance, The Proposal on Appointment of Board Secretary, and The Proposal on Appointment of Representative for Securities Affairs.</i>	-	-
Remuneration and Appraisal Committee	Han Jian, Yu Gang, Xue Yunkui, and Guan Qingyou	5	2021-1-5	The following proposals were approved: <i>The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2017 Restricted Share Incentive Scheme, The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2018 Restricted Share Incentive Scheme, The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2019 Restricted Share Incentive Scheme, The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2020 Restricted Share Incentive Scheme, and The Proposal on the Satisfaction of Unlocking Conditions for the Third Unlocking Period for Reserved Restricted Shares under the 2017 Restricted Share Incentive Scheme.</i>	-	-
			2021-4-27	The following proposals were approved: <i>The Remuneration</i>	-	-

		<p><i>Payment Standards for Directors, Supervisors and Senior Management for 2020, The Proposal on the Eighth Stock Option Incentive Scheme (Draft) and Its Summary, The Proposal on the 2021 Restricted Share Incentive Scheme (Draft) and Its Summary, The Seventh Core Management and Global Partner Stock Ownership Scheme of Midea Group Co., Ltd. (Draft) and Its Summary, The Fourth Core Management and Business Partner Stock Ownership Scheme of Midea Group Co., Ltd. (Draft) and Its Summary, The Proposal on Matters Related to the Stock Option Exercise for the First Exercise Period for Reserved Stock Options of the Fifth Stock Option Incentive Scheme, and The Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period for Reserved Restricted Shares under the 2018 Restricted Share Incentive Scheme.</i></p>		
	<p>2021-6-4</p>	<p>The following proposals were approved: <i>The Proposal on Matters Related to the Stock Option Exercise for the Second Exercise Period for the First Grant of the Fifth Stock Option Incentive Scheme, The Proposal on Matters Related to the Stock Option Exercise for the First Exercise Period of the Sixth Stock Option Incentive Scheme, The Proposal on Matters Related to the Stock Option Exercise for the First Exercise Period of the Seventh Stock Option Incentive Scheme, The Proposal on the Satisfaction of Unlocking Conditions for the Second Unlocking Period for the First Grant under the 2018 Restricted Share</i></p>	<p>-</p>	<p>-</p>

				<i>Incentive Scheme, The Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the 2019 Restricted Share Incentive Scheme, and The Proposal on the Satisfaction of Unlocking Conditions for the First Unlocking Period of the 2020 Restricted Share Incentive Scheme.</i>		
			2021-8-30	The following proposals were approved: <i>The Proposal on the Plan of Diversified Employee Stock Ownership Schemes for Annto Logistics Supply Chain Technology Co., Ltd., The Proposal on the Plan of Diversified Employee Stock Ownership Schemes for Maytech Technology Co., LTD., and The Proposal on the Remuneration Standards for Independent Directors and External Directors.</i>	-	-
			2021-12-24	The following proposals were approved: <i>The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2018 Restricted Share Incentive Scheme, The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2019 Restricted Share Incentive Scheme, The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2020 Restricted Share Incentive Scheme, and The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2021 Restricted Share Incentive Scheme.</i>	-	-
Strategy Committee	Fang Hongbo, Gu Yanmin, Yu Gang, and	0	-	-	-	-

	Guan Qingyou					
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8. Activities of the Supervisory Committee

Were there any risks to the Company identified by the Supervisory Committee when performing its duties during the Reporting Period

Yes No

The Supervisory Committee of the Company had no objection to the matters of supervision during the Reporting Period.

9. Employees

9.1 Number, functions and educational backgrounds of employees

Number of in-service employees of the Company	2,351
Number of in-service employees of main subsidiaries	163,448
Total number of in-service employees	165,799
Total number of paid employees in the period	165,799
Number of retirees to whom the Company or its main subsidiaries need to pay retirement pension	1,301
Functions	
Function	Number of employees
Production	134,274
Sales	8,561
Technical	19,150
Financial	2,116
Administrative	1,698
Total	165,799
Educational backgrounds	
Educational background	Number of employees
Master's and doctoral degrees	5,508
Bachelor's degree	26,976
Junior college and technical secondary school	69,839
Others	63,476
Total	165,799

9.2 Remuneration policy

Remunerations for employees are paid on time according to the remuneration system of the Company. The Company decides the regular salaries of the employees according to the position's value and evaluation performances and decides the variable salary according to the Company's and employee's performance. The remuneration distribution shows more consideration for strategic talent and ensures the market competitiveness in the salary of core talent. The Company shall make dynamic adjustments to the staff remuneration policy according to regional differences, number of employees, staff turnover, environment changes in the industry and paying ability of the Company.

9.3 Employee training

Midea Academy has six empowerment centers, namely the Leadership Empowerment Center, the Digital and Intelligent Innovation Empowerment Center, the Intelligent Manufacturing Empowerment Center, the Globalization Empowerment Center, the Newcomer Empowerment Center, and the General Empowerment Center, in addition to a professional online learning platform—M-Learning, which empowers all Midea employees and ecosystem partners through special learning courses and practical learning functions.

In Midea, new employees will receive orientation and job-specific skill training or tutoring, while in-service ones will be given irregular trainings inside or outside the Company to help improve their professional and universal skills. In this way, Midea people enjoy better development opportunities.

Midea has also put in place a multi-tier talent development system, including a mature leadership development program comprising the Sailor Project, the Voyager Project and the Pilot Project to cultivate reserve talent for mid-level key personnel, heads for the primary structure of business units/business entities, and presidents for business divisions, respectively.

The attendances at internal training sessions were 995,693 in 2021, of which 3,494 were management personnel, 568,784 technical and marketing personnel and 423,415 operational personnel.

a. Building Leadership Development Programs such as the Sailor-Voyager-Pilot program and a High-Potential Leaders Training system to facilitate talent management and training. 55 talent training

programs were carried out.

b. Building a professionalism promotion system. 3,611 such programs were carried out, where 667,977 staff were trained for a total of 1,108,874 man-hours.

c. Providing channels for common skill improvement. 706 such programs such as the Lecture for Staff were launched, where 145,147 staff were trained for a total of 341,666 man-hours.

d. Improving individual comprehensive ability. 173 external trainings for individuals at junior, middle and senior levels were organized, where 62,592 staff were trained for a total of 137,924 man-hours.

e. In order to help new graduates develop themselves fast and foster a new power for the Company, 121 relevant programs such as the Re-Education of New Graduates, the Training Camp for New Graduates, and the Orientation Training Camp for New Graduates were organized, where 8,288 new graduates were trained for a total of 19,078 man-hours.

f. Facilitating organizational learning. 9,985 internal sharing sessions were held, where 710,398 employees were trained for 1,049,859 man-hours. With the addition of 1,235 new internal trainers, annual teaching time reached 8,184 hours in total. And a total of 1,185 courses were designed in the year.

g. 97,203 key technical staff and working team leaders were trained for a total of 349,169.43 hours.

h. 141,037 staff visited M-Learning, a mobile app developed by Midea for online training, for a total of 763,359 times in 2021.

9.4 Labor outsourcing

Applicable N/A

10. Profit Distribution and Converting Capital Surplus into Share Capital

The Company has strictly implemented the *Shareholder Return Plan for the Next Three Years (2019-2021)*, which specifies the decision-making process for dividend standards, dividend ratios and profit distribution policies, ensures a continual and consistent profit distribution policy from the mechanism

perspective, and fully protects the legitimate rights and interests of minority investors. In addition, the Company carried out share repurchases by way of centralized bidding in 2015, 2018 and 2021. As per *the Company Law, the Stock Listing Rules of the Shenzhen Stock Exchange, and Guideline No. 9 of the Shenzhen Stock Exchange for the Self-regulation of Listed Companies—Share Repurchases*, the amount used to repurchase shares in a year shall be deemed as cash dividends and included in the total cash dividends for the year when it comes to calculation.

Formulation, execution or adjustments of profit distribution policy, especially cash dividend policy, in the Reporting Period

Applicable N/A

Special statement about the cash dividend policy	
In compliance with the Company's Articles of Association and resolution of meeting of shareholders	Yes
Specific and clear dividend standards and ratios	Yes
Complete decision-making process and mechanism	Yes
Independent directors faithfully performed their duties and played their due role	Yes
Minority shareholders are able to fully express their opinion and desire and their legitimate rights and interests are fully protected	Yes
In case of adjusting or altering the cash dividend policy, the conditions and process involved are in compliance with applicable regulations and transparent	No adjustment was made to the cash dividend policy.

The Company made a profit in the Reporting Period and the profit distributable to shareholders of the Company (without subsidiaries) was positive, but it did not put forward a preliminary plan for cash dividend distribution

Applicable N/A

Preliminary plan for profit distribution and converting capital surplus into share capital for the Reporting Period

Applicable N/A

Bonus shares for every 10 shares (share)	0
Dividend for every 10 shares (RMB) (tax included)	17
Additional shares converted from capital surplus	0

for every 10 shares (share)	
Total shares as the basis for the preliminary plan for profit distribution (share)	6,869,123,038
Cash dividends (RMB) (tax inclusive)	11,677,509,164.60
Cash dividends in other forms (such as share repurchase) (RMB)	13,664,103,513.72
Total cash dividends (inclusive of those in other forms) (RMB) (tax inclusive)	25,341,612,678.32
Distributable profits (RMB)	28,094,420,000
Percentage of total cash dividends (inclusive of those in other forms) in the total distributed profit (%)	100%
Cash dividend policy adopted	
Where the Company is at a mature stage of development and has significant expenditure arrangements, cash dividends shall account for at least 40% of the total distributed profit when carrying out profit distribution.	
Details about the preliminary plan for profit distribution and converting capital surplus into share capital	
According to the Auditor's Report PwC ZT Shen Zi (2022) No. 10017 issued by PricewaterhouseCoopers Zhong Tian LLP, the parent company realized a net profit of RMB14,835,388,000 for 2021. Pursuant to the relevant provisions under the Articles of Association, it provided 10% as statutory surplus reserve, namely RMB1,483,539,000. Plus undistributed profits at the beginning of the year of RMB25,795,300,000 and minus the profit distributed in the year of RMB11,052,729,000, the actual distributable profit would be RMB28,094,420,000.	

Note: Up to the disclosure date of this Report, the total share capital of the Company stood at 6,997,053,441 shares and there were 127,930,403 shares in the repurchased share account. Therefore, the total shares entitled to the dividend are 6,869,123,038 shares.

11. Implementation of any Equity Incentive Scheme, Employee Stock Ownership Scheme or Other Incentive Measures for Employees

Applicable N/A

11.1 Equity incentive schemes

A. Overview of the Third Stock Option Incentive Scheme

a. The Company convened the 34th Meeting of the 3rd Board of Directors on 4 June 2021, at which the Proposal for the Adjustment to the Exercise Price for the Third Stock Option Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the exercise price for the Third Stock Option Incentive Scheme was revised from RMB16.26 to RMB14.69 per share.

During the Reporting Period, 10,522,746 shares were exercised under the Third Stock Option Incentive Scheme.

B. Overview of the Fourth Stock Option Incentive Scheme

During the Reporting Period, 7,516,624 shares were exercised under the Fourth Stock Option Incentive Scheme.

C. Overview of the Fifth Stock Option Incentive Scheme

a. The Company convened the 32nd Meeting of the 3rd Board of Directors on 28 April 2021, at which the Proposal for the Adjustments to the Incentive Recipients and Their Exercisable Stock Options for the Fifth Stock Option Incentive Scheme was approved. It was agreed to adjust the incentive recipients and their exercisable stock options with respect to the reserved stock options under the Fifth Stock Option Incentive Scheme due to the resignation, low individual or business division performance appraisals or other factors of some incentive recipients. Upon the adjustments, the number of locked-up reserved stock options granted to them was reduced from 5,340,000 to 4,270,250.

The Proposal for Matters Related to the Stock Option Exercise for the First Exercise Period for the Reserved Stock Options of the Fifth Stock Option Incentive Scheme was also approved. A total of 74 incentive recipients who are eligible for the Fifth Stock Option Incentive Scheme have been allowed to exercise 1,000,250 stock options in the first exercise period (ended 10 March 2022).

b. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the Retirement of Unexercised Stock Options in the First Grant under the Fifth Stock Option Incentive Scheme upon Expiry was approved. As the first exercise period for the first grant under the Fifth Stock Option Incentive Scheme expired on 6 May 2021, the Board of Directors of the Company agreed to retire the 5,000 stock options that had been previously granted to Votadoro Giusepp but were unexercised upon expiry.

c. The Proposal for the Adjustment to the Exercise Price for the Fifth Stock Option Incentive Scheme was also approved. As the 2020 Annual Profit Distribution had been carried out, the exercise price for the first

grant was revised from RMB53.45 to RMB51.88 per share, and the exercise price for the reserved stock options from RMB44.28 to RMB42.71 per share.

d. The Proposal for the Adjustments to the Incentive Recipients and Their Exercisable Stock Options for the First Grant of the Fifth Stock Option Incentive Scheme was also approved. It was agreed to adjust the incentive recipients and their exercisable stock options under the Fifth Stock Option Incentive Scheme due to the resignation, being reassigned, low individual or business division performance appraisals or other factors of some incentive recipients. Upon the adjustments, the number of locked-up stock options granted to them in the first grant of the Fifth Stock Option Incentive Scheme was reduced from 31,860,000 to 29,267,000.

e. The Proposal for Matters Related to the Stock Option Exercise for the Second Exercise Period of the First Grant of the Fifth Stock Option Incentive Scheme was also approved. A total of 1,015 incentive recipients who are eligible for the Fifth Stock Option Incentive Scheme have been allowed to exercise 8,931,000 stock options in the second exercise period (ended 6 May 2022).

During the Reporting Period, 5,775,512 shares were exercised with respect to the first grant under the Fifth Stock Option Incentive Scheme.

During the Reporting Period, 335,450 shares were exercised with respect to the reserved stock options under the Fifth Stock Option Incentive Scheme.

D. Overview of the Sixth Stock Option Incentive Scheme

a. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the Adjustment to the Exercise Price for the Sixth Stock Option Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the exercise price for the Sixth Stock Option Incentive Scheme was revised from RMB51.28 to RMB49.71 per share.

b. The Proposal for the Adjustments to the Incentive Recipients and Their Exercisable Stock Options for the Sixth Stock Option Incentive Scheme was also approved. It was agreed to adjust the incentive recipients and their exercisable stock options under the Sixth Stock Option Incentive Scheme due to the

resignation, low business division performance appraisals, low individual performance appraisals, being reassigned or other factors of some incentive recipients. Upon the adjustments, the number of locked-up stock options granted to them was reduced from 46,540,000 to 38,963,250.

c. The Proposal for Matters Related to the Stock Option Exercise for the First Exercise Period of the Sixth Stock Option Incentive Scheme was also approved. A total of 965 incentive recipients who are eligible for the Sixth Stock Option Incentive Scheme have been allowed to exercise 8,708,250 stock options in the first exercise period (ended 27 May 2022).

During the Reporting Period, 4,848,541 shares were exercised under the Sixth Stock Option Incentive Scheme.

E. Overview of the Seventh Stock Option Incentive Scheme

a. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the Adjustment to the Exercise Price for the Seventh Stock Option Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the exercise price for the Seventh Stock Option Incentive Scheme was revised from RMB50.43 to RMB48.86 per share.

b. The Proposal for the Adjustments to the Incentive Recipients and Their Exercisable Stock Options for the Seventh Stock Option Incentive Scheme was also approved. It was agreed to adjust the incentive recipients and their exercisable stock options under the Seventh Stock Option Incentive Scheme due to the resignation, low business division performance appraisals, low individual performance appraisals, being reassigned or other factors of some incentive recipients. Upon the adjustments, the number of locked-up stock options granted to them was reduced from 65,020,000 to 59,663,000.

c. The Proposal for Matters Related to the Stock Option Exercise for the First Exercise Period of the Seventh Stock Option Incentive Scheme was also approved. A total of 1,309 incentive recipients who are eligible for the Seventh Stock Option Incentive Scheme have been allowed to exercise 10,223,000 stock options in the first exercise period (ended 3 June 2022).

During the Reporting Period, 5,488,178 shares were exercised under the Seventh Stock Option Incentive

Scheme.

F. Overview of the Eighth Stock Option Incentive Scheme

a. The Proposal on the Eighth Stock Option Incentive Scheme (Draft) and its Abstract was approved at the 32rd Meeting of the 3rd Board of Directors and the 2020 Annual General Meeting of Shareholders, and the incentive recipient list for the Eighth Stock Option Incentive Scheme (Draft) was reviewed at the 21st Meeting of the 3rd Supervisory Committee.

b. On 14 July 2021, the Company granted 81,740,000 stock options to 1,885 incentive recipients with the exercise price being RMB81.41 per share.

G. Overview of the 2017 Restricted Share Incentive Scheme

a. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2017 Restricted Share Incentive Scheme was approved at the 28th Meeting of the 3rd Board of Directors. As such, it was agreed to repurchase and retire 32,917 restricted shares that had been granted to 2 personnel but were still in lockup, for the reasons of their resignation, being reassigned or other factors. The said retirement of shares was completed on 24 May 2021.

b. The Proposal on the Satisfaction of the Conditions for the Third Unlocking Period for the Reserved Restricted Shares of the 2017 Restricted Share Incentive Scheme was also approved. A total of 39 personnel were eligible for this unlocking, with 1,292,083 restricted shares (0.02% of the Company's total existing share capital) unlocked and allowed for public trading on 8 February 2021, of which senior management Xiao Mingguang unlocked 50,000 shares.

H. Overview of the 2018 Restricted Share Incentive Scheme

a. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2018 Restricted Share Incentive Scheme was approved at the 28th Meeting of the 3rd Board of Directors. As such, it was agreed to repurchase and retire 1,009,501 restricted shares that had been granted to 22 personnel but were still in lockup, for the reasons of their resignation, being reassigned, violation of the

“Red Lines” of the Company or other factors. The said retirement of shares was completed on 24 May 2021.

b. The Company convened the 32nd Meeting of the 3rd Board of Directors, at which the Proposal on the Satisfaction of the Conditions for the First Unlocking Period for the Reserved Restricted Shares of the 2018 Restricted Share Incentive Scheme was approved. A total of 24 personnel were eligible for this unlocking, with 403,249 restricted shares (0.0057% of the Company’s total existing share capital) unlocked and allowed for public trading on 4 June 2021.

c. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the Adjustment to the Repurchase Price for the 2018 Restricted Share Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the repurchase price for the first grant was revised from RMB24.68 to RMB23.11 per share, and the repurchase price for the reserved restricted shares from RMB20.70 to RMB19.13 per share.

d. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2018 Restricted Share Incentive Scheme was also approved. As such, it was agreed to repurchase and retire 761,121 restricted shares that had been granted to 67 personnel but were still in lockup, for the reasons of their resignation, being reassigned, low individual or business division performance appraisals for 2020 or other factors. The Company has completed the retirement of the aforesaid shares on 30 November 2021.

e. The Proposal on the Satisfaction of the Conditions for the Second Unlocking Period for the First Grant of the 2018 Restricted Share Incentive Scheme was also approved. A total of 209 personnel were eligible for this unlocking, with 3,043,254 restricted shares (0.0432% of the Company’s total existing share capital) unlocked and allowed for public trading on 30 June 2021, of which senior management Hu Ziqiang, Zhang Xiaoyi and Zhong Zheng unlocked 25,000 shares, 25,000 shares and 20,000 shares, respectively.

I. Overview of the 2019 Restricted Share Incentive Scheme

a. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2019 Restricted Share Incentive Scheme was approved at the 28th Meeting of the 3rd Board of Directors. As

such, it was agreed to repurchase and retire 1,043,958 restricted shares that had been granted to 15 personnel but were still in lockup, for the reasons of their resignation, being reassigned, violation of the “Red Lines” of the Company or other factors. The said retirement of shares was completed on 24 May 2021.

b. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the Adjustment to the Repurchase Price for the 2019 Restricted Share Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the repurchase price was revised from RMB24.20 to RMB22.63 per share.

c. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2019 Restricted Share Incentive Scheme was also approved. As such, it was agreed to repurchase and retire 941,788 restricted shares that had been granted to 92 personnel but were still in lockup, for the reasons of their resignation, being reassigned, low individual or business division performance appraisals for 2020, violation of the “Red Lines” of the Company or other factors. The Company has completed the retirement of the aforesaid shares on 30 November 2021.

d. The Proposal on the Satisfaction of the Conditions for the First Unlocking Period of the 2019 Restricted Share Incentive Scheme was also approved. A total of 363 personnel were eligible for this unlocking, with 5,654,629 restricted shares (0.0802% of the Company’s total existing share capital) unlocked and allowed for public trading on 13 July 2021, of which senior management Wang Jinliang unlocked 30,000 shares.

J. Overview of the 2020 Restricted Share Incentive Scheme

a. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2020 Restricted Share Incentive Scheme was approved at the 28th Meeting of the 3rd Board of Directors. As such, it was agreed to repurchase and retire 440,374 restricted shares that had been granted to 11 personnel but were still in lockup, for the reasons of their resignation, being reassigned, violation of the “Red Lines” of the Company or other factors. The said retirement of shares was completed on 24 May 2021.

b. The Company convened the 34th Meeting of the 3rd Board of Directors, at which the Proposal for the

Adjustment to the Repurchase Price for the 2020 Restricted Share Incentive Scheme was approved. As the 2020 Annual Profit Distribution had been carried out, the repurchase price was revised from RMB24.42 to RMB22.85 per share.

c. The Proposal on the Repurchase and Retirement of Certain Incentive Shares under the 2020 Restricted Share Incentive Scheme was also approved. As such, it was agreed to repurchase and retire 1,643,164 restricted shares that had been granted to 263 personnel but were still in lockup, for the reasons of their resignation, being reassigned, low individual or business division performance appraisals for 2020, violation of the “Red Lines” of the Company or other factors. The Company has completed the retirement of the aforesaid shares on 30 November 2021.

d. The Proposal on the Satisfaction of the Conditions for the First Unlocking Period of the 2020 Restricted Share Incentive Scheme was also approved. A total of 487 personnel were eligible for this unlocking, with 5,488,962 restricted shares (0.0778% of the Company’s total existing share capital) unlocked and allowed for public trading on 20 July 2021, of which senior management Wang Jinliang and Li Guolin unlocked 24,000 and 20,000 shares, respectively.

K. Overview of the 2021 Restricted Share Incentive Scheme

a. The Proposal on the 2021 Restricted Share Incentive Scheme (Draft) and its Abstract was approved at the 32rd Meeting of the 3rd Board of Directors and the 2020 Annual General Meeting of Shareholders, and the incentive recipient list for the 2021 Restricted Share Incentive Scheme (Draft) was reviewed at the 21st Meeting of the 3rd Supervisory Committee.

b. On 16 July 2021, the Company granted 9,940,000 restricted shares to 139 incentive recipients with the grant price being RMB39.92 per share, of which senior management Wang Jinliang, Li Guolin and Jiang Peng were granted 100,000 shares, 100,000 shares and 80,000 shares, respectively.

Equity incentives for directors and senior management

√Applicable □N/A

Name	Office title	Stock options	Stock options granted	Exercisable	Exercised	Exercise price for	Stock options	Market price at	Restricted	Unlocked shares	Restricted shares	Grant price of	Restricted

		held at the beginning of the Reporting Period	in the Reporting Period	share options for the Reporting Period	share options in the Reporting Period	exercised share options in the Reporting Period (RMB / share)	held at the end of the Reporting Period	the end of the Reporting Period (RMB / share)	shares held at the beginning of the Reporting Period	in the Reporting Period	granted in the Reporting Period	the restricted shares (RMB/share)	shares held at the end of the Reporting Period
Zhang Xiaoyi	Vice President								75,000	25,000			50,000
Hu Ziqiang	Vice President								75,000	25,000			50,000
Wang Jinliang	Vice President								240,000	54,000	100,000	39.92	286,000
Li Guolin	Vice President								100,000	20,000	100,000	39.92	180,000
Guan Jinwei	Vice President								175,000	50,000			125,000
Zhong Zheng	CFO and Director of Finance	65,000		65,000	65,000	16.26	0	73.81	60,000	20,000			40,000
Jiang Peng	Board Secretary								-		80,000	39.92	80,000
Xiao Mingguang	Vice President	105,000		105,000	105,000	16.26	0	73.81	125,000	75,000	80,000	39.92	130,000
Total	--	170,000		170,000	170,000	--	0	--	850,000	269,000	360,000	--	941,000
Remark (if any)	1. A total of 1,292,083 shares were allowed for public trading in the Third Unlocking Period for the Reserved Restricted Shares of the 2017 Restricted Share Incentive Scheme on 8 February 2021, of												

	<p>which senior management Xiao Mingguang unlocked 50,000 shares.</p> <p>2. A total of 3,043,254 shares were allowed for public trading in the Second Unlocking Period for the First Grant of the 2018 Restricted Share Incentive Scheme on 30 June 2021, of which senior management Hu Ziqiang, Zhang Xiaoyi and Zhong Zheng unlocked 25,000 shares, 25,000 shares and 20,000 shares, respectively.</p> <p>3. A total of 5,654,629 shares were allowed for public trading in the First Unlocking Period of the 2019 Restricted Share Incentive Scheme on 13 July 2021, of which senior management Wang Jinliang unlocked 30,000 shares.</p> <p>4. A total of 5,488,962 shares were allowed for public trading in the First Unlocking Period of the 2020 Restricted Share Incentive Scheme on 20 July 2021, of which senior management Wang Jinliang and Li Guolin unlocked 24,000 and 20,000 shares, respectively.</p> <p>5. A total of 9,940,000 shares were granted under the 2021 Restricted Share Incentive Scheme on 16 July 2021, of which senior management Wang Jinliang, Li Guolin and Jiang Peng were granted 100,000 shares, 100,000 shares and 80,000 shares, respectively.</p>
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Appraisal mechanism and incentives for senior management

With respect to remunerations for directors and supervisors, the Remuneration and Appraisal Committee under the Board of Directors formulates the relevant plan, which is submitted to the Board of Directors for approval and then to the meeting of shareholders for final approval. As for remunerations for senior management, the Remuneration and Appraisal Committee formulates the relevant plan, which is submitted to the Board of Directors for final approval.

11.2 Employee stock ownership schemes

Applicable N/A

Outstanding employee stock ownership schemes during the Reporting Period

Scope of employees	Number of employees	Total shares held	Change	As a percentage of the Company's total share capital	Funding source
Employees under the Third Global Partner Stock Ownership Scheme	15	2,846,445	N/A	0.0407%	Special fund for the scheme
Employees under the Fourth Global Partner Stock Ownership Scheme	20	3,318,540	N/A	0.0474%	Special fund for the scheme
Employees under the First Business Partner Stock Ownership Scheme	50	1,779,300	N/A	0.0254%	Special fund for the scheme and part of the performance bonuses for senior management

Employees under the Fifth Global Partner Stock Ownership Scheme	16	3,732,075	N/A	0.0533%	Special fund for the scheme
Employees under the Second Business Partner Stock Ownership Scheme	45	1,867,845	N/A	0.0267%	Special fund for the scheme and part of the performance bonuses for senior management
Employees under the Sixth Global Partner Stock Ownership Scheme	17	3,537,663	N/A	0.0506%	Special fund for the scheme
Employees under the Third Business Partner Stock Ownership Scheme	46	1,873,559	N/A	0.0268%	Special fund for the scheme and part of the performance bonuses for senior management
Employees under the Seventh Global Partner Stock Ownership Scheme	15	2,436,518	N/A	0.0348%	Special fund for the scheme
Employees under the Fourth Business Partner Stock Ownership Scheme	44	1,985,611	N/A	0.0284%	Special fund for the scheme and part of the performance bonuses for senior management

Shares held by directors, supervisors and senior management under employee stock ownership schemes during the Reporting Period

Name	Office title	Shares held at the beginning of the Reporting Period	Shares held at the end of the Reporting Period	As a percentage of the Company's total share capital
Fang Hongbo, Yin Bitong, Gu Yanmin, Wang Jianguo, Zhang Xiaoyi, Hu Ziqiang, Wang Jinliang, Li Guolin, Fu Yongjun, Guan Jinwei, Zhong Zheng, and Jiang Peng	Certain directors and senior management of the Company	8,461,254	8,625,838	0.1233%

Change of asset management organizations during the Reporting Period

Applicable N/A

Equity changes incurred by disposal of shares by holders, etc. during the Reporting Period

Applicable N/A

During the Reporting Period, a total of 2,846,445 shares (or 0.0407% of the Company's total share capital) under the Third Global Partner Stock Ownership Scheme were sold, upon the expiry of the lockup period, by way of centralized bidding on 31 December 2021. As per the Third Global Partner Stock Ownership Scheme (Draft), the implementation of the scheme has been completed and the relevant asset clearing and distribution will be carried out subsequently. The benefits for the holders under the scheme will be distributed in proportion to the shares invested in them after deducting the relevant taxes and expenses.

Exercise of shareholder rights during the Reporting Period

During the Reporting Period, holders under employee stock ownership schemes exercised the shareholder rights to receive the cash dividends for 2020. Other than that, they did not exercise other shareholder rights such as voting in a meeting of shareholders.

Other information about employee stock ownership schemes during the Reporting Period

Applicable N/A

Changes in members of the management committees for employee stock ownership schemes

Applicable N/A

Financial impact of employee stock ownership schemes on the Company during the Reporting Period and the relevant accounting treatments

Applicable N/A

As per the Accounting Standard No. 11 for Business Enterprises—Share-based Payments, for equity-settled share-based payments in exchange for services from employee that are exercisable when services in the vesting period are completed or specified performance conditions are met, at every balance sheet date during the vesting period, the services obtained in the current period are included in the relevant costs/expenses and capital surplus at the fair value of the equity instruments at the grant date based on the best estimate of the number of exercisable equity instruments. The expense amortization of the Company's share-based payment incentive schemes stood at RMB198.46 million for 2021, which was included in the relevant expense items and capital surplus.

Termination of employee stock ownership schemes during the Reporting Period

Applicable N/A

During the Reporting Period, the implementation of the Third Global Partner Stock Ownership Scheme was completed, along with the relevant asset clearing and distribution. The benefits for the holders under

the scheme have be distributed in proportion to the shares invested in them after deducting the relevant taxes and expenses.

Other information

11.3 Other incentive measures for employees

Applicable N/A

12. Establishment and Implementation of the Internal Control System during the Reporting Period

12.1 Establishment and implementation of the internal control system

During the Reporting Period, in line with the *Basic Code for Internal Control of Enterprises* and other related regulations, the Company updated and improved the internal control system timely and established a set of internal control systems which was designed scientifically and operated effectively. Besides, an organization system for internal risk control and management comprising the Audit Committee and the internal audit department was set up to supervise and assess the Company's internal control management. Through the operation, analysis, and assessment of the internal control system, the Company effectively prevented the risks in operations management and promoted the realization of internal control objectives.

12.2 Serious internal control defects found in the Reporting Period

Yes No

13. The Company's Management and Control of Subsidiaries during the Reporting Period

Company name	Consolidation plan	Consolidation progress	Problems arising in consolidation	Solutions taken	Solution implementation progress	Subsequent solutions
N/A	N/A	N/A	N/A	N/A	N/A	N/A

14. Self-evaluation Report and Auditor's Report on Internal Control

14.1 Self-evaluation report on internal control

Disclosure date of the internal control self-evaluation report	30 April 2022	
Index to the disclosed internal control self-evaluation report	For details, please refer to the 2021 Self-Evaluation Report on Internal Control, which has been disclosed on www.cninfo.com.cn	
Ratio of the total assets of the appraised entities to the consolidated total assets	70%	
Ratio of the operating revenue of the appraised entities to the consolidated operating revenue	70%	
Defect identification standards		
Type	Financial-report related	Non-financial-report related
Nature standard	For details, please refer to "(c) Basis for internal control evaluation and identification standards for internal control defects" under Section III of The 2021 Self-Evaluation Report on Internal Control disclosed on www.cninfo.com.cn dated 30 April 2022.	For details, please refer to "(c) Basis for internal control evaluation and identification standards for internal control defects" under Section III of The 2021 Self-Evaluation Report on Internal Control disclosed on www.cninfo.com.cn dated 30 April 2022.
Quantitative standard	For details, please refer to "(c) Basis for internal control evaluation and identification standards for internal control defects" under Section III of The 2021 Self-Evaluation Report on Internal Control disclosed on www.cninfo.com.cn dated 30 April 2022.	For details, please refer to "(c) Basis for internal control evaluation and identification standards for internal control defects" under Section III of The 2021 Self-Evaluation Report on Internal Control disclosed on www.cninfo.com.cn dated 30 April 2022.
Number of serious financial-report-related defects	0	
Number of serious non-financial-report-related defects	0	
Number of important financial-report-related defects	0	
Number of important non-financial-report-related defects	0	

14.2 Auditor's report on internal control

√Applicable □N/A

Opinion paragraph in the auditor's report on internal control
The internal control auditor holds the view that on 31 December 2021, Midea Group maintained an effective internal

control of a financial report in all significant aspects based on the General Specifications of Company Internal Control and relevant specifications.	
Auditor's report on internal control disclosed or not	Disclosed on www.cninfo.com.cn
Date of disclosing the full text of the auditor's report on internal control	30 April 2022
Index to the disclosed full text of the auditor's report on internal control	For details, please refer to the 2021 Auditor's Report on Internal Control, which has been disclosed on www.cninfo.com.cn
Type of the auditor's opinion	Standard & unqualified
Serious non-financial-report-related defects	No

Whether any modified opinions are expressed by the accounting firm in its auditor's report on the Company's internal control

Yes No

Whether the auditor's report on the Company's internal control issued by the accounting firm is consistent with the self-evaluation report of the Board

Yes No

15. Remediation of Problems Identified by Self-inspection in the Special Action on the Governance of Listed Companies

In accordance with the requirements of regulatory authorities, the Company launched a special self-inspection of the governance of listed companies that would last four months on 17 December 2020, which would review the corporate governance comprehensively from seven perspectives, namely the basic information of the listed companies, the operation and decision-making of the organization, controlling shareholder/Actual Controller and related parties, the establishment of the system for standardizing the internal control, information disclosure and transparency, and institutional/overseas investors. In addition, it identified problems and deficiencies by referring to regulations, *Articles of Association*, and other normative documents, and saw the special self-inspection as an opportunity to improve the governance and protect the gains of investors.

This self-inspection found that the Company had no matters that had violated the national and CSRC regulations, and the corporate governance was in compliance with the laws and regulations, such as the

Company Law, the Securities Law, the Guidelines on Standardized Operation of Listed Companies on Shenzhen Stock Exchange, and the Guidelines for Articles of Association of Listed Companies. Besides, the structure of the corporate governance was well-developed, and the operation was standard.

The Company will inspect and update the internal control system it has released in a timely manner in accordance with the existing laws and regulations and continuously establish and improve the internal control systems so that the systems can function effectively.

Section V Environmental and Social Responsibility

1. Major Environmental Issues

Whether the Company or any of its subsidiaries is declared a heavily polluting business by the environmental protection authorities

√ Yes No

Name of the Company or subsidiary	Major pollutants	Discharge method	Number of discharge outlets	Distribution of discharge outlets	Concentration of the discharge	Pollutant discharge standards	Total discharge (ton)	Approved total discharge (ton)	Excess discharge
GD Midea Air-Conditioning Equipment Co., Ltd.	COD	Discharge after being treated by wastewater treatment station	1	The southeastern side of 4# plant	85 mg/L	The <i>Discharge Standard of Water Pollutants for Electroplating</i> (DB441597- 2015) Chart 2 PRD standard	6.89	9.59	No
	Ammonia-nitrogen				2.15 mg/L		1.41	1.510	No
	SS				24 mg/L		3.64	/	No
	Petroleum				4.21 mg/L		0.8	/	No
	COD	Discharge after being treated by wastewater treatment station	1	The eastern side of 2# plan	70 mg/L	The <i>Discharge Limits of Water Pollutants</i> (DB44/26-2001)	2.6	9.59	No
	SS				55 mg/L		2.01	/	No
	Ammonia-nitrogen				3.4 mg/L		2.53	/	No
	Petroleum				7.14 mg/L		4.22	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	VOCs (dusting)	15m high altitude discharge after being treated by spray tower + activated carbon	3	4# plant	21.23 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing (DB44/814-2010) the second time period</i>	2.26		
	VOCs (Screen Printing)	15m high altitude discharge after being treated by environmental protection equipment	4	1#, 5#, 9#, 11# plants	1.92 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>	0.244	/	No
	VOCs (electronic)	15m high altitude discharge after being treated by environmental protection equipment	2	10# plants	25.21 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>	2.16		
	NMHC (evaporator & condenser)	15m high altitude discharge after being treated by environmental protection equipment	6	2#, 5# plants	25 mg/m ³	<i>Emission Limits of Air Pollutants (DB44/27-2001) the second time period</i>	13.8	/	No
Wuhu Maty Air-Conditioning Equipment Co., Ltd	COD	Discharge after being treated by wastewater treatment station	1	The northern side of the park	42 mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996) chart 4 Level 3</i>	24.3	/	No
	SS				55 mg/L		25.7	/	No
	BOD				9 mg/L		4.3	/	No
	Ammonia-nitrogen				37 mg/L		21.2	/	No
	Petroleum				0.5 mg/L		0.3	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Particles	15m high altitude discharge after being treated by environmental protection equipment	5	2# plant	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>	3.15	/	No
	VOCs		8	2#, 3# plants	17 mg/m ³	<i>Emission Control Standard for Industrial Enterprises Volatile Organic Compounds (DB13-2322- 2016)</i>	24.6	/	No
	NOX		3	3# plant	19 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>	2.52	/	No
	SO ₂		3	3# plant	8 mg/m ³		0.98	/	No
Midea Group Wuhan Refrigeration Equipment Co., Ltd.	PH value	Discharge after being treated by wastewater treatment system and reaching the standard	1	West Gate 2 of 4# plant on the west side of plant areas	7-9	<i>Integrated Wastewater Discharge Standard GB8978-1996</i>	/	/	No
	Suspended solids				45 mg/L		/	/	No
	Five-day COD				42.8 mg/L		/	/	No
	COD				192 mg/L		16.54	19.60	No
	Petroleum				3.45 mg/L		/	/	No
	Ammonia-nitrogen				0.313 mg/L		0.021	1.764	No
	Fluoride				4.98 mg/L		/	/	No
	Total zinc				0.96 mg/L		/	/	No
	Particles	1. Water spraying + low-	4	Northwest corner of 1#	3.1 mg/m ³	<i>Integrated Emission</i>	5.91	6.09	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Sulfur dioxide	temperature plasma; direct-fired TO furnace	3	plant; central 1# plan; northeast corner of 3# plan	< 3 mg/m ³	<i>Standards for Atmospheric Pollutants (GB16297-1996)</i>	1.32	1.56	No
	Nitrogen oxide	2. Frame filtration + activated carbon	1		< 3 mg/m ³		2.98	5.9	No
	VOCs	3. Frame filtration + Level 2 spraying + UV photolysis + carbon absorption 4. Activated carbon 5. RTO regenerative combustion	2		6.94 mg/m ³		3.17	11.44	No
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	CODcr	Discharge after being treated by wastewater treatment system and reaching the standard	2	Waste water treatment stations 1 and 2 of 3# plant	59 mg/L	<i>Discharge Standard of Water Pollutants for Electroplating (DB44/1597-2015)</i>	8.24	15.304	No
	Petroleum				0.075 mg/L		0.01	/	No
	Ammonia-nitrogen				9.57 mg/L		1.339	1.913	No
	Toluene and xylene	High altitude discharge after being treated by waste gas treatment station	7	Waste gas sprayers 1 and 2 at 3# plant, outlets 1, 2 and 3 for waste gas from wave-soldering, painting and drying at 6# plant, outlets 1 and 2 for waste gas from reflow soldering at 6# plant	0.68 mg/m ³	Table 1 of the <i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing (DB44/814-2010)</i> : Discharge Limits for VOCs through Exhaust Funnel/for Time Period II	2.177	/	No
	VOCs	High altitude discharge after being treated by waste gas treatment station			5.42 mg/m ³		12.17	22.72	No

The 2021 Annual Report of Midea Group Co., Ltd.

	NMHC	High altitude discharge after being treated by waste gas treatment station	2	Outlet of injection molding waste gas in the south side of 1# plant, outlet of injection molding waste gas in the south side of 9# plant	1.8 mg/m ³	Table 4 of the <i>Emission Standards of Industrial Pollutants in the Synthetic Resin Industry</i> (GB 31572-2015): Emission Limits of Air Pollutants	1.5125	/	No
	Particles	Pulse bag dust collecting	4	Outlets 1 and 2 of sanding waste gas at 3# plant, outlets 1 and 2 of polishing waste gas at 3# plant	6.4 mg/m ³	Table 2 of the <i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Emission Limits of Industrial Waste Gas (Time Period 2), Level 2	2.015	/	No
	Sulfur dioxide	High altitude discharge after being treated by waste gas treatment station	2	Oxidation wire roof of 3# plant	< 3 mg/m ³	<i>Emission Standard of Air Pollutants for Boiler</i> (DB44/765-2019)	0.0152	3.8231	No
	Nitrogen oxide			Drying furnace of 3# plan	< 3 mg/m ³		0.0532	13.132	No
	Cooking fume	Discharge after being treated by waste gas treatment station	2	South and north section canteens	1.25 mg/m ³	<i>Emission Standard of Cooking Fume (Trial)</i> (GB 18483-2001)	0.419	/	No
Guangdong Midea Consumer Electric Manufacturer	CODcr	Discharge after being treated by wastewater treatment system and reaching the standard	1	Sewage treatment station	46.25 mg/L	<i>Discharge Standard of Water Pollutants for Electroplating</i> (DB44/1597-2015)	3.7349	4.8	No
	Petroleum				0.06 mg/L		0.0048	/	No
	SS				13.25 mg/L		1.0817	/	No
	Ammonia-nitrogen				6.73 mg/L		0.5378	0.96	No
	Benzene	High altitude discharge after	1	Spraying waste gas	0.025 mg/m ³	Table 1 of the <i>Emission</i>	0.0019	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

Midea Group Co., Ltd.	Toluene	being treated by waste gas treatment station		outlet at 1# plant	0.2625 mg/m ³	<i>Standard of Volatile Organic Compounds for Furniture Manufacturing</i> (DB44/814-2010): Discharge Limits for VOCs through Exhaust Funnel/for Time Period II	0.0213	/	No
	Xylene				2.8975 mg/m ³		0.2697	/	No
	Toluene and xylene				3.165 mg/m ³		0.2911	/	No
	VOCs				16.08 mg/m ³		0.5617	0.61	No
	NMHC	High altitude discharge after being treated by waste gas treatment station	2	Injection molding waste gas outlet in the southern side of 2# plant, injection molding waste gas outlet in the northern side of 2# plant	1.64 mg/m ³	Table 4 of the <i>Emission Standards of Industrial Pollutants in the Synthetic Resin Industry</i> (GB 31572- 2015): Emission Limits of Air Pollutants	0.198	/	No
	Particles	High altitude discharge of furnace and welding fume after being collecting	7	Furnace and welding waste gas outlet at 1# plant (5) Spraying waste gas outlet at 1# plant (1) Discharging dust & waste gas outlet (1)	5.32 mg/m ³	Table 2 of the <i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Emission Limits of Industrial Waste Gas (Time Period 2), Level 2	0.01915	/	No
	Sulfur dioxide	High altitude discharge after being treated by waste gas treatment station	1	Spraying waste gas outlet at 1# plant	< 3 mg/m ³	<i>Emission Standard of Air Pollutants for Boiler</i> (DB44/765-2019)	0.02719	0.028	No
	Nitrogen oxide	High altitude discharge after being treated by waste gas treatment station			< 3 mg/m ³		0.08583	0.131	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Cooking fume	Discharge after being treated by waste gas treatment station	1	Canteen of 1# plan	0.425 mg/m ³	<i>Emission Standard of Cooking Fume (GB 18483-2001)</i>	0.0166	/	No
GD Midea Environment Appliances Mfg. Co., Ltd.	VOCs	Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	2	During the screen printing process	0.94 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)</i>	0.1986	/	No
		Dry filtering + UV + activated carbon + catalytic combustion + 15m high altitude discharge	2	Outlet for waste gas from dip coating, drying and hardening	24.73 mg/m ³	<i>Emission Control Standard for Industrial Enterprises Volatile Organic Compounds (DB12/ 524-2020)</i>	1.5276	3.42	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	1	During the manual welding process	10.67 mg/m ³	<i>Emission Limits of Air Pollutants (DB44/27-2001): Time Period 2, Level 2</i> <i>Emission Standards for Odor Pollutants (GB14554- 93)</i>	0.2964	/	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	3	During the wave soldering process (paste printing and wave reflow)	6.735 mg/m ³	<i>Emission Limits of Air Pollutants (DB44/27-2001): Time Period 2, Level 2</i> <i>Emission Standards for Odor Pollutants (GB14554- 93)</i>	0.9079	/	No

	NMHC	Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	6	Exhaust funnel for waste gas from the baking and injection molding processes	2.85 mg/m ³	<i>Emission Standards of Industrial Pollutants in the Synthetic Resin Industry</i> (GB 31572-2015)	1.7595	/	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	2	Outlet for organic waste gas from dusting, baking and hardening	2.35 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	0.2495	/	No
		Gas trap hood + water spraying + dry filtering + UV + activated carbon + 15m high altitude discharge	1	Outlet for waste gas from electrophoresis and hardening	13.6 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	0.3390	/	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	3	During the wave soldering process (paste printing and wave reflow)	8.77 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	1.8773	/	No
	Particles	Gas trap hood + water spraying + dry filtering + UV + activated carbon + 15m high altitude discharge	1	Outlet for waste gas from electrophoresis and hardening	22 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	3.17239	/	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	3	During the wave soldering process (paste printing and wave reflow)	13.43 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	2.3241	/	No
		Gas trap hood + dry filtering + UV + activated carbon + 15m high altitude discharge	2	Outlet for organic waste gas from dusting, baking and hardening	0.51 mg/m ³	<i>Emission Limits of Air Pollutants</i> (DB44/27-2001): Time Period 2, Level 2	0.0419	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Cooking fume	Fume hood + electrostatic range hood + 15m high altitude discharge	7	Cooking fume outlet at canteen	0.492 mg/m ³	<i>Emission Standard of Cooking Fume (GB 18483-2001)</i>	0.1276	/	No
	SS	Oil separation and slugging - hydrolysis and acidification - contact oxidation - MRB	1	Domestic wastewater treatment station	21 mg/L	<i>Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002)</i>	0.0378	/	No
	COD				35 mg/L		5.103	/	No
	Animal and vegetable oil				0.18 mg/L		0.0241	/	No
	Ammonia-nitrogen				1.08 mg/L		0.145	2.16	No
	PH value				7.26		/	/	No
	BOD				28 mg/L		4.032	/	No
	Total zinc				Coagulation and sedimentation + hydrolysis and acidification + aeration + biological tank + MBR + 50% water reuse		1	Domestic wastewater treatment station	0.000744 mg/L
	COD	18.68 mg/L	4.215	/		No			
	SS	9mg/L	0.015	/		No			
	PH value	7.22	/	/		No			
	Total phosphorus (in P)	0.02 mg/L	0.040	/		No			
	Total aluminum	0.0194 mg/L	0.022	/		No			
	Ammonia-nitrogen	0.28 mg/L	0.53	1.724		No			
	Total ferrum	0.00144 mg/L	0.0014	/		No			
	Petroleum	0.06 mg/L	0.007	/		No			

The 2021 Annual Report of Midea Group Co., Ltd.

Chongqing Midea General Refrigeration Equipment Co., Ltd.	Anionic surfactants	Discharge to municipal wastewater treatment plant after being treated by the wastewater treatment system	1	General sewage discharge exit of plant areas	0.404 mg/L	GB/T4754-2011 Discharge standards of chemical park water pollutants DB50/457-2012	0.031	0.4936	No
	COD				117.75 mg/L		4.125	12.3809	No
	Suspended solids				7.5 mg/L		0.344	9.8857	No
	PH value				7.645		/	/	No
	Ammonia-nitrogen (NH3-N)				5.02 mg/L		0.263	/	No
	Five-day BOD	28.2mg/L	2.105	7.4389	No				
	Toluene	High altitude discharge after being treated by waste gas treatment station	4	1#4# workshop paint waste gas outlets	0.228 mg/m ³	GB30981-2020 Limit of Harmful Substances in Industrial Protective Coatings; GB37822-2019 Volatile Organic Compounds Emission Control Standards; DB50-418-2016 Integrated Emission Standards for Atmospheric Pollutants	0.011	8.7048	No
	Benzene				0.137 mg/m ³		0.007	1.404	No
	NMHC				3.759 mg/m ³		0.592	28.08	No
	Xylene				1.118 mg/m ³		0.135	2.808	No
Particles	11.57 mg/m ³				0.964		2.2464	No	
	COD	Discharge after being treated by	1	The eastern side of 1#	45 mg/L	Implementation of the	5.244	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

Hefei Midea Heating & Ventilating Equipment Co., Ltd.	Ammonia-nitrogen	wastewater treatment system and reaching the standard		plant	15 mg/L	takeover standards of the Western Hefei Group wastewater treatment plant and <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) Level 3	0.42	/	No
	NMHC	RTO equipment	1	1 set at the northeastern side of 3# plant	3.5 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants</i> GB16297-1996 Level 2	0.36	/	No
		Condensation + degreasing + filtering+ activated carbon + catalytic combustion equipment	1	1 set at the southwestern side of 4# plant	4 mg/m ³		0.69	/	No
		Two-stage water spray + two-stage dehumidification + activated carbon equipment	3	2 sets at 1# plant and 1 set at 2# plant	2.17 mg/m ³		0.81	/	No
		Two-stage activated carbon equipment	1	1 set at the eastern side of 2# plant	2.3 mg/m ³		0.239	/	No
	Particles	Filter cartridge dust collector	3	2 at 2# plant and 1 at 4# plant	16 mg/m ³		6.02	/	No
Hubei Midea Refrigerator Co., Ltd	COD	Discharge domestic sewage in the plant to the municipal sewage system after pretreatment	1	Domestic sewage outlets at the plant	65 mg/L	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	12.02	15	No
	Ammonia-nitrogen				3.49 mg/L		1.55	2.5	No
	BOD				22.35 mg/L		4.13	/	No
	SS				65.7 mg/L		12.1	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Animal and vegetable oil				0.89 mg/L		0.59	/	No
	COD	Freezer spaying waste water is discharged to the municipal sewage system after floatation + acidification + aerobic sludge digestion + filtration and other processes	1	Waste water outlets at the freezer branch plant	70 mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	2.8	15	No
	Ammonia-nitrogen				3.96 mg/L		0.158	2.5	No
	BOD				22.82 mg/L		0.91	/	No
	SS				56.5 mg/L		2.26	/	No
	Animal and vegetable oil				1.01 mg/L		0.04	/	No
	Petroleum				1.08 mg/L		0.04	/	No
	NMHC				15m discharge after light and oxygen purification + activated carbon adsorption		1	First installation branch waste gas outlets	6.87 mg/m ³
	NMHC	Second installation branch waste gas outlets	15.4 mg/m ³	3.03		/		No	
	NMHC	Injection molding workshop waste gas outlets	1.22 mg/m ³	0.35		/		No	
	NMHC	15m high altitude discharge after dry filtration +light and oxygen purification + activated carbon	1	Extrusion workshop waste gas outlets	0.97 mg/m ³	0.43	/	No	
	NMHC	15m high altitude emission	8	Cold cabinet branch waste gas outlets	1.02 mg/m ³	0.13	/	No	
	Particles		1		< 20 mg/m ³	0.04	/	No	
Foshan	COD	Discharge after being treated by	1	The southern side of 2#	50 mg/L	<i>Discharge Limits of Water</i>	0.18	0.228	No

The 2021 Annual Report of Midea Group Co., Ltd.

Shunde Midea Washing Appliances Manufacturing Co., Ltd. (the Washing and Sterilizing Appliances Park)	SS	wastewater treatment system and reaching the standard		plant in the Washing and Sterilizing Appliances Park	11 mg/L	<i>Pollutants</i> (DB44/26-2001) of Guangdong Province	0.0396	/	No
	BOD5				12.2 mg/L		0.04392	/	No
	Petroleum				0.1 mg/L		0.0036	/	No
	Ammonia-nitrogen				0.964 mg/L		0.00571	/	No
	Benzene	High altitude discharge after being treated by waste gas treatment station	1	The southern side of 2# plant in the Washing and Sterilizing Appliances Park	0.03 mg/m ³	<i>Emission Standard of Volatile Organic Compounds for Furniture Manufacturing</i> (DB44/814-2010)	0.0197	/	No
	Toluene and xylene				0.29 mg/m ³		0.1406	/	No
VOCS	6.43 mg/m ³				0.58372		/	No	
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	COD	Discharge after being treated by wastewater treatment system and reaching the standard	1	Western gate of the Wuhu plant	167.75 mg/L	<i>Integrated Wastewater Discharge Standard</i> (GB8978-1996)	66.4	70.898	No
	Ammonia-nitrogen				5.87 mg/L		2.3	2.496	No
	BOD ₅				28.58 mg/L		11.3	/	No
	Petroleum				5.63 mg/L		2.3	/	No
	Total phosphorus				0.535 mg/L		0.21	/	No
	Fluoride				1.43 mg/L		0.57	/	No
	Soot	15m high altitude discharge	45	Plants at each workshop	< 20 mg/m ³	<i>Emission Standard of Air Pollutants for Boiler</i> (GB13271-2014)	0.032	0.48	No
	Sulfur dioxide				12.67 mg/m ³		1.75	0.658	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Nitrogen oxide	High altitude discharge after being treated by waste gas treatment station			56 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>	5.81	3.6	No
	Particles				< 20 mg/m ³		17.37	/	No
	Xylene				0.53 mg/m ³		0.28	/	No
	VOCs				0.2 mg/m ³		0.67	/	No
Wuxi Little Swan Electric Co., Ltd	COD	Discharge to municipal sewage network	1	Exit at the middle gate of the plant	284 mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996)</i>	56.4645	123.8994	No
	SS				191 mg/L		25.151	87.2473	No
	Animal and vegetable oil				2.41 mg/L		1.7278	10.7034	No
	Total phosphorus				3.65 mg/L		0.6713	1.0701	No
	Total nitrogen				47.7 mg/L		7.0688	11.2612	No
	Ammonia-nitrogen				36.5 mg/L		5.1779	6.6906	No
	Particles	High altitude discharge after treatment	11	Buildings A, C, and D	ND	<i>Integrated Emission Standards for Atmospheric Pollutants</i>	0.4382	2.0696	No
VOCS	Gas trap hood + water spraying +	1.35 mg/m ³			0.8		1.2218	No	

The 2021 Annual Report of Midea Group Co., Ltd.

	Sulfur dioxide	dry filtering + UV + activated carbon + 15m high altitude discharge			ND	(GB16297-1996)/Tianjin Emission Control Standard for Industrial Enterprises Volatile Organic Compounds (DB12/524-2014)/Emission Standards of Industrial Pollutants in the Synthetic Resin Industry (GB 31572- 2015)/Emission Standard of Air Pollutants for Boiler (GB13271-2014)	0.1187	0.624	No		
	Nitrogen oxide				27 mg/m ³		0.8784	3.38	No		
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd	COD	Discharge to the municipal sewage system after being treated by wastewater treatment system	1	The eastern side of wastewater treatment station in Malong base	59 mg/L	The Discharge Limits of Water Pollutants in Guangdong DB-44/26- 20 Emission Standard of Volatile Organic Compounds for Furniture Manufacturing (DB44/814-2010)/Emission Standard of Volatile Organic Compounds for Surface Coating of Automobile Manufacturing Industry	19.11	22.77	No		
	Ammonia-nitrogen				0.572 mg/L		0.455	4.554	No		
	Particles	20m high altitude discharge after being treated by waste gas treatment equipment and reaching the standard	112	26 outlets at A1 plant, 47 outlets at A2 plant, 21 outlets at B2 plant, 9 outlets at C2 plant, 2 outlets at C3 plant, 1 outlet at wastewater treatment station and 6 outlets at canteen	10.1 mg/m ³	11.15	/	No			
	Sulfur dioxide				5 mg/m ³				0.444	1.055	No
	Nitrogen oxide				7 mg/m ³				3.083	10.314	No
	Benzene				ND				0.027	/	No
	Toluene and xylene				0.276 mg/m ³				1.55	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	VOCs	15m high altitude discharge after being treated by oil fume purification facility and reaching the standard			3.99 mg/m ³	(DB44/816-2010)/Emission Standards of Industrial Pollutants in the Synthetic Resin Industry (GB 31572-2015)/Guangdong Province Emission Limits of Air Pollutants (DB44/27-2001)/Emission Standard of Volatile Organic Compounds for Printing Industry (DB44/815-2010)/Emission Standard of Cooking Fume (on Trial) (GB18483-2001)	26.005	35.051	No
	NMHC				3.75 mg/m ³		1.694	/	No
	Styrene				2.6 mg/m ³		0.254	/	No
	Cooking fume				0.77 mg/m ³		0.17	/	No
Guangdong Meizhi Precision Manufacturing Co., Ltd	COD	Discharge after being treated by wastewater treatment station	1	Near the wastewater treatment station in the north side of the plant	27 mg/L	The discharge limits of water pollutants in Guangdong DB-44/26-2001 the second time period Level 2	13.12	16.28	No
	Ammonia-nitrogen				2.12 mg/L		0.32	2.034	No
Guangdong	COD		1	Near the wastewater	42 mg/L	Guangdong discharge	5.94	6.046	No

The 2021 Annual Report of Midea Group Co., Ltd.

ong Meizhi Compre ssor Limited	Ammonia- nitrogen	Discharge after being treated by wastewater treatment station		treatment station in the north side of the plant	0.282 mg/L	standard of water pollutants for electroplating DB-441597- 2015, before 1 September 2012	0.045	0.756	No
Anhui Meizhi Compre ssor Co., Ltd.	COD	Discharge after being treated by wastewater treatment system and reaching the standard	1	The western side of the comprehensive wastewater treatment station	32 mg/L	Implementation of the takeover standards of the Western Hefei Group wastewater treatment plant and <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) Level 3	7.01	/	No
	Ammonia- nitrogen				1.60 mg/L		0.23	/	No
	Particles	Collected by gas trap hood+15m high exhaust cylinder	13	No. 1 workshop welding soot discharge outlet for waste gas	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants</i> (GB16297-1996)	9.782	65.45	No
				No. 3 workshop discharge outlet for the welding waste gas	< 20 mg/m ³				No
				Waste gas outlet of 1# heat-treating furnace at No. 2 workshop	< 20 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace</i> (GB9078- 1996)			No
Waste gas outlet of 2# heat-treating furnace at No. 2 workshop	< 20 mg/m ³			No					

The 2021 Annual Report of Midea Group Co., Ltd.

				Waste gas outlet for die casting at No. 2 workshop	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>			No
				Waste gas outlet for die casting at No. 4 workshop	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>			No
				Waste gas outlet of 1# heat-treating furnace at No. 4 workshop	< 20 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078- 1996)</i>			No
				Waste gas outlet of 2# heat-treating furnace at No. 4 workshop	< 20 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078- 1996)</i>			No
				Waste gas outlet for electrophoresis and drying at No. 1 workshop	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>			No
				Waste gas outlet for electrophoresis and drying at No. 3 workshop	< 20 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>			No
				Waste gas outlet of 1#-3# furnaces	< 20 mg/m ³	<i>Emission Standard of Air Pollutants for Boiler (GB13271-2014)</i>			No

	Sulfur dioxide	Collected by gas trap hood+15m high exhaust cylinder	9	Waste gas outlet of 1#-3# furnaces	1.5 mg/m ³	<i>Emission Standard of Air Pollutants for Boiler (GB13271-2014)</i>	5.67	112.2	No
				Outlet of 1# heat-treating furnace at No. 2 workshop	< 3 mg/m ³	<i>Air Pollutant Emission Standards (GB16297-1996) Standard Level 2</i>			No
				Outlet of 2# heat-treating furnace at No. 2 workshop	< 3 mg/m ³				No
				Waste gas outlet for die casting at No. 2 workshop	< 3 mg/m ³				No
				Outlet of 1# heat-treating furnace at No. 4 workshop	< 3 mg/m ³				No
				Outlet of 2# heat-treating furnace at No. 4 workshop	< 3 mg/m ³				No
				Waste gas outlet for die casting at No. 4 workshop	< 3 mg/m ³				No
	Nitrogen oxide	Collected by gas trap hood+15m high exhaust cylinder	9	Waste gas outlet of 1#-3# furnaces	36 mg/m ³		<i>Emission Standard of Air Pollutants for Boiler (GB13271-2014)</i>	4.13	33.24
				Outlet of 1# heat-treating furnace at No. 2 workshop	< 3 mg/m ³	<i>Air Pollutant Emission Standards (GB16297-1996) Standard Level 2</i>	No		

The 2021 Annual Report of Midea Group Co., Ltd.

				Outlet of 2# heat-treating furnace at No. 2 workshop	< 3 mg/m ³				No
				Waste gas outlet for die casting at No. 2 workshop	< 3 mg/m ³				No
				Outlet of 1# heat-treating furnace at No. 4 workshop	< 3 mg/m ³				No
				Outlet of 2# heat-treating furnace at No. 4 workshop	< 3 mg/m ³				No
				Waste gas outlet for die casting at No. 4 workshop	< 3 mg/m ³				No
	VOCs	Collected by gas trap hood+15m high exhaust cylinder Direct-fired waste gas incinerator+15m high exhaust cylinder	4	Waste gas outlet of the drying furnace at No. 1 workshop	1.35 mg/m ³	<i>Emission Control Standard for Industrial Enterprises Volatile Organic Compounds (DB12/ 524-2020)</i>	0.279	21.6	No
				Waste gas outlet of 1# drying furnace at No. 3 workshop	0.985 mg/m ³				
				Die casting at No. 2 workshop	0.323 mg/m ³				
				Die casting at No. 4 workshop	0.52 mg/m ³				

The 2021 Annual Report of Midea Group Co., Ltd.

Welling (Wuhu) Motor Manufacturing Co., Ltd.	Particles	Collected by gas trap hood + dust collector + activated carbon +15m high exhaust cylinder	2	Exhaust funnels 1 and 2 for mold injection	21.5 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i>	7.59	23	No	
	VOCs	Collected by gas trap hood+15m high exhaust cylinder	7	Waste gas outlets 1-7 of the die casting workshop	2.75 mg/m ³	<i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (GB9078- 1996)</i>	2.31	3.388	No	
	VOCs	Activated carbon + UV photolysis	2	Exhaust funnels 1 and 2 for dip coating	26.1 mg/m ³	Hebei Province Standard DB13/2322-2016 The Concentration Limits at Emission Reference Point for Coating Operations	5.28	31	No	
	COD	Discharge after being treated by wastewater treatment system and reaching the standard	1	General wastewater outlet	80 mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996) chart 4 Level 3</i>	2.56	/	No	
	Ammonia-nitrogen				20 mg/L		0.532	/	No	
	BOD				12.3 mg/L		2.078	/	No	
	SS				59 mg/L		1.9	/	No	
	Petroleum				0.95 mg/L		0.2	/	No	
	Anhui Meizhi Precision Manufacturing Co., Ltd.	COD	Discharge after being treated by wastewater treatment system and reaching the standard	1	The south side of Building 6 for night shift at the north side of the plant area	221.75 mg/L	<i>Integrated Wastewater Discharge Standard (GB8978-1996) chart 4 Level 3</i>	142.94	/	No
	Ammonia-nitrogen	8.0 mg/L				5.287		/	No	
BOD	58.65 mg/L	54.26				/		No		
SS	41.51 mg/L	27.34				/		No		
Petroleum	1.955 mg/L	1.92				/		No		

The 2021 Annual Report of Midea Group Co., Ltd.

	Particles	Collected by gas trap hood +21m high exhaust cylinder	10	1-8# welding waste gas outlets	14.77 mg/m ³	Integrated emission standards for atmospheric pollutants GB16297-1996, chart 2, Level 2	13.20	/	No
				9#-10# welding waste gas outlets	17.92 mg/m ³			/	No
				2# outlet of stator + rotor heat-treating furnace	5.55 mg/m ³			/	No
				3# outlet of 2# stator heat-treating furnace	6.7 mg/m ³			/	No
				1# outlet of stator + rotor heat-treating furnace	10.8 mg/m ³	Emission standard of air pollutants for industrial kiln and furnace GB9078-1996, chart 2, Level 2		/	No
				Outlet at the head of 3# stator furnace	9.17 mg/m ³			/	No
				Outlets at the head of 2# stator furnace and 4# rotor furnace	8.675 mg/m ³			/	No
				Outlets at the tail of 3# and 4# stator furnaces and comprehensive outlet for 4 aluminum melting furnaces	7.25 mg/m ³			/	No
				Waste gas outlet of aluminum melting furnace	7.575 mg/m ³			/	No
Sulfur dioxide	Collected by gas trap hood +21m high exhaust cylinder	8	1# heat-treating furnace	5.55 mg/m ³	Emission limit standards for other industrial	3.813	/	No	
			2# heat-treating furnace	6.725 mg/m ³			/	No	

The 2021 Annual Report of Midea Group Co., Ltd.

				3# heat-treating furnace	10.8 mg/m ³	furnaces and kilns in the <i>Comprehensive Control Plan for Air Pollution of Industrial Furnaces</i> (H.D.Q.[2019] NO.56)		/	No
				Heat-treating furnace	9.175 mg/m ³			/	No
				1# outlet for waste gas from drying	3.25 mg/m ³			/	No
				2# outlet for waste gas from drying	4.25 mg/m ³				
				3# outlet for waste gas from drying	3 mg/m ³				
				4# outlet for waste gas from drying	3 mg/m ³			/	No
	Nitrogen oxide	Collected by gas trap hood +21m high exhaust cylinder	8	1# heat-treating furnace	5.55 mg/m ³		14.49	/	No
				2# heat-treating furnace	6.725 mg/m ³			/	No
				3# heat-treating furnace	10.8 mg/m ³			/	No
				Heat-treating furnace	9.175 mg/m ³			/	No
				1# outlet for waste gas from drying	3.75 mg/m ³			/	No
				2# outlet for waste gas from drying	4.75 mg/m ³			/	No
				3# outlet for waste gas from drying	3.75 mg/m ³			/	No
				4# outlet for waste gas from drying	4.5 mg/m ³			/	No
VOCs	Direct-fired waste gas incinerator+21m high exhaust	4	1# outlet for waste gas from drying	4.3975 mg/m ³	NMHC emissions meet the relevant standard limit	2.877	/	No	

The 2021 Annual Report of Midea Group Co., Ltd.

		cylinder		2# outlet for waste gas from drying	3.635 mg/m ³	requirements in Table 1 of Shanghai <i>Integrated Emission Standards for Atmospheric Pollutants</i> (DB31/933-2015)		/	No
				3# outlet for waste gas from drying	4.6325 mg/m ³			/	No
				4# outlet for waste gas from drying	3.955 mg/m ³			/	No
Huaian Welling Motor Manufacturing Co., Ltd	Particles	Gas trap hood + cotton filter + activated carbon + 15m high exhaust cylinder	2	5# waste gas outlet: outside the inductor dip coating room	4.1 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants</i> (GB16297-1996)	0.338	0.97	No
	NMHC			8# waste gas outlet: outside the reactor dip coating room	2.5 mg/m ³	<i>Integrated Emission Standards for Atmospheric Pollutants</i> (GB16297-1996)	0.254	0.3078	No
	Styrene				0.483 mg/m ³	<i>Emission Standards for Odor Pollutants</i> (GB14554-93)	0.03	0.032	No
Hefei Midea Laundry Appliance Co., Ltd.	COD	Discharge after being treated by wastewater treatment station	1	The eastern side of wastewater treatment station	38.6 mg/L	Implementation of the takeover standards of the Western Hefei Group wastewater treatment plant and <i>Integrated Wastewater Discharge Standard</i> (GB8978-1996) Level 3	8.03	58.150	No
	Ammonia-nitrogen			The eastern side of wastewater treatment station	1.35 mg/L		0.799	/	No

The 2021 Annual Report of Midea Group Co., Ltd.

	Particles	15m high altitude discharge after being treated by cyclone + filter cartridge dust collector	2	1 outlet at 2# plant, 1 outlet at 6# plant	< 20 mg/m ³	Table 5 of the <i>Emission Standards of Industrial Pollutants in the Synthetic Resin Industry</i> (GB 31572- 2015): Special Emission Limit Requirements	0.28	/	No
	Particles	15m high altitude discharge after being treated by water spraying + dedusting+ UV photolysis + activated carbon	1	1 outlet at 3# plant	< 20 mg/m ³		1.61	/	No
	NMHC	15m high altitude discharge after being treated by waste gas treatment station	3	1 outlet at 2# plant	1.52 mg/m ³		0.29	/	No
	NMHC	15m high altitude discharge after being treated by waste gas treatment station	6	Six pieces of Plant No. 6	1.86 mg/m ³		0.28	/	No
	NMHC	15m high altitude discharge after being treated by waste gas treatment station	6	Six pieces of Plant No. 6	1.54 mg/m ³		0.37	/	No
	NMHC	15m high altitude discharge after being treated by low-temperature plasma	2	1 outlet at 1# plant, 1 outlet at 5# plant	1.48 mg/m ³		0.34	/	No
	NMHC	15m high altitude discharge after being treated by photocatalyst and activated carbon	1	1 outlet at 3# plant	3.96 mg/m ³		0.38	/	No
Handan Midea Air-Conditioning Equipm	NMHC	15m high altitude discharge after being treated by environmental protection equipment	9	1#, 2# plants	7.97 mg/m ³	1) NMHC: Implementation of the emission concentration limits on organic chemicals in Table 1 of <i>Emission Control Standard for</i>	7.01	/	No
	Particles		7	1#, 2#, 3# plants	6.2 mg/m ³		3.68	/	No
	Nitrogen oxide		7	1#, 2#, 3# plants	< 3 mg/m ³		1.78	2.02	No
	Sulfur dioxide		7	1#, 2#, 3# plants	< 3 mg/m ³		1.78	2.02	No

The 2021 Annual Report of Midea Group Co., Ltd.

ent Co., Ltd.	Tin and its compounds		4	2# plant	5.3 mg/m ³	<p><i>Industrial Enterprises Volatile Organic Compounds (DB13/2322-2016)</i></p> <p>2) Sulfur dioxide/nitrogen oxides/particles: Implementation of the new furnace standards in Table 1 and Table 2 of <i>Emission Standard of Air Pollutants for Industrial Kiln and Furnace (DB13/1640-2012)</i></p> <p>3) Tin and its compounds: Implementation of the requirements of Level 2 in the <i>Integrated Emission Standards for Atmospheric Pollutants (GB16297-1996)</i></p>	1.99	/	No
	COD	Discharge after being treated by wastewater treatment system and reaching the standard	1	North side of the power house	122 mg/L	Requirements for inflow water quality of wastewater treatment plant in Handan Economic and Technological Development Zone	3.05	8.97	No
	Ammonia-nitrogen		1		7.51 mg/L		0.19	0.7	No
	pH		1		6.94		/	/	No
	Suspended solids		1		45 mg/L		1.13	/	No
	Petroleum		1		0.10 mg/L		<i>Integrated Wastewater</i>	/	/

	Fluoride		1		2.91 mg/L	Discharge Standard (GB8978-1996) chart 4 Level 3	/	/	No
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The construction of pollution prevention facilities and their operation

During the Reporting Period, all subsidiaries have strictly abided by the laws and regulations related to environment protection, and no major environmental pollution incidents occurred. All subsidiaries have set up reliable waste water and gas treatment systems. Through regular monitoring, supervision and inspection mechanisms, as well as third-party testing, it is ensured that the discharge of waste water, waste gas and solid waste during the production and operation process meets the national and local laws and regulations. There is no excessive discharge by any subsidiary, which is in compliance with the relevant requirements of the environment administrations.

The environmental effect evaluation of construction projects and other administrative permits in relation to environmental protection

All subsidiaries strictly observe the laws and regulations governing environmental protection, and all construction projects are in compliance with the environmental effect requirements and other rules, with no misdeeds during the Reporting Period. Once a construction project is finished, a third-party testing institution is hired to examine indexes including waste water, waste gas and noise, and the compilation and approval of the environmental effect evaluation report is finished in time.

Contingency plans for environmental accidents

All subsidiaries have finished the compilation and approval of their contingency plans for environmental accidents. Emergency mechanisms for environmental pollution accidents have been established and improved, and the subsidiaries' ability to deal with environmental pollution accidents has

been enhanced, so as to maintain social stability, protect the lives, health and properties of the public, protect the environment, and promote a comprehensive, coordinated and sustainable development of the society.

According to the accident levels, subsidiaries have formulated rules covering working principles, contingency plans, risk prevention measures, commanding departments, responsibilities and labor division, and have filed these contingency plans with the government.

Environment self-monitoring plans

All the subsidiaries have formulated their own environment self-monitoring plans according to China’s relevant laws and regulations, , which include: 1) Waste gas pollution source monitoring: Sampling points are set at various discharge ports of waste gas for monitoring on a quarterly basis; 2) Waste water pollution source monitoring: Samples are fetched at intake and outlet ports of waste water treatment stations to monitor changes of pollution source of waste water and up-to-standard emission of waste water after being treated at the waste water treatment stations. Monitoring items include CODcr, SS and petroleum, etc. The data is uploaded to the governmental monitoring authority online and the government authority conducts real-time monitoring; 3) Noise monitoring: Noise monitoring points are set at noise sensitive points and on the border of factories. Noise is monitored once in spring and summer respectively and at daytime and at nighttime respectively each time; 4) Solid waste pollution source monitoring: Hazardous waste produced from the subsidiaries is handed over to the units with qualifications for treatment, monitoring systems are established, and related management forms and accounts are set up.

Administrative punishments received during the Reporting Period due to environmental issues

The Company or subsidiary	Reason for punishment	Regulation violated	Punishment	Impact on the Company	Rectification
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N/A	N/A	N/A	N/A	N/A	N/A
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Other environment-related information that should be made public

None

Measures taken to reduce carbon emissions during the Reporting Period and the results

Applicable N/A

(a) The Company released the Green Strategy and inspected the source of the carbon emissions across the Group so as to figure out its total carbon emissions and intensity; (b) It built a professional team to analyze the measures and methods for energy saving and consumption reduction scientifically and took measures to reduce the consumption of water, electricity, and gas with the incremental development of the Company as the precondition, reducing the energy cost by approximately RMB60 million; (c) It reduced the energy/material consumption at source from the perspectives of green design, green procurement, green manufacturing, green logistics, green recycling, and green services, as well as the full life cycle of the products, and produced low-carbon products that are more eco-friendly, such as the natural R290 refrigerant, which can reduce carbon emissions by approximately 2.2 million tons according to its annual sales.

Other environment-related information

None

2. Corporate Social Responsibility (CSR)

The Company has voluntarily disclosed its CSR activities. Attaching great importance to protecting the legal rights and interests of its shareholders, employees, consumers and business partners, as well as the government, the community and other stakeholders, the Company sticks to harmonious common growth with them, honors its commitments, abides by law and moral principles, and continue to contribute to the sustainable development of the society and the environment. For further information, see the Company's ESG Report 2021 released on www.cninfo.com.cn.

3. Efforts in Poverty Alleviation and Rural Revitalization

3.1 Support the development of education

In 2021, Midea Group donated a total of RMB20 million to the sponsorship of Shunde Midea School affiliated to East China Normal University (hereinafter referred to as "Shunde Midea School of East China Normal University") and the school scholarship fund. In addition, Midea has also supported the preparation, construction, and development of Shunde Midea School of East China Normal University by building resource platforms, etc. On 28 March, the construction of Shunde Midea School of East China Normal University commenced in Beijiao Town, Shunde District. The school is expected to provide a total of over 5,000 primary and junior high school places after completion, which is of far-reaching significance to the education and comprehensive social development of Beijiao Town.

3.2 Support rural revitalization

The year 2021 is a key year for China to complete the battle against poverty and start the 14th Five-Year Plan. Midea Group continues to plow deeper on the basis of the original help projects to support the rural revitalization strategy.

Leishan National High School is the only general senior high school in Leishan County, Qiandongnan Miao and Dong Autonomous Prefecture, Guizhou Province. The main structure of the school's gymnasium has long been constructed, but due to the constant lack of funds for interior decoration, the gymnasium has not come into use. In order to ensure that the school gymnasium will be available as soon as possible, Midea Group invested RMB350,000 in the construction of the gymnasium, thus helping Shunde Leishan National High School improve the quality of school teaching.

In addition, to further improve the medical care services of Yingmaili Township Health Center in Payzawat County, Xinjiang, Midea Group has spent RMB150,000 on the construction of the health center, including the renovation, greening construction, and purchase of medical equipment.

3.3 Support the fight against the pandemic

During the critical period of pandemic prevention and control, Midea has been concerned about the front-line pandemic prevention personnel. In May 2021, Midea Group spent a total of RMB400,000 on the donation of 500 cool fans and 80 portable air conditioners to the pandemic prevention teams in towns and subdistricts in Shunde District, sending coolness to the pandemic prevention teams in summer. In December 2021, as the pandemic recurred in Xi'an, Midea spent RMB100,000 on the purchase of 1,200 camp beds to create a better environment for the front-line pandemic prevention personnel of Xi'an Jiaotong University to have a rest.

Section VI Significant Events

1. Performance of Undertakings

1.1 Undertakings of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers fulfilled in the Reporting Period or ongoing at the period-end

√ Applicable □ N/A

Undertaking	Undertaking giver	Type of undertaking	Details of undertaking	Undertaking date	Term	Particulars on the performance
Undertaking made in offering documents or shareholding alternative documents	Controlling shareholder and actual controller	Maintenance of independence	1. Midea Holding and He Xiangjian have undertaken as follows: He Xiangjian, Midea Holding and their controlled enterprises will remain independent from Midea Group in respect of personnel, finance, assets, business and institutions, in accordance with relevant laws and regulations and regulatory documents. They will faithfully fulfill the above undertaking, and assume the corresponding legal liability. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they will bear the corresponding legal liabilities according to relevant laws, rules, regulations and regulatory documents.	28/03/2013	Long-standing	1. There has been no violation of this undertaking.
	Controlling shareholder and actual controller	Avoiding competition within the industry	2. In order to avoid possible competition within the industry between Midea Group and Midea Holding and its controlled enterprises as well as He Xiangjian, his immediate family and his controlled companies, Midea Holding and He Xiangjian have undertaken as follows:	28/03/2013	Long-standing	2. There has been no violation of this undertaking.

	er	<p>(1) None of the entities or individuals mentioned above is or will be engaged in the same or similar business as the existing main business of Midea Group and its controlled companies. They are not or will not be engaged or participate in such business that is competitive to the existing main business of Midea Group and its controlled companies by controlling other economic entities, institutions or economic organizations;</p> <p>(2) If Midea Group and its controlled companies expand their business on the basis of the existing ones to those where the above mentioned related entities or individuals are already performing such production and operations, as long as He Xiangjian is still the actual controller of Midea Group, and Midea Holding the controlling shareholder, they will agree on solving the problem of competition within the industry arising therefrom within a reasonable period;</p> <p>(3) If Midea Group and its controlled companies expand their business scope on the basis of the existing ones to those where the above mentioned related subjects have not gone into production or operation, as long as He Xiangjian is still the actual controller of Midea Group, and Midea Holding the controlling shareholder, they would undertake as not to engage in competitive business to the new ones of Midea Group and its controlled companies;</p> <p>(4) In accordance with effective laws, regulations or other regulatory documents of People's Republic of China, as long as Midea Holding is identified as the controlling shareholder of Midea Group, and He Xiangjian the actual controller, they will not change or terminate this undertaking.</p>			
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		(5) Midea Holding and He Xiangjian shall faithfully fulfill the above undertaking, and assume the corresponding legal responsibilities. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they would bear the corresponding legal responsibilities according to relevant laws, rules, regulations and regulatory documents.			
Controlling shareholder and actual controller	Regulation of related transactions	<p>3. In order to regulate matters of related transactions that may occur in the future between Midea Group and Midea Holding and its controlled companies as well as He Xiangjian, his immediate family and his controlled companies, Midea Holding and He Xiangjian have undertaken as follows:</p> <p>(1) They will regulate any related transactions with Midea Group and its controlled companies using their utmost efforts to reduce them. For unavoidable related transactions with Midea Group and its controlled companies, including but not limited to commodity trading, providing services to each other or as agent, they will sign legal normative agreements with Midea Group, and go through approval procedures in accordance with related laws, regulations, rules, other regulatory documents, and relevant provisions of the Articles of Association of Midea Group. They guarantee to offer fair prices for related transactions, and fulfill the information disclosure obligations in respect of the related transactions according to related laws, regulations, rules, other regulatory documents, and relevant provisions of the Articles of Association of Midea Group. They also guarantee not to illegally transfer the funds or profits from Midea Group, or damage the interests of its shareholders at their advantages during the related transactions.</p>	28/03/2013	Long-standing	3. There has been no violation of this undertaking.

		<p>(2) They shall fulfill the obligation of withdrawing from voting that involves the above mentioned related transactions at the general meeting of Midea Group;</p> <p>(3) The related subject mentioned above shall not require Midea Group to offer more favorable conditions than those to any independent third party in any fair market transactions.</p> <p>(4) In accordance with effective laws, regulations or other regulatory documents of People's Republic of China, as long as Midea Holding is identified as the controlling shareholder of Midea Group, and He Xiangjian the actual controller, they shall not change or terminate this undertaking.</p> <p>(5) Midea Holding and He Xiangjian will faithfully fulfill the above undertaking and assume the corresponding legal liabilities. If they fail to fulfill their obligations and responsibilities conferred by the undertaking, they will bear the corresponding legal responsibilities according to relevant laws, rules, regulations and regulatory documents.</p>			
Controlling shareholder and actual controller	On Midea Trade Union Committee transferring its limited equity of Midea Group	<p>4. On 4 January 2001, the Midea Trade Union Committee signed the "Equity Transfer Contract" with five people, namely He Xiangjian, Chen Dajiang, Feng Jingmei, Chen Kangning and Liang Jieyin, where it transferred all its limited equity of Midea Group (22.85%) respectively to those five people. According to the confirmation letter issued by members of the Midea Trade Union Committee at that time, the equity transfer price was determined after mutual discussion on the basis of their true opinions, therefore there was no dispute or potential dispute.</p> <p>On 28 June 2013, Foshan Shunde Beijiao General Union,</p>	28/03/2013	Long-standing	<p>4. So far, this shareholding transfer has not brought about any loss caused by any dispute or potential disputes. There has been no violation of this undertaking.</p>

		<p>superior department of Midea Trade Union Committee, issued a confirmation letter to the fact that the Midea Trade Union Committee funded the establishment of Midea Group Co., Ltd. In addition the letter also confirmed that the council of Midea Trade Union Committee is entitled to dispose any property of the committee, and such property disposal does not need any agreement from all staff committee members.</p> <p>Midea Holding and He Xiangjian, respectively the controlling shareholder and actual controller of Midea Group Co., Ltd. have undertaken as follows: For any loss to Midea Group caused by any dispute or potential dispute arising from the matters of equity transfer mentioned above, they are willing to assume full liability for such loss.</p>			
Controlling shareholder and actual controller	<p>Issues about Payment of the Staff Social Insurance and the Housing Provident Fund involved in Midea Group's Overall</p>	<p>5. Midea Holding and He Xiangjian have undertaken to be liable for (1) paying such expenses and related expenses on time based on the requirements of relevant state departments if Midea Group is required to be liable for the payment of staff social insurance, housing provident fund and the payment required by relevant state authorities prior to this merger, (2) paying corresponding compensation for all direct and indirect losses incurred by Midea Group and its subsidiaries due to this merger, (3) indemnifying and holding harmless Midea Group and its subsidiaries in time from such expenses when Midea Group and its subsidiaries are required to pay them in advance.</p>	28/03/2013	Long-standing	<p>5. So far, the payment of the staff social insurance and the housing provident fund has not brought about any controversy or potential disputes. There has been no violation of this undertaking.</p>

	Listing	<p>6. Undertakings on issues about asset alteration, asset flaw and house leasing of Midea Group and its subsidiaries</p> <p>Midea Holding and He Xiangjian have undertaken as follows:</p> <p>(1) Midea Holding will do its utmost to assist and urge Midea Group (including its subsidiaries) to complete renaming procedures of related assets, such as land, housing, trademarks, patents and stock rights, declared in the related files of this merger. Midea Holding will be liable for all compensations of losses caused by issues about renaming procedures of related assets mentioned above to Midea Group.</p> <p>(2) Midea Holding shall do its utmost to assist Midea Group (including its subsidiaries) to apply for ownership certificates of land and housing or property declared in related files of this merger.</p> <p>(3) Midea Holding shall assist Midea Group (including its subsidiaries) to re-apply for corresponding construction procedures and apply for their ownership certificates for houses without complete procedures, as happened in the past, to apply for the ownership certificate. If the competent authorities requires Midea Group to dismantle buildings that cannot acquire the re-application for real estate registration procedures, Midea Holding shall do its utmost to provide assistance and be liable for any related expenses used in dismantling such buildings by Midea Group (including its subsidiaries).</p> <p>(4) Under any circumstances that Midea Group suffers from losses incurred from no longer using these properties or</p>	28/03/2013	Long-standing	<p>6. So far, the issues about asset alteration, asset flaw and house leasing of Midea Group and its subsidiaries have not brought about any controversy or potential disputes. There has been no violation of this undertaking. And Midea Holding shall honor this undertaking before its expiration.</p>
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		<p>presently using the land or house above due to failing to obtain or collect in time the ownership certificates of the land or house above or any losses caused by any other reasons, Midea Holding shall compensate any loss for these reasons in time and in full. Midea Holding shall compensate the actual loss Midea Group suffers from any circumstances above resulting in penalties subjected to from competent authorities or through claims from any other third party.</p> <p>(5) Based on issues of defective house leasing declared in related files of this merger, Midea Holding shall provide sufficient compensations for all economic losses incurred by Midea Group (including its subsidiaries) where the leasehold relations above become invalid or other disputes occur, which are caused by rights claims from a third party or by means of an administrative authority exercising a right and therefore results in any economic losses due to eviction from rental houses, or any penalties subjected to by competent government departments or any recourse from related parties.</p> <p>(6) Based on the issues of defective land leasing declared in related files of this merger, when leasehold relations become invalid caused by defects of land leasing or when other disputes occur, resulting in any economic losses to Midea Group (including its subsidiaries) or through any penalties administered by competent government departments. Likewise if the lessor cannot compensate for losses caused by such defective leasing, Midea Holding shall compensate Midea Group for losses caused by such defective land leasing.</p> <p>Midea Holding has further undertaken that where a violation of</p>			
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The 2021 Annual Report of Midea Group Co., Ltd.

		guarantees and undertakings referred to previously occurs or such guarantees and undertakings are not consistent with the reality and Midea Group has suffered any loss therefrom, Midea Holding shall compensate in cash or make up for Midea Group's loss upon Midea Group's notice in writing within 30 days when the loss occurs and the loss amount is definite.			
Whether the undertaking is fulfilled on time	Yes				
Specific reasons for failing to fulfill any undertaking and plan for the next step	N/A				

1.2 Where any earnings forecast was made for any of the Company's assets or projects and the Reporting Period is still within the forecast period, the Company shall explain whether the performance of the asset or project reaches the earnings forecast and why

Applicable N/A

2. Occupation of the Company's Capital by the Controlling Shareholder or Its Related Parties for Non-Operating Purposes

Applicable N/A

No such cases in the Reporting Period.

3. Illegal Provision of Guarantees for External Parties

Applicable N/A

No such cases in the Reporting Period.

4. Explanation of the Board of Directors Regarding the Last "Non-standard Audit Opinion"

Applicable N/A

5. Explanation of the Board of Directors, the Supervisory Committee and Independent Directors (If Any) Regarding the "Non-standard Audit Opinion" for the Reporting Period

Applicable N/A

6. Changes in Accounting Policies and Accounting Estimates as Compared to the Financial Report for the Prior Year, as well as Correction of Material Accounting Errors

Applicable N/A

A. Accounting Standard No. 21 for Business Enterprises—Leases

Pursuant to the Notice of Revising and Issuing the Accounting Standard No. 21 for Business Enterprises—Leases (CK [2018] No. 35) issued by the Ministry of Finance on 7 December 2018, the Company has adopted, starting from 1 January 2021, the revised Accounting Standard No. 21 for Business Enterprises—Leases (hereinafter referred to as the "New Lease Standard"). Therefore, the

relevant accounting policies of the Company needed to be adjusted accordingly.

In accordance with the New Lease Standard, the adjustments to the Company's related accounting policies are as follows:

a. Under the New Lease Standard, except for short-term leases and leases of low-value assets, the lessees will no longer distinguish between finance leases and operating leases. All leases will be subject to the same accounting treatment, and the right-of-use assets and lease liabilities shall be recognized.

b. For right-of-use assets, if the lessee can reasonably ascertain that the ownership of the leasehold property will be obtained when the lease term expires, it shall depreciate the leasehold property over its remaining service life. If it cannot reasonably ascertain whether the ownership of the leasehold property will be obtained when the lease term expires, the Company will depreciate the leasehold property over the lease term or the remaining service life, whichever is shorter. At the same time, the lessee shall determine whether the right-of-use asset is impaired and perform the accounting treatment for the identified impairment losses.

c. For lease liabilities, the lessee shall calculate the interest expenses incurred by the lease liabilities in each period of the lease term and include them in the profit or loss for the current period.

d. For short-term leases and leases of low-value assets, the lessee may choose not to recognize the right-of-use assets and lease liabilities, and include the relevant lease payments into relevant asset cost or the profit or loss for the current period in the straight-line method or other systematically reasonable methods in each period of the lease term.

As per the requirements for the transition to the New Lease Standard, the Company has prepared, starting from 1 January 2021, its financial statements according to the New Lease Standard, with no retrospective adjustments to the comparable data of 2020 and thus no impact on the relevant financial information of 2020. The aforesaid changes in accounting policies did not have a material impact on the financial condition, operating results and cash flows of the Company.

B. Interpretation No. 14 of the Accounting Standards for Business Enterprises (CK [2021] No. 1)

Effective starting from 26 January 2021, this accounting policy contains regulations with respect to the accounting treatments and disclosure requirements for adjustments to financial instruments and lease liabilities caused by the benchmark interest rate reform. The Company has prepared the financial statements for the year ended 31 December 2021 according to the aforesaid regulatory document, which had no significant impact on the financial statements.

C. The Circular on Issuing Interpretation No. 15 of the Accounting Standards for Business Enterprises

The regulations with respect to “the accounting treatments for sales of products or by-products produced before a fixed asset is ready for its intended use or during the development process” and “judgments on onerous contracts” in the Circular took effect on 1 January 2022; and those regarding “the presentation of funds under centralized management” took effect on 31 December 2021. The Company has prepared the financial statements for the year ended 31 December 2021 according to the aforesaid regulatory document, which had no significant impact on the financial statements.

D. The Regulations of Accounting Treatments for Rental Waivers as a Result of COVID-19 (CK [2020] No. 10)

This accounting policy provides a practical expedient for rental waivers directly as a result of COVID-19 that meet certain conditions. If a company applies the practical expedient, it does not need to assess whether any change occurs to a lease, or re-assess the classification of leases. As per the regulatory document CK [2021] No. 9, the practical expedient is for lease payables before 30 June 2022. The Company has prepared the financial statements for the year ended 31 December 2021 according to the aforesaid practical expedient, which had no significant impact on the financial statements.

E. The fifth Q&A for the Implementation of the Accounting Standards for Business Enterprises in 2021

These accounting policy changes will impact “cost of sales” and “selling and distribution expenses” in the income statement, but not “operating revenue” and “operating profit”. This is expected to affect financial indicators such as “gross profit margin”, but with no material impact on the financial position and operating

results of the Company.

Note: For further information about the changes to the accounting policies, please refer to Note 2(31) to the financial statements.

7. Reason for Changes in Scope of the Consolidated Financial Statements as Compared to the Financial Report for the Prior Year

Applicable N/A

The detailed information of major subsidiaries included in the consolidation scope in the current period is set out in Notes 5 and 6. Entities newly included in the consolidation scope in the current period through acquisition mainly include Beijing Wandong Medical Technology Co., Ltd. and its subsidiaries (hereinafter, "WDM") and Hitachi Compressor (Thailand) Ltd. (please refer to Note 5(1)(a)), while details of those through incorporation can be found in Note 5(2)(a). The detailed information of subsidiaries no longer included in the consolidation scope in the current period is set out in Note 5(2)(b).

8. Engagement and Disengagement of CPA Firm

CPA firm at present

Name of the domestic CPA firm	PricewaterhouseCoopers Zhong Tian LLP
The Company's payment to the domestic CPA firm	RMB8.975 million
Consecutive years of the audit service provided by the domestic CPA firm	Seven years
Names of the certified public accountants from the domestic CPA firm	Yao Wenping and Wu Fangfang
Consecutive years of the audit service provided by the certified public accountants from the domestic CPA firm	Two years and one year respectively

Whether the CPA firm was changed in the current period

Yes No

Engagement of any CPA firm for internal control audit, financial advisor or sponsor

Applicable N/A

9. Possibility of Delisting after Disclosure of this Report

Applicable N/A

10. Bankruptcy and ReorganizationApplicable N/A

No such cases in the Reporting Period.

11. Material Litigation and ArbitrationApplicable N/A

No such cases in the Reporting Period.

12. Punishments and RectificationsApplicable N/A

No such cases in the Reporting Period.

13. Credit Conditions of the Company as well as Its Controlling Shareholder and Actual ControllerApplicable N/A**14. Significant Related Transactions****14.1 Continuing related transactions**Applicable N/A

Related transaction party	Relation	Type of the transaction	Contents of the transaction	Pricing principle	Transaction price	Transaction amount (RMB'000)	Proportion in the total amounts of transactions of the same kind (%)	Approved transaction line (RMB'000)	Over approved line	Mode of settlement	Obtainable market price for the transaction of the same kind	Disclosure date	Index to the disclosed information
Guangdong Yinghe Enterprise	Controlled by family member	Procurement	Procurement of goods	Market price	-	1,481,457	0.5692%	1,800,000	No	Payment after delivery	-	30 April 2021	www.cinfo.com.cn

se Manag ement Co., Ltd.	r of Compa ny's actual controll er in the 12 months before the Reporti ng Period												
Orinko Advanc ed Plastics Co., Ltd.	Controll ed by family membe r of Compa ny's actual controll er	Procure ment	Procure ment of goods	Marke t price	-	1,506,809	0.5789 %	1,700,0 00	No	Payme nt after delivery	-	30 April 2021	www.c ninfo. com.c n
Midea Real Estate Holding Limited	Controll ed by Compa ny's actual controll er	Sale	Sale of goods	Marke t price	-	202,625	0.0673 %	471,000	No	Payme nt after delivery	-	30 April 2021	www.c ninfo. com.c n
Total				--	--	3,190,891	--	3,971,0 00		--	--	--	--
Details of any sales return of a large amount				Zero									
Give the actual situation in the Reporting Period (if any) where a forecast had been made for the total amounts of continuing related-party transactions by type to occur in the current period				The line for continuing related transactions between the Company and the related parties and their subsidiaries did not exceed the total amount of continuing related transactions estimated by the Company by type.									
Reason for any significant difference between the				N/A									

transaction price and the market reference price (if applicable)	
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Note: Guangdong Yinghe Enterprise Management Co., Ltd. is the holding/parent company of Guangdong Wellkey Electric Material Co., Ltd. and Anhui Wellkey Electric Material Co., Ltd.

14.2 Related transactions regarding purchase or sales of assets or equity interests

Applicable N/A

No such cases in the Reporting Period.

14.3 Related transactions arising from joint investments in external parties

Applicable N/A

No such cases in the Reporting Period.

14.4 Credits and liabilities with related parties

Applicable N/A

No such cases in the Reporting Period.

14.5 Transactions with related finance companies

Applicable N/A

The Company did not make deposits in, receive loans or credit from and was not involved in any other finance business with any related finance company or any of its related parties.

14.6 Transactions between finance companies controlled by the Company and related parties

Applicable N/A

Making deposits

Related party	Relationship	Upper limit for daily deposits (RMB'000)	Range of interest rate	Opening balance (RMB'000)	Change in the current period		Closing balance (RMB'000)
					Total amount deposited in the current period (RMB'000)	Total amount withdrawn in the current period (RMB'000)	
Guangdong Shunde Rural	Company where a	10,000,000	0.30%	45,700	163,863,760	163,838,920	70,540

Commercial Bank Company Limited	former senior executive of the Company acted as a director within 12 months after the senior executive's resignation from the Company						
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14.7 Other significant related transactions

Applicable N/A

No such cases in the Reporting Period.

15. Significant Contracts and Their Execution

15.1 Trusteeship, contracting and leasing

15.1.1 Trusteeship

Applicable N/A

No such cases in the Reporting Period.

15.1.2 Contracting

Applicable N/A

No such cases in the Reporting Period.

15.1.3 Leasing

Applicable N/A

No such cases in the Reporting Period.

15.2 Major guarantees

Applicable N/A

Unit: RMB'000

Guarantees provided by the Company and its subsidiaries for external parties (excluding those for subsidiaries)								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
No such cases								
Total external guarantee line approved during the Reporting Period (A1)				0	Total actual external guarantee amount during the Reporting Period (A2)	0		
Total approved external guarantee line at the end of the Reporting Period (A3)				0	Total actual external guarantee balance at the end of the Reporting Period (A4)	0		
Guarantees provided by the Company for its subsidiaries								
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not
Midea Group Finance Co., Ltd.	2021-4-30	8,400,000			- Joint liability	One year	No	No
GD Midea Air-Conditioning Equipment Co., Ltd.	2021-4-30	17,440,000	2021-01-15	1,787,230	Joint liability	One year	No	No
Guangzhou Hualing Refrigerating Equipment Co., Ltd.	2021-4-30	1,160,000	2021-01-01	16,940	Joint liability	One year	No	No
Foshan Midea Carrier Air-Conditioning Equipment Co., Ltd.	2021-4-30	360,000	2021-03-22	570	Joint liability	One year	No	No
GD Midea Group Wuhu Air-Conditioning Equipment Co., Ltd.	2021-4-30	500,000			- Joint liability	One year	No	No
Wuhu Maty Air-Conditioning Equipment Co., Ltd.	2021-4-30	690,000	2021-08-02	240	Joint liability	One year	No	No
Guangdong Midea Precision Molding Technology Co., Ltd.	2021-4-30	65,000			- Joint liability	One year	No	No

Midea Group Wuhan Refrigeration Equipment Co., Ltd.	2021-4-30	72,000		-	Joint liability	One year	No	No
Hainan Midea United Materials Supply Co. Ltd.	2021-4-30	200,000		-	Joint liability	One year	No	No
Handan Midea Air-Conditioning Equipment Co., Ltd.	2021-4-30	110,000	2021-06-21	740	Joint liability	One year	No	No
Chongqing Midea Air-Conditioning Equipment Co., Ltd.	2021-4-30	200,000		-	Joint liability	One year	No	No
Guangdong Midea Kitchen Appliances Manufacturing Co., Ltd.	2021-4-30	7,225,000	2021-01-29	2,302,270	Joint liability	One year	No	No
Guangdong Witol Vacuum Electronic Manufacture Co., Ltd	2021-4-30	100,000	2021-01-26	6,300	Joint liability	One year	No	No
Wuhu Midea Kitchen Appliances Manufacturing Co., Ltd.	2021-4-30	2,020,000	2021-12-03	6,640	Joint liability	One year	No	No
Jiangsu Midea Cleaning Appliances Co., Ltd	2021-4-30	640,000	2021-01-04	83,780	Joint liability	One year	No	No
Maytech Technology Co., LTD.	2021-4-30	75,000	2021-05-21	5,000	Joint liability	One year	No	No
Hainan Meizhi Canghai E-commerce Service Co., Ltd.	2021-4-30	20,000		-	Joint liability	One year	No	No
Hainan Meizhi Hangjian Electric Appliance Co., Ltd.	2021-4-30	20,000		-	Joint liability	One year	No	No
GD Midea Heating & Ventilating Equipment Co., Ltd.	2021-4-30	2,000,000	2021-01-08	229,810	Joint liability	One year	No	No
Guangdong Midea-SIIX Electronics Co., Ltd.	2021-4-30	10,000	2021-01-19	430	Joint liability	One year	No	No
Hefei Midea Heating & Ventilating Equipment Co., Ltd.	2021-4-30	345,000	2021-03-30	11,380	Joint liability	One year	No	No
Hefei Midea-SIIX Electronics Co., Ltd.	2021-4-30	123,000	2021-01-01	1,120	Joint liability	One year	No	No
Hefei M&B Air Conditioning Equipment Co., Ltd.	2021-4-30	31,500		-	Joint liability	One year	No	No
Chongqing Midea General Refrigeration Equipment Co., Ltd.	2021-4-30	30,000	2021-01-14	9,940	Joint liability	One year	No	No
Meitong Energy Technology (Chongqing) Co., Ltd.	2021-4-30	50,000	2021-10-26	3,210	Joint liability	One year	No	No
Guangdong MeiKong Intelligent	2021-4-30	60,000		-	Joint liability	One	No	No

Building Co., Ltd.						year		
Shanghai M-BMS Intelligent Construction Co., Ltd.	2021-4-30	60,000		-	Joint liability	One year	No	No
Winone Elevator Company Limited	2021-4-30	500,000	2021-01-08	64,560	Joint liability	One year	No	No
Guangdong Meizhi Compressor Limited	2021-4-30	230,000	2021-01-08	31,730	Joint liability	One year	No	No
Guangdong Meizhi Precision-Manufacturing Co., Ltd	2021-4-30	80,000	2021-01-01	-	Joint liability	One year	No	No
Guangdong Welling Motor Manufacturing Co., Ltd.	2021-4-30	210,000	2021-01-05	24,540	Joint liability	One year	No	No
Foshan Welling Washer Motor Manufacturing Co., Ltd.	2021-4-30	320,000	2021-01-08	69,240	Joint liability	One year	No	No
Guangdong Midea Environmental Technologies Co., Ltd.	2021-4-30	20,000	2021-01-01	-	Joint liability	One year	No	No
Huaian Welling Motor Manufacturing Co., Ltd.	2021-4-30	10,000	2021-09-28	2,350	Joint liability	One year	No	No
Guangdong Midea Intelligent Technologies Co., Ltd.	2021-4-30	20,000		-	Joint liability	One year	No	No
Zhejiang Meizhi Compressor Co., Ltd.	2021-4-30	3,500,000	2021-12-02	570,000	Joint liability	One year	No	No
Anhui Meizhi Compressor Co., Ltd.	2021-4-30	80,000	2021-06-28	14,500	Joint liability	One year	No	No
Anhui Meizhi Precision Manufacturing Co., Ltd.	2021-4-30	270,000	2021-02-25	19,510	Joint liability	One year	No	No
Welling (Wuhu) Motor Manufacturing Co., Ltd.	2021-4-30	10,000	2021-06-28	60	Joint liability	One year	No	No
Wuhu Welling Motor Sales Co., Ltd.	2021-4-30	500,000		-	Joint liability	One year	No	No
Anhui Welling Auto Parts Co., Ltd.	2021-4-30	40,000	2021-01-05	2,810	Joint liability	One year	No	No
Dorna Technology Co., Ltd.	2021-4-30	25,000	2021-07-15	10,620	Joint liability	One year	No	No
Guangdong Midea Electromechanical Technology Co., Ltd.	2021-4-30	50,000		-	Joint liability	One year	No	No
Ningbo Midea United Materials Supply Co. Ltd.	2021-4-30	1,000,000	2021-01-28	-	Joint liability	One year	No	No

Guangzhou Kaizhao Commercial and Trading Co., Ltd	2021-4-30	60,000		-	Joint liability	One year	No	No
Guangdong Midea Consumer Electric Manufacturing Co., Ltd.	2021-4-30	185,000	2021-02-10	7,330	Joint liability	One year	No	No
Foshan Shunde Midea Electrical Heating Appliances Manufacturing Co., Ltd.	2021-4-30	565,000	2021-01-11	154,240	Joint liability	One year	No	No
GD Midea Environment Appliances Mfg. Co.,Ltd.	2021-4-30	400,000	2021-01-14	22,380	Joint liability	One year	No	No
Guangdong Midea Cuchen Company Ltd.	2021-4-30	6,000		-	Joint liability	One year	No	No
GD Midea Caffitaly Coffee Machine Manufacturing Co., Ltd.	2021-4-30	10,000		-	Joint liability	One year	No	No
Wuhu Midea Life Appliances Mfg Co., Ltd.	2021-4-30	3,000,000	2021-01-21	504,000	Joint liability	One year	No	No
Foshan Shunde Midea Washing Appliances Manufacturing Co., Ltd.	2021-4-30	2,350,000	2021-01-06	65,760	Joint liability	One year	No	No
Guangdong Midea Kitchen & Bath Appliances Manufacturing Co., Ltd.	2021-4-30	400,000		-	Joint liability	One year	No	No
Foshan Shunde Midea Water Dispenser Manufacturing Company Limited	2021-4-30	855,000	2021-01-28	19,670	Joint liability	One year	No	No
Foshan Midea Chungho Water Purification Equipment. Co., Ltd.	2021-4-30	230,000	2021-01-28	21,860	Joint liability	One year	No	No
Wuhu Midea Kitchen & Bath Appliances Mfg. Co., Ltd.	2021-4-30	1,800,000	2021-01-26	32,250	Joint liability	One year	No	No
Wuxi Little Swan Electric Co., Ltd.	2021-4-30	2,600,000	2021-01-05	38,370	Joint liability	One year	No	No
Hefei Midea Laundry Appliance Co., Ltd.	2021-4-30	780,000	2021-12-17	15,380	Joint liability	One year	No	No
Wuxi Filin Electronics Co., Ltd.	2021-4-30	50,000		-	Joint liability	One year	No	No
Hubei Midea Laundry Appliance Co., Ltd.	2021-4-30	100,000		-	Joint liability	One year	No	No
Hainan Midea Refrigerator & Washer Sales Co., Ltd.	2021-4-30	100,000		-	Joint liability	One year	No	No

Hefei Hualing Co., Ltd.	2021-4-30	1,850,000	2021-04-26	109,620	Joint liability	One year	No	No
Hubei Midea Refrigerator Co., Ltd.	2021-4-30	230,000	2021-01-01	8,520	Joint liability	One year	No	No
Hefei Midea Refrigerator Co., Ltd.	2021-4-30	400,000		-	Joint liability	One year	No	No
Guangzhou Midea Hualing Refrigerator Co., Ltd.	2021-4-30	1,345,000	2021-01-19	6,240	Joint liability	One year	No	No
Little Swan (Jing Zhou) Sanjin Electronic Appliances Limited	2021-4-30	10,000		-	Joint liability	One year	No	No
Guangdong Midea Intelligent Robotics Co., Ltd.	2021-4-30	50,000		-	Joint liability	One year	No	No
Servotronix Motion Technology Development (Shenzhen) Ltd.	2021-4-30	10,000		-	Joint liability	One year	No	No
Midea Group E-Commerce Co., Ltd.	2021-4-30	100,000		-	Joint liability	One year	No	No
Guangdong Midea Smart Link Technologies Co., Ltd.	2021-4-30	41,200	2021-01-11	7,630	Joint liability	One year	No	No
Reis Robotics (Kunshan) Co., Ltd.	2021-4-30	63,000	2021-01-28	13,580	Joint liability	One year	No	No
KUKA Systems (China) CO., Ltd.	2021-4-30	325,000	2021-03-08	190,200	Joint liability	One year	No	No
KUKA Robotics Manufacturing China Co.,Ltd	2021-4-30	50,000	2021-03-23	33,850	Joint liability	One year	No	No
KUKA Robotics Guangdong Co., Ltd	2021-4-30	100,000		-	Joint liability	One year	No	No
KUKA Robotics (Shanghai) Co.,Ltd.	2021-4-30	315,000	2021-01-07	98,650	Joint liability	One year	No	No
Shanghai Swisslog Healthcare Co., Ltd.	2021-4-30	10,000		-	Joint liability	One year	No	No
Guangdong Swisslog Technology Co., Ltd.	2021-4-30	50,000		-	Joint liability	One year	No	No
Swisslog (Shanghai) Co., Ltd.	2021-4-30	230,000	2021-01-06	60,230	Joint liability	One year	No	No
Shanghai Swisslog Logistics Automation Co. Ltd.	2021-4-30	80,000	2021-01-14	-	Joint liability	One year	No	No
Annto Logistics Technology Co., Ltd.	2021-4-30	900,000		-	Joint liability	One year	No	No

Midea International Corporation Company Limited	2021-4-30	12,330,000	2021-04-23	7,803,910	Joint liability	One year	No	No
Midea International Trading Company Limited	2021-4-30	2,222,430	2021-01-21	-	Joint liability	One year	No	No
Welling International Hong Kong Ltd	2021-4-30	182,000		-	Joint liability	One year	No	No
Midea Electric Trading (Singapore) Co.,Pte. Ltd.	2021-4-30	4,000,000	2021-01-05	35,530	Joint liability	One year	No	No
Orient Household Appliances Ltd.(Orient)	2021-4-30	120,000		-	Joint liability	One year	No	No
Midea Consumer Electric Vietnam	2021-4-30	112,000		-	Joint liability	One year	No	No
Concepcion Midea Inc.	2021-4-30	112,000		-	Joint liability	One year	No	No
Midea Italia S.R.L.	2021-4-30	140,000		-	Joint liability	One year	No	No
Midea Scott & English Electronics Sdn. Bhd.	2021-4-30	206,500		-	Joint liability	One year	No	No
Midea Mexico, S. De R.L. De C.V.	2021-4-30	180,000		-	Joint liability	One year	No	No
Midea Electric Trading (Thailand) Co.,Ltd.	2021-4-30	105,000		-	Joint liability	One year	No	No
Midea America Corp	2021-4-30	669,000		-	Joint liability	One year	No	No
Pt. Midea Planet Indonesia	2021-4-30	56,000		-	Joint liability	One year	No	No
Midea Electrics Egypt	2021-4-30	175,000		-	Joint liability	One year	No	No
Midea Europe GmbH	2021-4-30	70,000		-	Joint liability	One year	No	No
Midea America (Canada) Corp	2021-4-30	70,000		-	Joint liability	One year	No	No
Toshiba Lifestyle Products & Services Corporation	2021-4-30	2,667,450	2021-01-05	3,230	Joint liability	One year	No	No
Midea Electric Netherlands (I) B.V.	2021-4-30	31,446,110	2021-01-01	28,856,400	Joint liability	One year	No	No
Clivet Spa	2021-4-30	90,000		-	Joint liability	One year	No	No

Servotronix Motion Control Ltd.	2021-4-30	940			- Joint liability	One year	No	No	
Midea Austria GmbH	2021-4-30	5,700			- Joint liability	One year	No	No	
Midea (Egypt) Kitchen & Water Heater Appliances Co., Ltd.	2021-4-30	70,000			- Joint liability	One year	No	No	
Total guarantee line for subsidiaries approved during the Reporting Period (B1)		123,551,830		Total actual guarantee amount for subsidiaries during the Reporting Period (B2)			67,169,620		
Total approved guarantee line for subsidiaries at the end of the Reporting Period (B3)		123,551,830		Total actual guarantee balance for subsidiaries at the end of the Reporting Period (B4)			43,384,350		
Guarantees between subsidiaries									
Guaranteed party	Disclosure date of the guarantee line announcement	Line of guarantee	Actual occurrence date (date of agreement signing)	Actual guarantee amount	Type of guarantee	Term of guarantee	Due or not	Guarantee for a related party or not	
Wuhu Midea Annto Logistics Co., Ltd.	2021-4-30	1,500,000	2021-06-22		- Joint liability	One year	No	No	
Ningbo Annto Logistics Co., Ltd.	2021-4-30	800,000	2021-03-22		- Joint liability	One year	No	No	
Nanjing Meian Logistics Co., Ltd.	2021-4-30	20,000	2021-08-05		- Joint liability	One year	No	No	
Shenyang Annto Logistics Technology Co., Ltd.	2021-4-30	20,000			- Joint liability	One year	No	No	
Wuhan Annto Logistics Technology Co., Ltd.	2021-4-30	20,000	2021-08-05		- Joint liability	One year	No	No	
Tianjin Annto Logistics Technology Co., Ltd.	2021-4-30	20,000			- Joint liability	One year	No	No	
Xuzhou Annto Logistics Technology Co., Ltd.	2021-4-30	20,000	2021-09-29		- Joint liability	One year	No	No	
Total line for guarantees between subsidiaries approved during the Reporting Period (C1)		2,400,000		Total actual guarantee amount between subsidiaries during the Reporting Period (C2)			346,100		

Total approved line for guarantees between subsidiaries at the end of the Reporting Period (C3)	2,400,000	Total actual guarantee balance between subsidiaries at the end of the Reporting Period (C4)	0
Total guarantee amount (total of the above-mentioned three kinds of guarantees)			
Total guarantee line approved during the Reporting Period (A1+B1+C1)	125,951,830	Total actual guarantee amount during the Reporting Period (A2+B2+C2)	67,515,720
Total approved guarantee line at the end of the Reporting Period (A3+B3+C3)	125,951,830	Total actual guarantee balance at the end of the Reporting Period (A4+B4+C4)	43,384,350
Proportion of the total actual guarantee amount (A4+B4+C4) in net assets of the Company		34.74%	
Of which:			
Amount of guarantees provided for shareholders, the actual controller and their related parties (D)		0	
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E)		32,608,180	
Portion of the total guarantee amount in excess of 50% of net assets (F)		0	
Total amount of the three kinds of guarantees above (D+E+F)		32,608,180	
Joint responsibilities possibly borne for undue guarantees (if any)		N/A	
Provision of external guarantees in breach of the prescribed procedures (if any)		N/A	

15.3 Entrusted cash management

15.3.1 Entrusted asset management

Applicable N/A

No such cases in the Reporting Period.

15.3.2 Entrusted loans

Applicable N/A

No such cases in the Reporting Period.

15.4 Other significant contracts

Applicable N/A

No such cases in the Reporting Period.

16. Other Significant Events

Applicable N/A

17. Significant Events of Subsidiaries

Applicable N/A

Section VII Changes in Shares and Information about Shareholders

1. Changes in Shares

1.1 Changes in shares

Unit: share

	Before		Increase/decrease in Reporting Period (+/-)			After	
	Shares	Percentage (%)	New issue	Others	Subtotal	Shares	Percentage (%)
1. Restricted shares	182,862,631	2.60		-26,323,750	-26,323,750	156,538,881	2.24
1.1 Shares held by the state							
1.2 Shares held by state-owned corporations							
1.3 Shares held by other domestic investors	179,785,131	2.56		-26,012,050	-26,012,050	153,773,081	2.20
Among which: Shares held by domestic corporations	2,363,601	0.03				2,363,601	0.03
Shares held by domestic individuals	177,421,530	2.52		-26,012,050	-26,012,050	151,409,480	2.17
1.4 Shares held by foreign investors	3,077,500	0.04		-311,700	-311,700	2,765,800	0.04
Among which: Shares held by foreign corporations							
Shares held by foreign individuals	3,077,500	0.04		-311,700	-311,700	2,765,800	0.04
2. Non-restricted shares	6,847,113,368	97.40	34,436,911	-51,525,316	-17,088,405	6,830,024,963	97.76
2.1 RMB common shares	6,847,113,368	97.40	34,436,911	-51,525,316	-17,088,405	6,830,024,963	97.76

2.2 Domestically listed foreign shares							
2.3 Overseas listed foreign shares							
2.4 Other							
3. Total shares	7,029,975,999	100.00	34,436,911	-77,849,066	-43,412,155	6,986,563,844	100.00

Reasons for the changes in shares

√Applicable □N/A

a. The 1,292,083 restricted shares of a total of 39 eligible employees for the third unlocking period of the reserved restricted shares under the 2017 Restricted Share Incentive Scheme were unlocked from 8 February 2021, including 60,000 restricted shares of foreign employees.

b. The 403,249 restricted shares of a total of 24 eligible employees for the first unlocking period of the reserved restricted shares under the 2018 Restricted Share Incentive Scheme were unlocked from 4 June 2021.

c. The 3,043,254 restricted shares of a total of 209 eligible employees for the second unlocking period of the first grant under the 2018 Restricted Share Incentive Scheme were unlocked from 30 June 2021, including 182,250 restricted shares of foreign employees.

d. The 5,654,629 restricted shares of a total of 363 eligible employees for the first unlocking period of the 2019 Restricted Share Incentive Scheme were unlocked from 13 July 2021, including 140,250 restricted shares of foreign employees.

e. The 5,488,962 restricted shares of a total of 487 eligible employees for the first unlocking period of the 2020 Restricted Share Incentive Scheme were unlocked from 20 July 2021, including 217,800 restricted shares of foreign employees.

f. For the reasons of certain incentive recipients' resignation, violation of the Company's "Red Lines", being reassigned or other factors, on 24 May 2021, the Company repurchased and retired 32,917 shares of 2 incentive recipients under the 2017 Restricted Share Incentive Scheme, 1,009,501 shares of 22 incentive recipients under the 2018 Restricted Share Incentive Scheme, 1,043,958 shares of 15 incentive

recipients under the 2019 Restricted Share Incentive Scheme, and 440,374 shares of 11 incentive recipients under the 2020 Restricted Share Incentive Scheme, totaling 2,526,750 restricted shares (including 4,000 restricted shares of foreign employees).

g. For the reasons of certain incentive recipients' resignation, violation of the Company's "Red Lines", being reassigned or other factors, on 30 November 2021, the Company repurchased and retired 761,121 shares of 67 incentive recipients under the 2018 Restricted Share Incentive Scheme, 941,788 shares of 92 incentive recipients under the 2019 Restricted Share Incentive Scheme, and 1,643,164 shares of 263 incentive recipients under the 2020 Restricted Share Incentive Scheme, totaling 3,346,073 restricted shares (including 152,400 restricted shares of foreign employees).

h. In 2021, the incentive recipients of stock options chose to exercise 34,436,911 shares, which have been registered into the Company's share capital.

i. In 2021, locked-up shares held by senior management decreased by 14,508,750 shares.

Approval of share changes

Applicable N/A

Transfer of share ownership

Applicable N/A

Effects of changes in shares on basic EPS, diluted EPS, net assets per share attributable to common shareholders of the Company and other financial indexes over the last year and the last Reporting Period

Applicable N/A

Other contents that the Company considers necessary or is required by the securities regulatory authorities to disclose

Applicable N/A

1.2 Changes in restricted shares

Applicable N/A

Unit: share

Name of	Opening	Unlocked in	Increased in	Repurchased	Closing	Reason for	Date of unlocking
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shareholder	restricted shares	current period	current period	and retired	restricted shares	change	
Incentive recipients of reserved restricted shares under 2017 Restricted Share Incentive Scheme	1,325,000	1,292,083	0	32,917	0	Lockup according to the Scheme	8 February 2021
Incentive recipients of the first grant of 2018 Restricted Share Incentive Scheme	11,232,375	3,043,254	0	1,501,371	6,687,750	Lockup according to the Scheme	30 June 2021
Incentive recipients of reserved restricted shares under 2018 Restricted Share Incentive Scheme	1,970,000	403,249	0	269,251	1,297,500	Lockup according to the Scheme	4 June 2021
Incentive recipients of 2019 Restricted Share Incentive Scheme	26,309,000	5,654,629	0	1,985,746	18,668,625	Lockup according to the Scheme	13 July 2021
Incentive recipients of 2020 Restricted Share Incentive Scheme	33,245,000	5,488,962	0	2,083,538	25,672,500	Lockup according to the Scheme	20 July 2021
Incentive recipients of 2021 Restricted Share Incentive Scheme	0	0	9,940,000	0	9,940,000	Lockup according to the Scheme	-
Fang Hongbo	102,742,869	15,000,000	0	0	87,742,869	Lockup for senior management position	-
Zhang Xiaoyi	424,931	87,500	0	0	337,431	Lockup for senior management position	-
Jiang Peng	343,950	75,000	0	0	268,950	Lockup for senior management	-

						position	
Xiao Mingguang	220,000	0	133,750	0	353,750	Locked-up shares of a former senior executive	-
Zhong Zheng	98,364	0	68,750	0	167,114	Lockup for senior management position	-
Hu Ziqiang	225,000	0	25,000	0	250,000	Lockup for senior management position	-
Fu Yongjun	0	0	150,000	0	150,000	Lockup for senior management position	-
Guan Jinwei	0	0	276,250	0	276,250	Lockup for senior management position	-
Total	178,136,489	31,044,677	10,593,750	5,872,823	151,812,739	--	--

2. Issuance and Listing of Securities

2.1 Securities (excluding preference shares) issued in the Reporting Period

Applicable N/A

2.2 Changes in total shares of the Company and the shareholder structure, as well as the asset and liability structures

Applicable N/A

2.3 Existing staff-held shares

Applicable N/A

3. Shareholders and Actual Controller

3.1 Total number of shareholders and their shareholdings

Unit: share

Total number of common shareholders at the period-end		374,562		Total number of common shareholders at the prior month-end before the disclosure date of the annual report			438,206	
5% or greater common shareholders or top 10 common shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total common shares held at the period-end	Increase/decrease during the Reporting Period	Number of restricted common shares held	Number of non-restricted common shares held	Pledged or frozen shares	
							Status	Shares
Midea Holding Co., Ltd.	Domestic non-state-owned corporation	31.05%	2,169,178,713	0	0	2,169,178,713	Pledged	100,000,000
Hong Kong Securities Clearing Company Limited	Foreign corporation	17.42%	1,216,964,491	159,241,854	0	1,216,964,491		
China Securities Finance Co., Ltd.	Domestic non-state-owned corporation	2.84%	198,145,134	0	0	198,145,134		
Fang Hongbo	Domestic individual	1.67%	116,990,492	0	87,742,869	29,247,623		
Canada Pension Plan Investment Board— own funds (stock exchange)	Foreign corporation	1.49%	103,913,897	0	0	103,913,897		
Central Huijin Asset Management Ltd.	State-owned corporation	1.26%	88,260,460	-1,908,894	0	88,260,460		
Huang Jian	Domestic individual	1.23%	86,140,000	-1,890,000	0	86,140,000		

Li Jianwei	Foreign individual	0.71%	49,633,000	-667,000	0	49,633,000		
Merrill Lynch International	Foreign corporation	0.63%	43,822,975	2,864,379	0	43,822,975		
Huang Xiaoxiang	Domestic individual	0.56%	39,158,732	-449,100	0	39,158,732	Pledged	14,779,556
Strategic investors or general corporations becoming top-ten common shareholders due to placing of new shares (if any) (see Note 3)		N/A						
Related-parties or acting-in-concert parties among the shareholders above		N/A						
Explain if any of the shareholders above was involved in entrusting/being entrusted with voting rights or waiving voting rights		N/A						
Special account for repurchased shares among the top 10 shareholders			116,828,832 shares (or 1.67% of the Company's total share capital) were held in the special account for repurchased shares of Midea Group Co., Ltd. at the end of the Reporting Period.					
Top 10 non-restricted common shareholders								
Name of shareholder	Number of non-restricted common shares held at the period-end	Type of shares						
		Type	Shares					
Midea Holding Co., Ltd.	2,169,178,713	RMB common stock	2,169,178,713					
Hong Kong Securities Clearing Company Limited	1,216,964,491	RMB common stock	1,216,964,491					
China Securities Finance Co., Ltd.	198,145,134	RMB common stock	198,145,134					
Canada Pension Plan Investment Board—own funds (stock exchange)	103,913,897	RMB common stock	103,913,897					
Central Huijin Asset Management Ltd.	88,260,460	RMB common stock	88,260,460					
Huang Jian	86,140,000	RMB common stock	86,140,000					
Li Jianwei	49,633,000	RMB common stock	49,633,000					
Merrill Lynch International	43,822,975	RMB common stock	43,822,975					
Huang Xiaoxiang	39,158,732	RMB common stock	39,158,732					
Yuan Liquan	37,496,382	RMB common stock	37,496,382					

Related-parties or acting-in-concert parties among the top ten non-restricted common shareholders and between the top ten non-restricted common shareholders and the top ten common shareholders	N/A
Explanation on the top 10 common shareholders participating in securities margin trading	<p>The Company's shareholder Huang Xiaoxiang holds 28,580,732 shares in the Company through his common securities account and 10,578,000 shares in the Company through his account of collateral securities for margin trading, representing a total holding of 39,158,732 shares in the Company.</p> <p>The Company's shareholder Yuan Liquan holds 705,000 shares in the Company through her common securities account and 36,791,382 shares in the Company through her account of collateral securities for margin trading, representing a total holding of 37,496,382 shares in the Company.</p>

Did any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conduct any promissory repurchase during the Reporting Period

Yes No

No such cases in the Reporting Period.

3.2 Controlling shareholder

Nature of the controlling shareholder: Controlled by individual

Type of the controlling shareholder: Corporation

Name of controlling shareholder	Legal representative / company principal	Date of establishment	Credibility code	Main business scope
Midea Holding Co., Ltd.	He Xiangjian	2002-08-05	914406067429989733	Manufacture and commerce investment; domestic commerce and materials supply and marketing industry (excluding state-designated monopoly); CP software and hardware development; industrial product design; information technology consulting services, providing investment consultant and consulting services; installation, maintenance and after-sales service of electric appliances; real estate intermediary service and forwarding agent service.
Shareholdings of the controlling shareholder	Apart from a direct control over the Company, Midea Holding does not directly control or have shares in other listed companies at home or abroad.			

in other controlled or non-controlled listed companies at home or abroad during the Reporting Period	
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Change of the controlling shareholder during the Reporting Period

Applicable N/A

No such cases in the Reporting Period.

3.3 Actual controller and acting-in-concert parties thereof

Nature of the actual controller: Domestic individual

Type of the actual controller: Individual

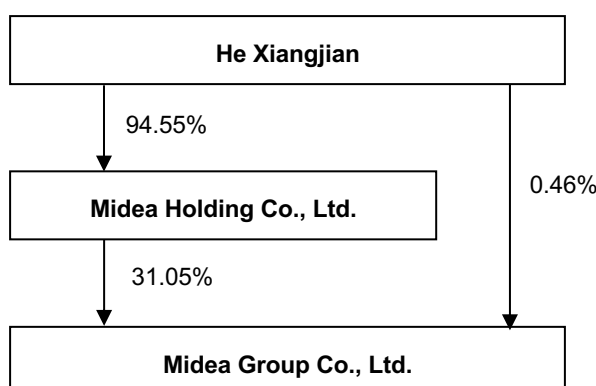
Name of the actual controller	Relationship with the actual controller	Nationality	Right of residence in other countries or regions
He Xiangjian	Actual controller himself	The People's Republic of China	No
Main occupation and duty	Incumbent board chairman of Midea Holding Co., Ltd.		
Domestically and overseas listed companies controlled in the last 10 years	Midea Group (000333.SZ), KUKA (KU2.DE), Hiconics (300048.SZ), WDM (600055.SH), Midea Real Estate (3990.HK), Little Swan (A: 000418.SZ; B: 200418) (delisted in 2019), and Welling Holding (00382.HK) (delisted in 2018)		

Change of the actual controller during the Reporting Period

Applicable N/A

No such cases in the Reporting Period.

Ownership and control relations between the actual controller and the Company



The actual controller controls the Company via trust or other ways of asset management

Applicable N/A

3.4 Indicate whether the cumulative shares of the controlling shareholder or the largest shareholder and their acting-in-concert parties that are in pledge account for 80% or greater of their shareholdings in the Company

Applicable N/A

3.5 Other corporate shareholders with a shareholding percentage above 10%

Applicable N/A

3.6 Limits on the Company's shares held by its controlling shareholder, actual controller, reorganizer and other commitment subjects

Applicable N/A

4. Share Repurchases during the Reporting Period

Progress of any share repurchase

Applicable N/A

Disclosure date of the scheme	Number of shares to be repurchased	As a percentage of the total share capital	Amount to be used	Repurchase period	Purpose	Number of shares repurchased	Shares repurchased as a percentage of the total target number of the equity incentive scheme
2021.02.24	No more than 100,000,000 shares and no less than 50,000,000 shares	No more than 1.4313% and no less than 0.7157%	Expectedly no more than RMB14 billion based on the upper limit of 100,000,000 shares and the repurchase price ceiling of RMB140/share	2021.02.25-2021.04.02	For use in equity incentive and/or employee stock ownership schemes	99,999,931	9.94%
2021.05.10	No more than 50,000,000 shares and no	No more than 0.7157% and no less than	No more than RMB5 billion and no less	2021.06.03-2021.08.13	The repurchased shares are to	71,976,243	N/A

	less than 25,000,000 shares based on the repurchase price ceiling of RMB100/share	0.3578% based on the repurchase price ceiling of RMB100/share	than RMB2.5 billion		be retired, which will reduce the Company's registered capital.		
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Progress of any repurchased share reduction through centralized price bidding

Applicable N/A

Section VIII Preference Shares

Applicable N/A

No such cases in the Reporting Period.

Section IX Bonds

Applicable N/A

1. Enterprise Bonds

Applicable N/A

No such cases in the Reporting Period.

2. Corporate Bonds

Applicable N/A

No such cases in the Reporting Period.

3. Debt Instruments as a Non-financial Enterprise

Applicable N/A

3.1 General information on debt instruments as a non-financial enterprise

Name of debt instrument	Abbr.	Code of debt instrument	Date of issuance	Value date	Maturity	Outstanding balance	Interest rate	Way of principal repayment and interest payment	Place of trading
Super-short-term Commercial Papers of Midea Group Co., Ltd. (High Growth Debt) (Tranche 1, 2021)	21 Midea SCP001 (High Growth Debt)	012101283.IB	2021-03-29	2021-03-30	2021-09-24	RMB3 billion	2.7200%	Principal and interest repayable in full upon maturity	Inter-bank market
Investor eligibility arrangements (if any)	N/A								
Trading system applicable	N/A								

Risk of termination of listing and trading (if any) and countermeasures	No such risk
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Overdue debt instruments

Applicable N/A

3.2 Triggering and execution of issuer or investor option clauses and investor protection clauses

Applicable N/A

3.3 Intermediary agencies

Bond name	Intermediary agency	Office address	Accountant writing signatures	Contact person	Tel.
21 Midea SCP001 (High Growth Debt Instrument)	Agricultural Bank of China Limited (lead underwriter and bookrunner)	69 Jianguomennei Street, Dongcheng District, Beijing		An Liwei	010-85109045
	Industrial and Commercial Bank of China Limited (co-lead underwriter)	55 Fuxingmennei Street, Xicheng District, Beijing		Dai Ying	010-66109649
	Beijing Jiayuan Law Firm	F408, Yuanyang Plaza, 158 Fuxingmennei Street, Xicheng District, Beijing	-	Liu Xing	0755-8278 9766

Change of the agencies in the table above during the Reporting Period

Yes No

3.4 Use of raised funds

Unit: RMB

Bond name	Total amount raised	Amount used	Amount unused	Status of the special account for raised funds (if any)	Rectification for any irregularity (if any) in the use of raised funds	In compliance with the purpose, use plan and other information stated in the prospectus
21 Midea	RMB3 billion	RMB3 billion	0	Normal	N/A	Yes

SCP001 (High Growth Debt)						
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Use of raised funds in construction projects

Applicable N/A

Indicate whether the raised funds were re-purposed during the Reporting Period

Applicable N/A

3.5 Changes in credit ratings in the Reporting Period

Applicable N/A

3.6 Execution and changes with respect to guarantees, repayment plans and other repayment-ensuring measures in the Reporting Period, as well as the impact on the interests of debt instrument holders

Applicable N/A

4. Convertible Corporate Bonds

Applicable N/A

No such cases in the Reporting Period.

5. Consolidated Loss of the Reporting Period Over 10% of Net Assets as at the End of Last Year

Applicable N/A

6. Interest-bearing Liabilities Other than Bonds that Were Overdue at the End of the Reporting Period

Applicable N/A

7. Irregularities during the Reporting Period

Yes No

8. Key Financial Information of the Company in the Past Two Years

Unit: RMB'000

Item	31 December 2021	31 December 2020	Change
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The 2021 Annual Report of Midea Group Co., Ltd.

Current ratio	111.67%	131.23%	-19.55%
Debt/asset ratio	65.25%	65.53%	-0.28%
Quick ratio	86.92%	110.26%	-23.33%
	2021	2020	Change
Net profit before non-recurring gains and losses	26,257,754	24,742,567	6.13%
EBITDA/debt ratio	46.70%	41.76%	4.94%
Interest cover (times)	25.84	25.25	2.31%
Cash-to-interest cover (times)	28.35	25.69	10.32%
EBITDA-to-interest cover (times)	30.39	29.10	4.45%
Debt repayment ratio (%)	100.00%	100.00%	0.00%
Interest payment ratio (%)	100.00%	100.00%	0.00%

Section X Financial Report

1. Auditor's report

Type of the auditor's opinion	Unqualified opinion
Signing date of the auditor's report	28 April 2022
Name of the auditor	PricewaterhouseCoopers Zhong Tian LLP
No. of the auditor's report	PwC ZT Shen Zi (2022) No. 10017
Names of certified public accountants	Yao Wenping and Wu Fangfang

3. Differences in Accounting Data under Domestic and Overseas Accounting Standards

(1) Differences in the net profit and net assets disclosed in the financial reports prepared under China Accounting Standards (CAS) and International Financial Reporting Standards (IFRS)

Applicable N/A

(2) Differences in the net profit and net assets disclosed in the financial reports prepared under CAS and foreign accounting standards

Applicable N/A

(3) Reasons for the differences. Where any reconciliation is made to any data that have been audited by an overseas auditor, the name of the overseas auditor shall be provided.

Midea Group Co., Ltd.

Legal Representative: Fang Hongbo

30 April 2022